

Globalisation produces Good Outcomes, enhance them: Prof. Bhagwati

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While underlining the premise that barring a few occasional downsides, globalisation produces good outcomes, Prof. Bhagwati proposed that such outcomes be further improved. Institutional response mechanisms should be designed to address any problems that may arise in specific areas, complimentary policies should be used to enhance the good effects and more caution and economic and political difficulties should be kept in mind while carrying out economic reform. This was the central message in Professor Jagdish Bhagwati's lecture delivered here today. Prof. Bhagwati was delivering the Twelfth C.D. Deshmukh Memorial Lecture instituted by the Reserve Bank of India in memory of its first Indian Governor, the late Chintaman Dwarakanath Deshmukh. Prof. Bhagwati is Professor, Columbia University, New York, USA,

In his lecture today, Prof. Bhagwati addressed three major issues on the theme of "Globalisation *has* a Human Face". These were: poverty in poor countries, child labour and gender issues. He suggested that countries should do better in designing "appropriate governance" so that the dominant effect or tendency of globalisation is good outcomes. Illustrating the point, Prof. Bhagwati stated that if child labour gets reduced by prosperity following globalisation, efforts should be made to use added policies to reduce it faster. He also suggested that in order to enhance the good outcome effect of globalisation, countries should put in place an institutional mechanism to address and remedy any wrong outcome that may arise in specific areas. Countries have to be more cautious and mindful of economic and political difficulties while making transition to globalisation, he stated and added, "maximal speed of reform is not usually the optimal speed of reform."

Prof. Bhagwati pointed out that despite the criticism in the press voiced by anti-globalisers, a recent international poll had suggested that the majority supported globalisation. This majority was stronger in the developing countries than in the developed countries, he added. Further, most anti-globalisers have used the unfortunate experience of avoidable problems that had arisen from imprudent and hasty dismantling of capital account controls to denounce other forms of globalisation. Financial liberalisation that created serious problems such as the Asian financial crises, for instance, was used to condemn trade liberalisation. In other words, anti-globalisers had created the illusion of political noise by attacking all globalisation because some component of it was badly handled.

Anti-globalisers are also more concerned about social implications of economic globalisation than its conventional economic efficacy. Questions, for instance, are raised relating to areas, such as, the effects of globalisation on poverty in poor countries, the working class in rich countries, especially their real incomes and labour standards which they have achieved over decades of struggle, gender equality and women's welfare, mingling of mainstream culture with indigenous culture and democratic governance in a world of growing interdependence.

Prof. Bhagwati pointed out that the policy intervention and design will strongly differ depending on which of the two contrasting theses one subscribed to. He stated that if one believed that globalisation lacked a human face, one will want to restrain, challenge or

handicap globalisation; whereas if one believed that globalisation had a human face, one will complement, supplement and enhance the human face and policy interventions.

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