The Internet is now a universal and ubiquitous medium, the conduit for most of the information that flows through our eyes and ears and into our minds. We are too well accustomed to the benefits that the Net has brought us since the information technology revolutions of the last century.

In this book, a finalist for the 2011 Pulitzer Prize in General Nonfiction, however, Nicholas Carr sounds a warning about the threat that the Internet poses to us, and the risk of being oblivious to that threat. When we read online, we tend to become “mere decoders of information,” he argues. “Our ability to interpret text, to make the rich mental connections that form when we read deeply and without distraction, remains largely disengaged.” Information thus gathered never permeates deep into our brains, never turns into knowledge. This has made us what Carr dubs “the Shallows.”

Carr looks to neurological science to gauge the organic impact on our brains of surfing the Internet.

In developing his argument, Carr looks to neurological science to gauge the organic impact on our brains of surfing the Internet, citing numerous pioneering experiments that contrast the neural pathways built by reading books versus those forged by skimming Web sites. This book is a truly thought-provoking exploration of the Internet’s physical and cultural consequences.

Reviewed by Taehwan Kim
Even as the global economy in the second half of 2011 again faces the prospect of another slowdown following the Great Recession of 2008, this book by Anatole Kaletsky, editor-at-large and principal economic commentator for The Times, delivers an optimistic outlook and prescriptions for the future. That optimism is anchored in his firm belief in the evolutionary capacity of modern capitalism to reinvent itself whenever faced with major crises. Analyzing the different roles played by the state and the market over capitalism’s 250 years of evolution, Kaletsky discerns at least three distinctive versions since the late 18th century: the classic laissez-faire capitalism that prevailed in the 19th century until the 1920s; the Keynesian version that lasted until upended by the Reagan-Thatcher revolutions of the 1980s; and the market fundamentalism triumphant until the 2008 financial crisis.

Kaletsky argues that the latest global crisis has triggered the onset of a fourth transformation towards what he calls “Capitalism 4.0.” This version, he says, will be characterized by a recognition of the fallibility of both the state and the market; ideological flexibility; and a collaborative, not confrontational, combination of the state and the market in managing the economy.

His argument is part prophecy and part prescription, as he says that unless capitalism as we now know it transforms itself in this way, it will not only fail to deliver prosperity, it will risk being overshadowed and eventually supplanted by illiberal versions championed by countries such as China.

Reviewed by Taehwan Kim
Much has been said and written about the rise of China to world domination. In this book, George Magnus provides a corrective to the overly enthusiastic projections about China’s rise, as well as that of other emerging market economies. Warning of the risks of linear economic extrapolation, Magnus brings to the fore something that cannot be counted or measured as easily as the economic and other indicators that have signaled the growth of emerging economies — in particular, the quality of a country’s institutions in assessing the future status of emerging markets in the global economy.

When combined with such catch-up constraints as fast-ageing populations, technological inferiority and climate change challenges, the poor quality of institutions in many emerging markets, particularly in China, suggests that these countries may not be poised to dominate the global economy anytime soon, as some have projected. China’s economic success over the last three decades, propelled by an authoritarian state, ironically contains the seeds of its own slow-down, widening the discrepancy between political institutions and economic growth. Its rigid political institutions will increasingly undermine the country’s more complex, modern, ever more consumer-oriented economy, giving rise to political tensions. Unless these institutional challenges are successfully met, Magnus concludes, emerging markets are more likely to shake the world than shape it.

Reviewed by Taehwan Kim, a Director of the Public Diplomacy Department at the Korea Foundation.
In *Managing the China Challenge*, Kenneth Lieberthal of the Brookings Institution has condensed decades of intimate involvement in US-China relations and close study of Chinese politics into a slim volume that serves as a straightforward handbook to corporate executives doing business in China.

While Lieberthal is addressing US multinational firms, his core insights apply to businesspeople of all nationalities struggling to master trade and investment with Chinese characteristics. Lieberthal is at his best distilling the fundamental nature of Chinese political economy, which systematically provides incentives for economic growth and leaves room for local initiative, while maintaining top-down centralization of political authority. The result is a “relatively high-risk business environment” in which multinationals need to pay careful attention to politics — local, national and international. Lieberthal reveals the unwritten rules guiding the Party-state’s role in the economy, rules he aptly describes as “neither secret nor published.” From these, Lieberthal derives a very useful list of six “fundamentals” to guide strategies for dealing with the government and six categories of risk that demand constant attention.

 Companies looking for a no-nonsense primer on the big picture of how the flow of power shapes the making of money in China would do well to read this.

Reviewed by John Delury
Patrick French’s latest book on India purports to be “an intimate portrait of 1.2 billion people,” and it is just that — a dazzling kaleidoscope of the people who make modern India tick. Divided neatly into politics, economics and society, *India: A Portrait* gives enough historical background from the time of India’s independence in 1947 to be “the one book you should read on the plane to Delhi,” while its liveliness and originality derives from the author’s many interviews, which allows his portrait of India to emerge from the stories Indians themselves tell.

Over the course of his career, French has written extensively about the subcontinent from the affectionate distance of an empathetic outsider. The range of those he has interviewed for this book — from self-made Punjabi billionaires to Maoist rebels in Andhra Pradesh — captures the diversity, richness and contradictions of contemporary India.

French, an Englishman, perhaps inevitably focuses on the vestiges of British rule and the ongoing Anglo-Indian relationship. One of the book’s most striking vignettes explores British economist John Maynard Keynes’ writings on the Indian economy through the prism of Keynes’ homosexual relationship with an Indian student at Cambridge. Unfortunately, French’s Anglo-centric window prevents him from exploring India’s ties to the rest of Asia in all their fullness. Yet, *India: A Portrait* remains an artfully written mosaic, in which the stories of myriad Indian individuals are spun together to tell the tale of an ancient country undergoing continual transformation.

Reviewed by John Delury
Global strategist Pankaj Ghemawat poses the trillion-dollar question of our post-financial crisis world: how much market integration makes sense given the dangers of systemic market failure? For the answer, he looks beyond his own dismal science of economics to explore deeply the relationship between trust and prosperity throughout human history.

He feels we are on the brink of a new era, which he dubs World 3.0, in which neither nation-states nor global markets can serve as our guardians, as each respectively did in World 1.0 and 2.0. Ghemawat warns against the post-crisis temptation to retreat to the dead end of World 1.0, the zero-sum, state-centric realism of a Henry Kissinger or false promises of World 2.0’s globalization theories, from liberal Thomas Friedman’s “flat” world to neo-liberal Milton Friedman’s market-centered world. These will lead to impoverishment and conflict, he warns. What the world needs instead is more market integration and regulation. He argues persuasively that globalization remains limited, and huge gains are waiting to be made by increasing cross-border economic activity, but only if done with enhanced regulation.

This is a “big think” book, but one that, in the best tradition of great economic writing, comes filled to the brim with empirical data.

Reviewed by John Delury, an Assistant Professor of International Studies at Yonsei University in Seoul.