

সংহতি



সম্পাদক

ড° হর কুমার নাথ

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MAKING GLOBALIZATION WORK

Bondita Borbora

Assistant Professor

Deptt. of Pol. Sc, Dudhnoi College

“Making Globalization Work”

By Joseph Stiglitz

Penguin Books, 2007

PP: 358, £ 4.99

“A brave book... Stiglitz is able to cut through the jargon and explain the complex in simple terms.” — USA Today.

Joseph Stiglitz is one of the world’s best known economists. He was chief economist at the World Bank until January 2000 and also served as chairman of the Council of Economic Advisers in the White House from 1993 to 1997 under President William Jafferson Clinton. He is currently working as a professor of Finance and Economics of Columbia University. He won the Nobel Prize for Economics in 2001 and is the author of the best selling “Globalization and its Discontents” and “The Roaring Nineties” both published by Penguin books. Professor Stiglitz is the Chairman of the Management Board and Director of Graduate Summer Programmes at the Books World Poverty Institute, University of Manchester.

Joseph Stiglitz wants to stop rich and developed countries from exploiting poor and developing countries without damaging

the springs of wealth-creation. He was a critic of free market fundamentalists and has emerged as one of the most prominent critics of international economic institutions, in particular IMF and WB. In this sense, Stiglitz can be regarded as a classical social democrat.

The book under review i.e. “Making Globalization Work” is the third popular book of Joseph Stiglitz, which in the words of writer himself is as much about how politics has been used to shape the economic system as it is about economic itself. Stiglitz days in White House and World Bank has put him in a unique position to understand globalization’s problems and compelled him to think that though development is possible, but it isn’t inevitable. He saw countries where poverty was increasing rather than decreasing and he argues that globalization has made it more difficult to obtain the requisite balance. “Making

Globalization Work” is the result of Stiglitz’s deep study on globalization and here he makes a description how can globalization be made work, not just for rich and powerful but for all people including those in the poorest countries. The book under review is published by Penguin Books in 2007 and it contains total 358 pages having ten chapters, each discussing different problems that the world has been facing now. The book was first published in the United States by W.W. Norton & Company in 2006 and in Great Britain by Allen Lane in 2006. In the book, chapter by chapter, Stiglitz gradually looks at the current situation of inequalities and gives some remedies to rescue the poor from the clutches of rich and powerful and thereby to make sure that globalization will work for all. In this book, he makes an attempt to show how globalization, properly managed, as it was in the successful development of much of East Asia, can do a great deal to benefit both the developing and the developed countries of the world.

Stiglitz calls for global solution

Joseph Stiglitz’s book “Making Globalization Work” is mostly about economic globalization. By studying the book, it can’t be said that Stiglitz was a critic of globalization. But he is dissatisfied with the way that globalization has been managed. He believes that globalization has the potential to bring enormous benefits to those in the poorest countries of the world. In the first chapter, Stiglitz discusses about two faces of globalization by starting with a discussion

on World Social Forum held at Mumbai in January, 2004 that gave emphasis on social change and to make reality the slogan ‘Another world is possible’. Stiglitz asserts that the way globalization is currently managed is not consistent with democratic principles because outside of China, poverty in the developing world has increased over the past two decades. ‘The Rules of the Game’, he writes, have been largely set by US Corporate interest. Trade agreements have made the poorest worst off and condemned thousands to death through AIDS. Multinational Corporations have stripped poor countries of the natural resources and left environmental devastation. Stiglitz wants to show a picture how the world’s richest countries refuse to do anything about some of the world’s environmental problems like global warming whose devastating affect is specially felt in some of the world’s poorest countries. Stiglitz argues that the United States and European Union have passed with considerable success because of liberalization of capital markets. Stiglitz opines that post-war trade regimes i.e. NAFTA, GATT, WTO have been raising the interest of rich countries by which he means particularly USA, Europe and Japan. The developed countries which are rich in capital move around the world looking for the highest returns. But the developing countries which have an abundance of unskilled workers, want to move around the world in search of better jobs.

Joseph Stiglitz also presents a distinct

scenario of how the resource rich countries are treated by the advanced industrial countries. He regards it as “natural resource curse” because so many developing countries are economically dependent on natural resources and resource-rich countries tend to be wealthy countries with poor people. In the words of Stiglitz, “when there is a pile of diamonds sitting in the middle of the room, everyone will make a grab for it. The biggest and strongest are more likely to succeed.” Stiglitz argues that in this context, the first important task is to set up of democratic institutions that will reduce the scope for corruption and ensure that the money derived from natural resources is invested well. But here also the multinational companies create problems.

In the chapter “The burden of debt”, Stiglitz claims that around the world debt poses a burdensome problem for developing countries. Developing countries borrow too much and that force them to bear most or all of the risk of interest rates. Stiglitz also proposes the establishment of an ‘international credit court’ to decide how much ‘Odious debt’ countries need to repay as well as an International Bankruptcy Agency to restructure sovereign.

Global Reserve System

Stiglitz argues that the global financial system is not working well specially for the developing countries. Money is flowing from the poor to the rich. The developing countries are facing problems arising from

excessive debts. His preferred solutions are large scale reforms in existing international institutions and the creation of new institutions like a global reserve system to make trade fairer, to allocate reserve more equitably, and to discourage despotism and corruption. Stiglitz hopes that a simple reform of the global financial system would lead to a stronger and more stable economy. Reform would also solve world’s biggest problems like the lack of funds to promote development, fight poverty and provide better education and health for all. According to Stiglitz, reserves are intended to reduce the costs of instability. Stiglitz proposes a new international reserve currency called “Special Drawing Rights”, which he calls global greenbacks. He argues, the creation of a global reserve currency would make it less necessary for countries to accumulate dollar reserves and would do more to make globalization work than any other initiatives.

Stiglitz also recognizes that poor government in poor countries is also responsible for keeping them poor. Stiglitz argues that what is needed is democratization of global institutions. He also proposes some reforms like increased transparency, improvement in conflict of interest rules, more openness, improved accountability, to enhance the ability of developing countries to participate meaningfully in decision making, better judicial procedures, better enforcement of the international rule of law etc. Stiglitz also proposes a global social

contract between developed and the less developed countries in order to make globalization work for all.

An Assessment on Stiglitz's reform system

Though Joseph Stiglitz addresses the problems the world is currently facing, we have to mention that Stiglitz has forgotten that globalization, though imperfect, does often work for the poor. Already, it has lifted hundreds of millions of people out of poverty. We shouldn't keep away the positive sides of globalization. In case of environmental problems also, we can't define it with any particular territory. For

environmental degradation, more or less all countries are responsible. In order to deal with the problems no particular country has its own responsibility. Increasingly we have seen a "blame game".

In spite of these, Stiglitz helps the readers to understand exactly what is at stake. Even the title of the book suggests a transition from destructive situation to a constructive engagement. Indeed, Joseph Stiglitz's book 'Making Globalization Work' is an imaginative, and above all, practical vision for a successful and equitable world. □