

Book Reviews

A New Progressive Paradigm

Christoph Rosenberg

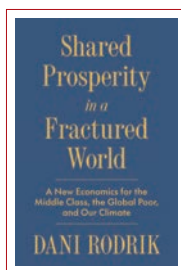
THE PILLARS OF GLOBAL ECONOMIC THINKING are wobbling. Voters around the world are no longer buying into the well-worn paradigms of the past 80 years, whether the free market Washington Consensus, the government-led Keynesian welfare state, or the rules-based liberal international order.

Dani Rodrik's *Shared Prosperity in a Fractured World* seeks to fill this void. Over eight well-argued chapters, the Harvard economist outlines a new approach to tackling what he identifies as the triple challenge of our day: restoring the middle class, addressing climate change, and reducing global poverty. Such ambition should be saluted, even if the book arguably falls short of developing a new narrative that will capture the imagination of anxious populations around the world.

Rodrik's criticism of economic policies, especially those of the hyperglobalization period that followed the Cold War, is scathing and often to the point. Some global norms may have indeed taken too little account of developing economies' needs, and unfettered financial flows may have done more harm than good. The guardians of the global economic order, including the IMF, have long recognized this problem and have adapted support programs to country circumstances (including social safety nets) or modified guidance on monetary and exchange rate policy (including capital controls). At the same time, certain economic truths will hold irrespective of national conditions—something the book could have emphasized equally. Persistent fiscal deficits or overvalued currencies, for example, will create problems down the road, no matter where or when.

When analyzing global cooperation—or the lack thereof—Rodrik focuses on the relationship between the United States and China, arguing that self-interested policies are not as detrimental as they may seem, and that the past focus on multilateral governance was misplaced. But what applies to these large and divergent economies may not be true for the rest of the world. Many countries in Europe and Asia have not given up on the old order and are seeking to preserve it on a regional level, for example through plurilateral trade agreements.

Rodrik is most convincing when he identifies a misguided fixation on manufacturing jobs as a costly mistake, in advanced



SHARED PROSPERITY IN A FRACTURED WORLD
A New Economics for the Middle Class, the Global Poor, and Our Climate

Dani Rodrik
Princeton University Press

Princeton, NJ,
2025, 280 pp.,
\$27.95

“Throughout the book, Rodrik emphasizes experimentation over grand design.”

and developing economies alike. The future, he argues convincingly, lies in enabling workers to take up well-paying jobs in services. To get there, Rodrik advocates a host of micro-level state interventions already proven to work, as illustrated by compelling examples from a public-private partnership in western Michigan to vegetable sellers in Colombia's Bogotá. Throughout the book, he emphasizes experimentation over grand design and local over national—let alone global—solutions.

Can such nitty-gritty long-term policies really address the malaise that has gripped so many people around the world and constitute a “new progressive agenda,” as he claims? For starters, the book is largely silent on some key sources of anxieties today, such as migration flows, rising debt, and the rapid advance of artificial intelligence. Moreover, by framing his approach as an agenda for the Left's return to power (notably in the United States), Rodrik unnecessarily risks politicizing his many sensible insights and solutions.

Developing a new economic consensus will take time. Yet it is a necessary endeavor: Policymaking that is entirely ad hoc and principle-free can hardly lead to a better world. Rodrik's thought-provoking book makes a valuable contribution to a long-overdue debate. **F&D**

CHRISTOPH ROSENBERG is a former deputy director of the IMF's Communications Department.