

Book Review

Bhagwati, Jagdish, *In Defense of Globalization*, Oxford University Press, New York, 2005, pp 308, Price US \$ 15.95.

The style is lucid in this provocative book and the author captures the reader's attention throughout. Yet anyone anywhere including Jagdish Bhagwati who claims that extreme inequality is benign and good for the poor simply cannot by any means be taken too seriously, 'evidence' and analysis notwithstanding. Bhagwati, a Columbia University economics professor and author of many books on trade, has a brilliant intellect no doubt, but his thinking and ideas to my mind seem somewhat misdirected.

Globalization is a buzzword that has no exact definition. It reflects several meanings, and has its ardent supporters and fervent detractors. Indeed the term is so nebulous and vague that it is possible to be both for and against the phenomenon simultaneously.

The book under review focuses on its economic dimension, defined by the author as 'diverse forms of international integration such as foreign trade, multinational direct foreign investment, movements of 'short term' portfolio funds, technological diffusion, and cross-border migration.' His main contention is that economic globalization is an unambiguously good thing, with the rare downside that thought and effort can lessen. His next theme is that globalization does not need to be given a 'human face', in fact it already has one, he claims. He attempts to prove this point but is not that convincing in the final analysis.

Opposition to globalization is the first thing he tackles and it begins very defensively. The first chapter is entitled 'Anti globalization: Why?' The author defends his approach by saying that without understanding why globalization has raised the heckles of so many, we cannot seek to defend, sustain and deepen globalization. Rather than focusing on the arguments of critics, he tends to talk about how it manifests itself in the main.

The book takes up cudgels against a host of charges against globalization: that it increases poverty, child labor, is harmful for women, jeopardizes democracy, threatens culture, lowers wages, is detrimental to labor standards, leads to environmental degradation and gives a pink ticket

to predatory corporations. He in no uncertain terms maintains that the benefits of globalization outweigh the costs without exception. Bhagwati also talks about capital market liberalization and international migration and then sets out to attempt to provide solutions to globalization's weak points: improving governance, hastening social agendas and controlling the speed of transitions. He concedes a few points to globalization's critics, but tries to argue against most of the allegations. The author however doesn't say 'I think' or 'I believe' but instead 'I would argue', and then doesn't. He seems to lack understanding of what it means to argue a point and hence does not win over critics from the other side of the camp.

Bhagwati for the sake of clarity and convenience, divides critics of globalization into two fundamental categories. The first are those die hard antagonists of market capitalism, anti establishment and according to the author, not open to serious argument. The other consists of what he terms well-meaning but poorly informed critics. It is to the latter that he addresses his book and gives the semblance of taking their charges seriously.

To this end he provides an analysis of the role of nongovernmental organizations (NGOs) in international decision making. Western NGOs and NGOs in the developing world often have diametrically opposing views on matters of economic interest such as the extension of WTO authority to global labor and environmental requirements. Yet because of their financial clout and better funding wealthy NGOs more often than not have the final word when it comes to policy formulation.

To the criticism that globalization increases poverty, Bhagwati dismisses it with one word 'rubbish'. The 'argument' he presents to support his case no way detracts from the harsh reality and is not persuasive in the least. The other related criticism is that globalization brings a flood of cheap imports into developed countries, thus reducing the relative wages of unskilled workers who are overnight compelled to compete with inexpensive labor in the developing world. Bhagwati counters this by saying that globalization delivers new capital and technology to developing countries and it may actually raise wages and shift production away from labor intensive goods. He however is less enthusiastic about the free movement of capital across national borders.

A little too often the author insists the problem lies with the policies which are at fault. Albeit certain of his arguments can be considered as persuasive, he is less successful in his efforts to offer feasible policy alternatives that have the potential of improving existing conditions. Another 'flaw' in the book is his use of frivolous and trivial comparisons

such as the ludicrous example of anti globalization critics blaming a romantic break up on globalization. Anti globalization critics need to be taken more seriously as they have valid, sound arguments for their stand point. Such comparisons, interspersed throughout the book, although an attempt to be 'humorous' simply dilutes the seriousness and weightiness of the issues at hand. Also, Bhagwati does not give readers the space to judge for themselves. He thinks he deserves the benefit of all doubts.

In sum, one gets the impression that so taken up by being pro-globalization is the author, that he readily provides alibis for each and every flaw and weakness of the phenomenon. Alibis unfortunately which fail to convince.

**Lahore School of Economics
Lahore**

Nina Gera