

## Global Empire Defending Globalization

By Paul Harris

Jan 10, 2005, 13:06

A Council on Foreign Relations Book, published in March 2004 by the Oxford University Press under the title *In Defense of Globalization*, is a valiant attempt to deflect from the reality and brutality of the worldwide march of economics. It is written by Dr. Jagdish Bhagwati, a professor at Columbia University in New York City. It is a fairly easy read about a complex subject; but readers who have their eyes open will recognize the deception and the arrogance behind Dr. Bhagwati's arguments.

Dr. Bhagwati was unknown to me previously, which is surely my fault and not his. But he certainly has a distinguished list of credentials and a substantial bibliography. Indeed, he alerts the reader several times throughout the text that he is generally regarded round the world as the leading advocate of the globalization process. Until reading this book, I had assumed that title belonged to New York Times columnist Thomas Friedman, whose writing on most topics tackles thorny issues while maintaining a discreet distance from what might be considered 'hard truth'. Dr. Bhagwati writes in a similar vein, tossing away a significant body of criticism and opposition to globalization with a dismissive flourish.

To be fair, he does point out many of the weaknesses in the positions of those who oppose globalization and his criticisms are mostly accurate. It is difficult to fault the professor's grasp of economics, or his understanding of the processes involved in evaluating the growth of economic globalization. But it is very easy to dismiss much of his analysis as simply, but deliberately, missing the point. An issue I will examine in this essay is the fundamental error made by virtually all economists and those who are willing to listen to them: more about that later.

Dr. Bhagwati begins his book with a preface that questions the need for yet another book about globalization. Although he doesn't quite answer that question, it is clear in his mind the world certainly needs one more book -- his -- after which we will need to look no further for the truth. His main point throughout the text is that those who question or oppose the globalization of economics appear to agree on one thing: "the rapaciousness of multinational corporations, which they believe are the principle beneficiaries, and the main agents ... of this socially destructive globalization."

The professor then sets about explaining how multinational corporations are *not* rapacious, how they are *not* the main beneficiaries of globalization, and how they are *not* the main agents of a socially destructive phenomenon. And he is right, to a point. Corporations are not inherently rapacious and not the main beneficiaries of globalization: the vultures who operate them are. And they are not the main agents of this socially destructive phenomenon; the governments who fail to corral and police the corporations are the agents.

Bhagwati's arguments are wholly disingenuous. Given his chosen profession, his bias toward justification of the world's economic nightmare is to be expected. But his ready dismissal of all

but the most banal issues is harmful.

Modern economics has created the concept that we are materialistic beings, concerned only with the accumulation of things and wealth. There is some truth to this thinking: it is not hard to argue convincingly that humans are greedy and that we have huge appetites for material possessions. But is this necessarily true? Perhaps this is actually a cultural phenomenon and peculiar to Western culture at this time in history. Perhaps it isn't really part of our nature, but a learned behaviour based on the institutions that shape our society.

Economist Karl Polanyi noted that satisfaction of material needs was an integral part of the overall community in traditional societies but it was only that — a part of the overall process of organizing the society, rather than the *raison d'être* for life itself. Meeting material needs was only a part of the general flow of life, no more important than social and family development. He believed that capitalism altered this reality by separating out human desires from each other and then promoting acquisitiveness to the head of the line. The chasing after material goods took on a new importance and essentially became its own world, a world that was given precedence over all other facets of society.

In reality, we are social beings and the need for material goods is only one part of our character. But according to acquisitiveness the primacy it has in our society has allowed for people like Dr. Bhagwati to completely dismiss those who don't pursue the same grasping after money and things.

Bhagwati comments on the economic policies of Ronald Reagan but it is hard to know if he approves or disapproves. Reagan's policies were largely based on a 'trickle-down' theory of economics. It was certainly explained by Reagan to sound reasonable but what it amounted to was the belief that if a few people at the top of the heap were allowed to become filthy stinking rich, some of the overflow would eventually make its way to the bottom and everyone would be better off. Whether Bhagwati approved of Reagan or not, his own view of how globalization ought to work is no different than 'trickle-down'. Everyone will be better off so long as the few elite nations (the United States in particular) get to be filthy rich.

One subject that does seem to trouble Dr. Bhagwati is the obscene level of remuneration demanded by the managers of today's large corporations. And while it might be that he believes this has to change, he offers no suggestions or guidance on how to accomplish that. Indeed, I am only guessing that he thinks this issue should be addressed because he doesn't quite say so.

He also appears to believe that globalization is good, but unrestricted free trade is not. He states there must be proper governance for the globalization process and spends several chapters mouthing that platitude without getting into the specifics of what he is proposing.

Various chapters of the book are devoted to showing us how poverty is alleviated through globalization, how child labour is reduced, how the lot of women is improved, how culture is enriched, how labour standards and real wages are elevated, the environment is saved, and democracy is unharmed. Again, all of this is written with factual argument and it must be recognized that Dr. Bhagwati has tremendous factual resources at his fingertips.

But the professor lost all credibility for this reader when he began to explain how democracy does not suffer under our current roll-out of globalization. Nothing could be further from the truth. There is no government on earth with any control of its economy because the

corporations who drive those economies are beyond their borders, outside their influence, and governments have become the puppets of those corporations. It is simply false to insist that democracy has any real meaning in the industrialized world because the will of the people is no longer within the control of government, even if said government was so inclined.

It should also be understood that globalized trade where everyone does what he does best and where everyone prospers is desirable: it is hard to argue with that. But that is not what the current program for globalization, or anything presently being proposed by government or industry, is going to give us. What we have, and what is becoming even more strengthened, is 21<sup>st</sup>-century feudalism.

By all means read this book: it is an easy read of a complicated subject. But it is also bunk.

Paul Harris is an Axis of Logic Columnist, based in Canada