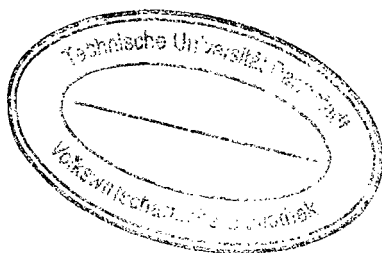


# HAS GLOBALIZATION GONE TOO FAR?

**Dani Rodrik**



INSTITUTE FOR INTERNATIONAL ECONOMICS  
-WASHINGTON, DC  
MARCH 1997

---

# Contents

<b>Preface</b>	<b>vii</b>
<b>Acknowledgments</b>	<b>xi</b>
<b>1 Introduction</b>	<b>1</b>
Sources of Tension	4
Globalization: Now and Then	7
Implications	9
<b>2 Consequences of Trade for Labor Markets and the Employment Relationship</b>	<b>11</b>
Consequences of Trade with Countries Having Abundant Unskilled Labor	13
Consequences of a More Elastic Demand for Workers	16
Recapitulation	25
<b>3 Tensions between Trade and Domestic Social Arrangements</b>	<b>29</b>
Laying Out the Issues: The Example of Child Labor	29
Trade and “Blocked Exchanges”	35
The New Trade Issues and Demands for “Fair Trade”	36
Integration and Social Policy in Europe	38
Maastricht, the French Strikes, and the Social Dimension	41
Do Differences in National Institutions Have Effects on Trade?	44
Recapitulation	48

<b>4 Trade and the Demand for Social Insurance</b>	<b>49</b>
Is External Risk Important?	55
Cross-Country Evidence on Openness, External Risk, and Government Activity	57
Evidence from Panel Data for the OECD Countries	60
Recapitulation	64
<b>5 Implications</b>	<b>69</b>
Social Disintegration as the Price of Economic Integration?	69
Policy Implications	71
Concluding Remarks	85
<b>Appendix A</b>	<b>89</b>
<b>Appendix B</b>	<b>96</b>
<b>References</b>	<b>97</b>
<b>Index</b>	<b>103</b>