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April-June 2018

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January-March 2018

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October-December 2017

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July-September 2017

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April-June 2017

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October-December 2016

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July-September 2016

Volume 47, Number 185,  
April-June 2016

Volume 49, Number 194, July-September 2018

## EDITORIAL



This issue is dedicated to the memory of Aníbal Quijano (1928-2018), intellectual, humanist, and exceptional Latin American, who was a member of the Advisory Board to the *Problemas del Desarrollo* journal.

The United States' recent levying of tariffs against Mexico, Canada, and the European Union is worthy of comment for myriad reasons. First, it is a sign that the rules by which the global economy used to run have changed, and not necessarily as a result of economic forces. As is well known, President Donald Trump's decision was purely political. The rest of the economies merely responded in kind, by the law of tit-for-tat. The fallout is that the trade war deepens, as the tariffs imposed just pile on top of the currency manipulation launched months ago.

Against this backdrop, it is hard to foretell whether there can be a return to pre-Trump globalization. It would behoove us to recall that globalization in its current state took around 70 years to arrive (between 1914 and 1985, economies were relatively closed to trade and capital).

This brings us to the next point. With the advent of the (as of yet incipient) wave of protectionism, gambling on globalization as the path to prosperity no longer appears to be a solid choice for many economies. That is to say, if perhaps globalization were truly the ultimate (and sole) mechanism to attain maximum welfare for citizens, the shattering of this operational framework dispels this option. Nevertheless, the fact that the most powerful economy in the world has broken with globalization is no trivial act. In this context, it is salient to wonder what choices are left to developing economies to reach the much-yearned for well-being of the majority of their populations, rather than for just the few.

Answering that question brings us to the third idea. Because, on the one hand, we can stubbornly cling to the viewpoint that globalization is the means and the end to achieving prosperity. If so, then diversifying trade with other economies that also embrace full economic openness would be the only option. This alternative, however, augers meager returns. If trade with the top market on the planet failed to bring widespread prosperity, why would free trade with other economies do the trick. The point is that if over the past three decades, globalization has not yielded well-being for the vast majority of societies, it ought to be clear by now that it might not be the right path to take. Free trade is not, said another way, a system where everybody wins.

In his time, Keynes spoke of free trade as a policy alternative that solved domestic problems by making the neighbor's problems worse. He suggested, then, looking inward for a solution to these problems, leaving free trade as a last resort. At our present juncture, this notion offers to policymakers a perhaps unprecedented chance and opportunity, in that sense. In other words, endeavor to solve the problems of slow growth, like high unemployment and poverty and persistent income inequality, in the domestic market. This requires, among other things, recovering the fiscal, monetary, currency, and trade policies, and guiding them toward these objectives. That is, after all, the path that the developed economies have taken to resolve these and other problems. In short, the economic status quo has changed, and it is time for developing economies to do so, too.

Moritz Cruz

Editorial Board of the Journal  
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