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Coping With Antiglobalization: A Critique.

Aleksandar Vasilev

In his article in Foreign Affairs of 2002, Professor Bhagwati presents a balanced view about globalization. His article focuses on discussing antiglobalists' arguments. He presents, discusses and then refutes their claims stemming from their perception of capitalism, the process of globalization and the role of corporations.

The author starts by analyzing young antiglobalists' idea that capitalism cannot achieve social justice. Bhagwati, however, clearly shows that capitalism gives opportunities to many for equal access. India is given as an effective example, where capitalism was substituted for social planning. The result, however, was worsening of the economic situation. In addition, Bhagwati argues that antiglobalist movements develop in colleges mostly among students of literature and sociology, the majority of who he claims tend to reject everything. A status quo should be compared to an alternative. Therefore, as Bhagwati skillfully points out, when a change leads to some people benefiting more, than others lose, on aggregate, there will be a positive effect.

Then the author turns to new technologies. They are used to explain the disparity that we see in antiglobalists' arguments between world problems and the proposed measures. Bhagwati clearly states that media brings the suffering in developing countries too close to allow for rational behavior on the viewers' side. In addition, he argues people get a rough picture, in most cases with a delay. Thus, many people protest in the streets, sometimes not knowing that the situation changed long ago. Furthermore, the Non-Government Organizations (NGOs) that possess adequate knowledge to make critiques about policies are not the ones organizing the protests.

Bhagwati does not accept the argument that since monopolies are bad domestically, big multinational corporations (MNCs) should exploit developing countries as well. MNCs are accused of forcing countries to engage in policies of ever decreasing taxes, thus losing government revenue. This is not, however, what happens in reality. Due to globalization, MNCs meet with competitor, meaning that he higher the openness of the world economy, the more MNCs there would be. Developing countries benefit from this competition. Moreover, MNCs do not work in a vacuum and they usually think long-term and care about reputation. Thus Bhagwati effectively argues that antiglobalists suffer from the fallacy of composition: they see two events,

one after the other and conclude that the first (globalization) caused the second one (deteriorating social conditions).

The author confronts the view that globalization worsens social indicators, such as literacy and gender inequality. As evidence, he gives the example of Japanese businessmen' spouses that move to Western countries. Exposure to foreign culture inspired them to strive for a better life. Thus, Bhagwati supports his claim that that feminist movement was given a push by globalization. Globalization also gives one a possibility to work away from home. This is liberating, especially for women. They are usually treated unequally in the developing world, while internationally, women receive wages approximately equal to those of men. In addition, Bhagwati provides a study proving that MNCs do not exploit workers domestically: usually the wage is 10% higher than the going local wage.

In the last section, the author turns to the downsides of globalization when there are trade restrictions. High growth cannot occur to eradicate child labor in this case and Bhagwati urges for "institutional and policy innovations." Bhagwati provides a case from Bangladeshi: after an act in 1995, children were laid off from textile factories. Their families, however, had no other form of income to sustain themselves. Thus, female children ended up prostituting themselves, a situation which could have been prevented by coordinated multinational financial aid. Bhagwati's critique is to make antiglobalists comprehend the consequences of the measures they propose and not to forget about the transition period.

On the issue of corporations, the author effectively argues that MNCs do more good than harm. The author, however, argues that antiglobalists should better ask how MNCs could help people even more. Each corporation, whether it is for profit or non-profit can help in a different way. Welfare is multi-dimensional and companies see their social role in different aspects in the global economy. Thus no one's efforts should be negated.

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