Douglas A. Irwin, *Free Trade under Fire*, 3rd ed. Oxfordshire: Princeton University Press, 2009, 313 pp.
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The first edition of Douglas Irwin's *Free Trade under Fire* was published in 2002, shortly after anti-globalization concerns flared up in violent protests at the Seattle WTO ministerial conference. A third edition, revised and updated, appeared on the eve of the global economic crisis, and in the context of an ailing Doha development round. Consequently, Irwin's book makes a good review subject due to its continued relevance to contemporary international trade turmoil: to the present day, the globalization backlash did not subside, and the end of WTO negotiations deadlock is nowhere in sight.

In the introduction, Irwin draws the scope of his analysis by pointing out a painful truth: "[…] opponents of free trade are not confined to one segment of the political spectrum. From Patrick Buchanan on the right to Ralph Nader on the left, trade skeptics can be found everywhere." (Irwin, 2009, p.3) Thus, the spectrum of reasons purported by the free trade cranks is similarly wide-ranging: from wage cuts, job losses and industry collapse, to pollution, and low labor and health standards. In this avalanche of adverse reactions, Irwin goal is to give free trade - and the economics of free trade - a fair hearing. He thus sets out to place

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the theory and policy of international trade in contemporary context, to submit it to a careful and detailed scrutiny, and reassess its soundness and practical applicability.

In the first chapters, the author maps the development of international trade in the last decade, and the position of the U.S. economy in the world trading system. Subsequently, the most well-known economic argument for free trade is laid on the table: international free exchange leads to a better allocation of resources, to increased productivity and product variety, and thus to a general increase in welfare and standards of living. However, the critical eye of the reader might be displeased with Irwin's exclusively macroeconomic explanation of comparative advantage and its benefits. This is indeed the outstanding fashion of analysis in both traditional and modern trade theory, but this methodological approach is one of the main reasons why the theory - and its free trade policy implications - are so vulnerable to critics. It obscures precisely the most relevant aspects of the comparative advantage principle, viz. its centrality for the development of human society (Mises, 1949, p.162) and the implication that trade benefits everybody concerned, rich or poor, from developed or developing countries alike. The microeconomic argument for free trade is sounder, and also theoretically and empirically imune to the allegations of anti-globalization supporters. One cannot but wonder how much more persuasive would Irwin's case had been with better analytical tools at hand.

Nevertheless, Irwin opens Chapter III with an accurate and compelling argument: the economic case for free trade has been constantly ignored due to the political appeal of protectionism. More precisely, governments have always had strong incentives to cater to powerful producers and interest groups, to the detriment of consumers worldwide. Irwin explains that "this combination of concentrated benefits and dispersed costs leads to an enormous imbalance in the relative size of the political forces opposing and favoring any change in the [trade] policy." (Irwin, 2009, p.92)

Chapters IV and V then tackle the impact of trade on employment, wages and income distribution, as well as anti-dumping and foreign competition protection policies. Subsequently, chapter VI deals extensively with the case of developing countries. Irwin meticulously reveals the flaws and drawbacks of these arguments and policies, and brings empirical evidence to inforce his claims in support of free trade.

In these chapters, the author drives home three crucial points: (1) developing countries also benefit from participating in international trade, (2) government intervention cannot speed up the adjustment of the economy to international trade, and (3) anti-dumping and competition policies are as detrimental to the economy as old-fashioned trade barriers. Nonetheless, Irwin repeatedly concedes to protectionists the theoretical case for government intervention in the likelyhood of market failures. (Irwin, 2009, p.131) However, if markets fall short of perfection, then necessarily so do governments. Aware of this tension, Irwin shies away from any conclusive statements, and prudently concludes that "as a practical matter, using trade policy to correct for such market failures is problematic." (Irwin, 2009, p.101)

In the last chapter of his book, the author deals with the foremost body of the international free-trade movement: the World Trade Organization. Irwin argues convincingly for the idea that "from a strictly economic point of view, the… system of reciprocity in tariff reductions and rules for commercial policy is unnecessary because countries are better off pursuing a policy of free trade regardless of the trade policies pursued by others." (Irwin, 2009, p.235) Notwithstanding, he believes that such a rule-based world trading system is necessary to keep political forces in check from reverting to protectionism. Moreover, according to Irwin, this is precisely the reason why GATT and WTO have been successful in the past. But recent studies (Sally, 2008) have shown that multilateralism is doing more harm than good, given that that all lasting trade liberalization of the past decades proceeded unilaterally, and not under WTO auspices. Additionally, the failure of the current Doha round of negotiations stands as testimony that national governments are more worried about their political bargaining power at the WTO than about free trade. After all, increasing interventionism on domestic markets is not compatible with a policy of international *laissez-faire*.

All in all, Douglas Irwin manages in this book to dispel many globalization myths, and to make a good case for free trade, even though it might not be compelling or comprehensive enough to satisfy all expectations. Even so, the author displays his mastery at applied economics: the empirical studies are very rich in information and are wisely used to illustrate and bolster the theoretical points. Additionally, Irwin's style of writing is clean and uncomplicated, yet judicious and perceptive, making the book a pleasure to read. All these characteristics are an indication that by now Irwin's work has rightly found its place on the bookshelf of every student and scholar of international trade.

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