

All these characteristics are likely to be of use in any study aiming to provide “a comprehensive examination of the historical, economic, and institutional foundations of the European Monetary Union” (page 280). Unfortunately, the volume under review does not live up to this promise. The book does survey the history and institutions of monetary union, as well as aspects of the optimum currency area literature. But its flaws are many.

The book is poorly edited; despite the publication date of 2002, the bulk of the text was apparently completed no later than 1998 and then superficially updated more recently. Thus the Treaty of Nice is mentioned by name on p. 194, but p. 59 refers only to an “upcoming Inter-governmental Conference” of indeterminate content; likewise EMU itself is sometimes a future event (as on pp. 2, 33, and 146) and sometimes a *fait accompli* (as on pp. 57–58 and in the conclusion, pp. 280–283). The book is also far too long: most of the text serves as an extended literature review while the original analysis begins on p. 255 and lasts just 20-odd pages. And those core arguments, once enumerated, are excessively narrow and pessimistic, failing to live up to the rich promise of the public choice tradition.

In all, the author would have been better advised to publish the results as a short monograph or article and to have done so several years ago. Readers waiting for a definitive public choice analysis of EMU will find themselves still waiting.

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The French Challenge: Adapting to Globalization by Philip H. Gordon and Sophie Meunier. Washington, DC, Brookings Institution Press, 2001. 152 pp. Cloth, \$44.95; paper, \$18.95.

Why does a country with a strong economy, a worldwide economic presence, and a culture that attracts more visitors than any other make a hero of a farmer who smashed up a McDonald’s restaurant in the name of antiglobalization? Answering this question systematically and insightfully is the particular “French challenge” that Philip H. Gordon and Sophie Meunier have set and met. The result is a clear, concise, sophisticated little book that is as well suited to the general reader as to the specialist.

By most standard measures, such as levels of trade, investment, travel, and openness to information from abroad, French society has adapted to globalization with a high degree of success. Yet large majorities of French citizens—more than in Germany or Britain—say that globalization is a threat to French identity, a cause of social inequality, a danger to French jobs and community,

and, last but by no means least, a vehicle for unhealthy and bad-tasting food. Frequently identified with “U.S. domination,” globalization is something that should be “tamed” or “managed” (*mondialisation maitrisee*).

Gordon and Meunier are sympathetic to French concerns even when they do not share them. They cite five reasons why globalization is a particular challenge to France. These are the statist tradition, attachment to culture and identity, the disruption of a rational order, the threat to France’s global stature, and the high standard of living. The first two will serve as examples.

France’s statist, *dirigiste* tradition (the first reason) gives political leaders a vested interest in the globalization debate. The French maintain one of the largest state sectors in Europe, and the idea that the state should supervise and guide economic development remains deeply embedded in the French psyche. But the combination of globalization, European integration, and privatization has steadily eroded the power of the state. Not surprisingly, politicians find this situation threatening. Gordon and Meunier observe sagely that “France is actually adapting to the globalized world economy to a far greater degree than French leaders—who must maintain the notion that the French state is still in control—are prepared to admit” (p. 9).

This erosion of state power helps to explain why protectionism in France has shifted from economics to culture (the second reason), which increasingly includes “European” culture. At the end of their excellent chapter on “Trade, Culture, and Identity,” they cite Jean-Francois Revel’s comment: “For French culture to be squashed by Mickey Mouse . . . it would have to be disturbingly fragile” (p. 64). Here and elsewhere, the authors’ faith in a resilient, attractive, and adaptable French culture shines through.

The French Challenge is refreshingly free of jargon. It makes no attempt to drag French society through the thicket of deconstructionism, Marxism, or any other “ism.” Gordon and Meunier believe that it is perfectly possible to understand French attitudes toward globalization by looking at basic economic statistics and opinion polls, reading widely in the literature on globalization, and simply listening.

The title of the book echoes Jacques Servan-Schreiber’s 1967 wake-up call, *The American Challenge*, which spoke admiringly of the United States but warned of American “domination.” It also suggests that globalization presents not only a challenge to France but also a challenge from France. Referring to the French preference for “managed” globalization, the authors end by asserting that “France’s case for *mondialisation maitrisee* should be welcomed rather than condemned” (p. 117). By the end of the book, the reader is likely to agree.

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