

## Coping with Anti-Globalization<sup>1</sup>

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Globalization first became a buzz word. Davos and Thomas Friedman celebrated its virtues, its inevitability. But then came the anti-globalizers. Globalization then became a more conventional four-letter word. The Ruckus Society and Pierre Bourdieu proclaimed its vices, its vincibility.

As this dialectic has unfolded, it is tempting to think that there is a primeval curse on the phenomenon. After all, if you care to count, globalization is in fact a thirteen-letter word. But, seriously, globalization has become by now a phenomenon that is doomed to unending controversy, the focal point of always-hostile passions and sometimes-violent protests. It is surely a defining issue as we enter a new century. The reasons why this has happened cry out for comprehension. Without such understanding, and then informed refutation of the fears and follies that animate the anti-globalizers, we cannot adequately defend the globalization that many of us seek to sustain, even deepen.

Central to many of the protests is a linked trilogy of discontents that take the form successively of an ethos composed of anti-capitalist, anti-globalization and an acute anticorporations mindset. These views are interlinked because globalization is seen as the extension worldwide of capitalism; whereas corporations are seen as the B-52s of capitalism and its global reach. So I must begin with anti-capitalism.

### Anti-Capitalism

As the 20th century ended, capitalism seemed to have vanquished its rivals. Francis Fukuyama's triumphalism in his celebrated work, *The Last Man* (1990), was like a primeval scream of joy by a warrior with a foot astride his fallen prey. It was not just the collapse of communism in Europe and China's decisive turn away from it. As the energetic antiglobalization NGO, *Fifty Years is Enough*, laments, even the Swedish model had lost its appeal.

The much-advertised model of "alternative development" in the Indian state of Kerala had also run into difficulties, much as President Julius Nyrere's celebrated socialist experiment in Tanzania had run the economy into the ground. This vanishing of different possibilities has led to what I have called the Tyranny of the Missing Alternative, provoking a sense of anguished anticapitalist reactions from both the old and the young: The old are fewer, and they matter less, than the young. They could be the generals in the war on capitalism but the young today are happy to be foot soldiers, fighting on their own.

But they can make noise; and these days almost anyone who screams is likely to get, not just heard, but sometimes even listened to.

The old are, of course, the anti-capitalists of the postwar years, ranging from socialists to revolutionaries. They are the ones who, especially when communists or Marxists, are captive to a nostalgia for their vanished dreams.

When the last Davos meeting was held by the World Economic Forum, in February 2001, there was an Anti-Davos meeting held in Brazil at the same time. [How many know that there is even an Anti-Nobel Prize?] The rhetoric in Brazil was one of revolution. I recall George Soros, who properly considers himself to be a radical thinker, a progressive financier, going into a debate from Davos on the video monitor with some of the Anti-Davos participants. I recall his frustration, indeed astonishment, when he realized that he was the enemy, not a friend, much like the Democrats were

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chagrined that Ralph Nader thought during the last US election that they were not really different from the Republicans.

Soros, who had not interacted with these groups, just did not get it: as far as these anticapitalist revolutionaries are concerned, anyone who is in stocks and bonds should be put into stocks and bonds. Indeed, these groups, who were memorializing Che Guevara and listening to Ben Bella, were the exact antitheses of the Arthur Koestlers of the world who wrote of the God That Failed. They were working from a script titled *The God That Failed but Will Rise Again*; they only had to keep the faith But the globalizers must also confront the young. And if you have watched the streets of Seattle, Washington, Prague, Quebec and Genoa where the anti-globalizers have congregated with increasing militancy, or if you see their impassioned protests on the campuses as I have

watched the Anti-Sweatshop Coalition's activities at my own university (Columbia), there can be no doubt that we have here a phenomenon that is truly important in the public space and also more potent: the nostalgia of the fading generation cannot compete with the passions of the rising generation.

So, how is the discontent of the young to be explained? Of course, a rare few among them are like the old. Consider Global Exchange, an NGO that likes to describe itself as a Human Rights group --- this is the "in" phrase much as Socialism was three decades ago and its moral resonance immediately gets you on to higher ground and gives you a free pass with the media and the unsuspecting public. It professes politics that is unmistakably in the old revolutionary corner and gets endorsements from the great linguist and activist Noam Chomsky, among other left intellectuals. Quite stereotypically, it describes Israel as "an exclusionary state" that "trains other undemocratic, abusive regimes" around the world and complains that US aid to Israel "maintains the military-industrial complex here in the U.S." Its pronouncements on the WTO are no less dramatic and drastic: the WTO "only serves the interests of multinational corporations" and "the WTO is killing people".

But Global Exchange and its radical chic are really a fringe phenomenon. There are several other explanations of what animates the young in particular: each may explain part of the reality, while collectively they provide a more complete explanation.

1. Far too many among the young see capitalism as a system that cannot address meaningfully questions of social justice. To my generation, and that of the British left-leaning intellectuals such as George Bernard Shaw that preceded it, the Soviet model was a beguiling alternative. Indeed, my much-translated 1966 book on *The Economics of Underdeveloped Countries* (Weidenfeld & Nicholson), contains a distinct nod towards the Soviet Union: "The imagination of many ...nations has been fired, perhaps most of all, by the remarkable way in which the Soviet Union has raised itself to the status of a Great Power by its own bootstraps and in a short span of time". How appalling a misjudgment this view of the Soviet alternative seems today, and how commonplace it was then!

That capitalism may be viewed instead as a system that can paradoxically destroy privilege and open up economic opportunity to the many is a thought that is still uncommon. I often wonder, for example, how many of the young skeptics of capitalism are aware that socialist planning in countries like India, by replacing markets system-wide with quantitative allocations, worsened rather than improved unequal access because socialism meant queues that the well-connected and the well-endowed could jump whereas markets allowed a larger number to access their targets.

2. But the anti-capitalist sentiments are particularly virulent among the young who arrive at their social awakening on campuses in fields other than Economics. English and Comparative Literature and Sociology are a fertile breeding ground. Thus, deconstructionism, espoused by the French philosopher Jacques Derrida, has left the typical student of literature without anchor because of its advocacy of an "endless horizon of meanings". Terry Eagleton, the sympathetic chronicler of modern literary theory, has written:

"Derrida is clearly out to do more than develop new techniques of reading:

deconstruction is for him an ultimately political practice, an attempt to dismantle the logic by which a particular system of thought, and behind that a whole system of political structures and social institutions, maintains its force.”

True, the Derrida technique will deconstruct any political ideology, including Marxist. Typically, however, it is focused on deconstructing and devaluing capitalism rather than Marxism, often with nihilistic overtones which create the paradox that many now turn to anarchy, not from Bakunin but from Derrida!

The heavy hand of Marxist texts on students of literature, on the other hand, has been beautifully captured by V.S. Naipaul in his compelling portrait in *Beyond Belief* of the Pakistani guerrilla Shabaz who went from studying Literature in England to starting a revolution in Baluchistan that failed:

“There were close Pakistani friends at the university. Many of them were doing English literature, like Shabaz; it was one of the lighter courses, possibly the lightest, and at this time it was very political and restricted. It was encouraging Marxism and revolution rather than wide reading. So Shabaz and his Pakistani friends in their Marxist study group read the standard (and short) revolutionary texts, Frantz Fanon, Che Guevara. And while they read certain approved Russian writers, they didn’t read or get to know about the Turgenev novels, *Fathers and Sons* (1862) and *Virgin Soil* (1877), which dealt with conditions not unlike those in feudal Pakistan, but questioned the simplicities of revolution.”

As for Sociology, many of its students are influenced equally by the new literary theory and the old Marxism. They stand in contempt of economic argumentation that would refute their rejectionist beliefs about capitalism by asserting that economics is about value whereas sociology is about values. But they are wrong today on both counts. Economists will retort that, as citizens, they choose ends, but as economists, they choose the (best) means. Moreover, accused of indulging the profit motive, they respond with the legendary Cambridge economist, Sir Dennis Robertson, that economics is addressed heroically to showing how “man’s basest instincts”, not his noblest, can be harnessed through appropriate institutional design to produce public good. Adam Smith would surely have died an unsung hero if he had peddled the pedestrian argument that altruism led to public good.

And, indeed, economists’ policy analysis necessarily requires the use of criteria that enable one to say that one policy is “better” than another. That takes them straight into moral philosophy, of course. One could thus argue that the philosopher John Rawls’ input into economic theory has been as profound as that in philosophy: in fact, he drew on the economist Nobel laureate William Vickrey’s concept of the “veil of ignorance” and gave economists back the maximin principle: a fair trade, I should say!

The presumption that sociology is a better guide to ethics than economics is also misplaced. Certainly, its related discipline, social anthropology, whose many adherents now find their voice in some NGOs, foundations and in the World Bank, traditionally leans towards preserving cultures whereas economics in our hands is a tool for change. Fascinated by social anthropology, and deeply buried in the writings of the legendary A.R. Radcliffe-Brown and many others, when I studied in England, I still wound up preferring economics for my vocation.

What other choice could really have been made by a young student from a country afflicted by economic misery? Indeed, if reducing poverty by using economic analysis to accelerate growth and therewith pull people up into gainful employment and dignified sustenance is not moral, and indeed a compelling imperative, what is?

3. But I should add that many of these students are also susceptible to the bitingly critical view of economics brilliantly propounded by Rosa Luxemburg in her classic essay on “What is Economics”, the first chapter of a proposed ten-chapter work, only six of which were found in her apartment after her murder. She had argued that “the new science of economics”, which had reached the status of an academic discipline in Germany, was tantamount to an attempted legitimization of the “anarchy of capitalist production” and was essentially “one of the most important

ideological weapons of the bourgeoisie as it struggles with the medieval state and for a modern capitalist state". The "invisible hand", with its rationalization of markets, had a hidden agenda, hence it lacked veracity: a non sequitur, of course.

4. But I also think that an altogether new factor on the scene that propels the young into anti-capitalist attitudes comes from a different, technological source in a rather curious fashion. This is the dissonance that now exists between empathy for others elsewhere for their misery and the inadequate intellectual grasp of what can be done to ameliorate that distress. The resulting tension spills over into unhappiness with the capitalist system (in varying forms) within which they live and hence anger at it for its apparent callousness.

Today, thanks to television, we have what I call the paradox of inversion of the philosopher David Hume's concentric circles of reducing loyalty and empathy. Each of us owes diminishing empathy as we go from our nuclear family, to the extended family, to our local community, to our state or county (say, Lancashire or Montana) , to our nation, to our geographical region (say, Europe or the Americas), and then the world. What internet and CNN have done is to take the outermost circle and turn it into the innermost, while the same technology, as Robert Putnam has told us, has accelerated our moving to "bowling alone", glued to our TV sets and moving us steadily out of civic participation, so that the innermost circle has become the outermost one.

So, the young see and are anguished by the poverty and the civil wars and the famines in remote areas of the world but have no intellectual way of coping with it rationally in terms of appropriate action. Thus, as I watched the kids dressed as turtles at Seattle, during the riotous 1999 WTO Ministerial meeting, protesting against the WTO and the Appellate Body's decision in the Shrimp-Turtle case, I wondered how many knew that the environmentalists had won that decision, not lost it! When asked, of course, none knew what they were really protesting; and, when I mischievously asked some if they had read Roald Dahl's famous story about the boy who had freed the giant turtle and sailed away on it into the far ocean, they shook their turtle heads! It has become fashionable to assert that the demonstrating youth know much about the policies they protest; but that is only a sentiment of solidarity with little basis in fact. True, there are several serious NGOs with real knowledge and serious policy critiques; but they are not the ones agitating in the streets.

5. Overlaying the entire scene of course is the general presumption that defines many recent assertions by intellectuals that somehow the proponents of capitalism, and of its recent manifestations in regard to economic reforms such as the moves to privatization and to market liberalization (including trade liberalization), are engaged, as Edward Said's claims, in a "dominant discourse [whose goal] is to fashion the merciless logic of corporate profit-making and political power into a normal state of affairs" [The Nation, September 17/24, 2001, p.32].

Following Pierre Bourdieu, Said endorses the view that "Clinton-Blair neoliberalism, which built on the conservative dismantling of the great social achievements in health, education, labor and security) of the welfare state during the Thatcher-Reagan period, has constructed a paradoxical doxa, a symbolic counterrevolution". In Bourdieu's own words, this is: "conservative but presents itself as progressive; it seeks the restoration of the past order in some of its most archaic aspects (especially as regards economic relations), yet it passes off regressions, reversals, surrenders, as forward-looking reforms or revolutions leading to a whole new age of abundance and liberty)."

But, frankly, this view stands reality on its head. Of course, we have known since Orwell that words do matter; and the smart duellists in the controversies over public policy will often seize the high ground by appropriating to themselves, before their adversaries do, beguiling words such as "progressive" for their own causes. Thus, believe it or not, protectionists in trade have been known to ask for "tariff reform"; today, they ask for "fair trade" which no one can deny except for the informed few who see that it is used in truth to justify unfair trade practices.

Phrases such as “corporate profit-making” and “trickle down” policies do the same for the friends of Bourdieu, creating and fostering a pejorative perception of the market-using policy changes that they reject. It is therefore not surprising that today’s reformers turn to the same linguistic weapons as the anti-capitalist forces of yesterday. But let us also ask: is it “conservative” or “radical” to seek to correct, in light of decades of experience and in teeth of entrenched forces, the mistakes and the excesses of past policies, no matter how well motivated? In fact, as reformers know only too well, it takes courage and elan to challenge orthodoxies, especially those that are conventionally associated with “progressive” forces.

As for the policies themselves, the fierce binary contrast drawn by Bourdieu is an abstraction that misses the central issues today. The debate is really not about conservative counterrevolution and the enlightened past order. It is rather about shifting the center of gravity in public action, more towards the use of markets and less towards dirigisme. It is not about “whether markets”; it is about where the “limits to markets” must be drawn.

The present-day turn towards reforms in the developing countries is also prompted by excessive and knee-jerk dirigisme. As I often say, the problem with many of these countries was that Adam Smith’s Invisible Hand was nowhere to be seen! Their turn to economic reforms is to be attributed, not to the rise of “conservatism”, but to a pragmatic reaction of many to the failure of what many of us considered once to be “progressive” policies that would lift us out of poverty, illiteracy and many other ills. As John Kenneth Galbraith once said about Milton Friedman, and here I take only the witticism and not sides, “Milton’s misfortune is that his policies have been tried”!

### **Anti-Globalization**

Anti-capitalism has turned into anti-globalization among the left-wing students for reasons that are easy to see but difficult to accept. After all, Lenin wrote extensively about imperialism and its essential links to capitalism; and present-day writers such as Immanuel Wallerstein have seen the growing integration of the world economy in related ways as the organic extension of national capitalism.

Lenin’s views on imperialism provide an insight into a principal reason why antiglobalization is seen by those on the left so readily as following from anti-capitalism. In his famous work, *Imperialism: The Highest Stage of Capitalism*, Lenin stated that the “distinctive characteristics of imperialism” in the form of monopolies, oligarchy and the exploitation of the weak by the strong nations “compel us to define it as parasitic or decaying capitalism”. Nikolai Bukharin, for whose work *Imperialism and the World Economy*, Lenin wrote a Preface, considered that imperialism with its attendant globalization of the world economy is little more than capitalism’s “[attempt] to tame the working class and to subdue social contradictions by decreasing the steam pressure through the aid of a colonial valve”; that “having eliminated [through monopolies] competition within the state, [capitalism has] let loose all the devils of a world scuffle”.

This notion therefore that globalization is merely an external attenuation of the internal struggles that doom capitalism, and that globalization is also in essence capitalist exploitation of the weak nations, provides not only an inherent link between capitalism and globalization. It also makes globalization an instrument for the exploitation of the weak nations. And this certainly has resonance again among the idealist young on the left. Capitalism seeks globalization to benefit itself but harms others abroad. The Lenin-Bukharin argument then leads, as certainly as a heatseeking missile, to anti-capitalist sentiments.

### **Anti-Corporations**

But central to that perspective is the notion, of course, that it is the “monopolies”, for that is indeed how the multinationals are often described even today in much of the antiglobalization literature, that are at the heart of the problem: they do not benefit the people abroad; they exploit them instead. Indeed, this notion of globalization as an exploitative force that delays the doomsday for capitalism at home and harms those abroad has captured some of the more militant among the naïve youth today.

The anti-corporation attitudes come to many others, who are not aficionados of leftwing literature, also from the obvious sense that multinationals are the B-52s of capitalism and of globalization that are the object of concern. Their proliferation has been substantial, unprecedented in history. But their strength is grossly exaggerated because few understand that they, even when huge, undercut one another in economic power because they compete against one another --- economists describe this as markets being contestable --- and their political power is similarly stifled by economic and national competition in many instances.

Yet others find it plausible that multinationals must necessarily be bad in a global economy because global integration without globally shared regulations must surely amount to a playing field for multinationals that seek profits by searching for the most likely locations to exploit workers and nations, thereby putting intolerable pressure on their home states to abandon their own gains in social legislation in what is feared to be a “race to the bottom”.

Indeed, this view is so credible that even a shrewd and perceptive intellectual such as Alan Wolfe, who sees through cant better than most, has recently written [The New Republic, October 1, 2001] disapprovingly and casually of the “policies of increasingly rapacious global corporations”.

But appealing as this scenario may appear, it will not withstand scrutiny. Much recent empirical work shows that the evidence for a race to the bottom is practically non-existent. The political scientist Daniel Drezner has written a whole book showing that we have here much rhetoric by both opponents and supporters of globalization; but no empirical support. Econometricians have also found little to report. This may sound contrary to commonsense; surely, these social scientists must be consultants to the corporations? They are not. There are plenty of reasons why corporations do not rush in to pollute rivers and the air simply because there are no regulations. I suspect that, aside from economic reason for not choosing say environmentally-unfriendly technology, the main check is provided by reputational consequences: in today’s world of CNN, civil society and democracy proliferation, the multinationals and the host governments cannot afford to do things beyond the pale.

So the “obvious” truth of the race to the bottom in an unregulated world turns out to be not so obvious. Economists are indeed a nuisance: they complicate analysis by telling you that your gut feelings are too simplistic. This makes them particularly unpopular with the young who want to believe what seems perfectly plain but is rarely so in truth.

And so, many of the young zero in, with a “gotcha” mentality, seizing on every misdeed of a multinational they can find, seeking to validate their anti-corporation biases. This surely accounts for the return of Ralph Nader: the great scourge of misdeeds by corporations. It has also magically transformed Julia Roberts, the mediocre actress whose triumph was as A Pretty Woman, into an acclaimed actress in Erin Brockowitch; and introduced the gifted actor Russell Crowe to celebrity on the screen in The Insider: both movies where a David takes on the Goliath in shape of a venal corporation.

The anti-corporation militancy that is on the rise among the young anti-globalizers is also strategic, of course. We have witnessed the brilliant way in which the anti-globalizers managed to use the meetings of the international agencies such as the World Bank, the IMF and particularly the World Trade Organization (originally the GATT), the pride of progressive architectural design regarding the management of the world economy and the permanent legacy of legendary men of vision, to protest and profess their anti-globalization sentiments. After all, these meetings were where the world’s media gathered. What better place to create mayhem and get attention from the vast multitude of reporters looking for a story? So, where the old guerrillas struck where you least expected them, these new guerrillas struck where you most expected them: at these meetings!

The same strategic sense has been displayed in going after the corporations as well. Nike and Gap, two fine multinationals, now have a permanent set of critics, with newsletters and websites worldwide. With Nike and Gap household names and having gigantic overseas operations that cannot possibly avoid lapses from whatever is defined as good behaviour (e.g.

that Nike does not pay a “living wage” as Global Exchange would define it, for instance), they represent obvious targets in a propaganda war that is stacked against them. Naomi Klein, the Canadian writer, admitted it frankly in a recent article in *The Nation*: faced with the amorphous but overwhelming globalization phenomenon, the only way to get at it is to latch on to something concrete and targetable. So, they go after the corporations that spread and constitute the globalization that is reprehensible. We then also see teenagers carrying placards outside Staples and demonstrating in front of Starbucks while their more militant adult friends threw stones through the coffee chain’s windows at Seattle. I talk with them at every opportunity; I find enthusiasm, even idealism, but never any ability to engage concretely on the issues they take a stand on. But then the Kleins of the anti-globalization movement are not fazed; it is all strategic, it is in a good cause.

### **Political Alliances:**

But the recent successes of the anti-globalization forces can also be assigned to the fortuitous alliance struck between the young agitationists and the conventional organized lobbies such as the labour unions, the new pressure groups such as the environmentalists and movements such as those for human rights.

Seattle saw these groups merge and emerge as a set of coalitions. “Teamsters and turtles” joined the unions with the students and the environmentalists. “Green and blue” joined the environmentalists with the blue-collar unions ‘Labour standards’ became “labour rights”, heralding the alliance of human rights activists and the unions. The Anti-Sweatshop movement on the campuses signified the return of several union-trained summer interns who would ally themselves, and align their views, with the unions.

While these alliances have made the anti-globalizers more effective to date, the alliances themselves are fragile. Thus, after Black Tuesday’s attack on the World Trade Center, the alliance between the unions and the students has turned brittle as the campuses have turned against war and the unions for it. The turn to violence by the students at Seattle, Quebec and Genoa has also prompted union misgivings: the rank and file of the unions is not sympathetic to such tactics.

The Teamsters have broken with the environmentalists over the Bush administration’s decision on drilling in Alaska Wildlife Refuge for oil. At the WTO, the environmentalists are poised to get their agenda, in some form, onto the next Round of trade negotiations; but unions will not have their way on a Social Clause, so the blue-and-green alliance are likely to have a parting of the ways much the way there is today no unified bloc of underdeveloped nations in international economic negotiations but only coalitions around different interests that often cut across the conventional North-South divide. The fissures are therefore many; and, in particular, the negative agenda of anti-globalization is not sufficient glue when the disparate groups start on different trajectories of positive achievements.

### **Confronting Anti-Globalization**

But that does raise the broader question: will anti-globalization then collapse? Do not count on it. It cannot be done unless we engage the anti-globalizers on many fronts. Let me sketch some of the principal ways we must do this.

1. At the outset, we need to use reason and knowledge, in the public policy arena, to controvert the many false and damning assumptions about capitalism, globalization and corporations that I have only sketched and which cannot be allowed to fester and turn to gangrene. It is truly astonishing how widespread is the ready assumption (that is endemic by now even in some international institutions) that if capitalism has prospered and if economic globalization has increased while some social ill has worsened as well, then the former phenomena must have caused the latter! It has almost gotten to a farcical level where if your girl friend walks out on you, it must be due to globalization --- after all, she may have left for Buenos Aires!

Perhaps the chief task before those who consider globalization favourably is then to confront the notion, implicit in varying ways in many of the intellectual and other reasons for the growth of anti-globalization sentiments, that while globalization may be economically benign (in the sense of increasing the pie), it is socially malign (i.e. in terms of its impact on poverty, literacy, gender questions, cultural autonomy and diversity et. al.).

That globalization is often not the enemy of social agendas but their friend is not that difficult to argue, once we get down to thinking about the matter deeply and empirically. Take the corporations again. Have they hurt women, as some claim? I would say: far from it. Consider three examples: two from the North, the other from the South. Japanese multinationals, as they spread through the world during the years of Japanese prosperity, took the men with them but the men brought their wives with them to New York, Paris, London, cities where the Japanese housewives saw for themselves how women could lead a better life. That, among other channels of diffusion of ideas and values, has turned them into feminist agents of change. Then again, the economists Elizabeth Brainerd and Sandra Black have shown how wage differentials against women have reduced faster in internationally competing industries since they can least afford to indulge their biases in favour of men. Women in the poor countries also benefit when they find jobs in the globalized industries in export processing zones. Some feminists complain that young girls are exploited and sent back to where they came from as soon as they are ready for marriage: that they therefore pick up no skills, for instance. But ask these very girls and one finds the ability to get away for work from home a liberating experience and the money they earn to give them the “empowerment” that will not come from being confined to the home.

Indeed, the jaundiced view of corporations prevents an appreciation of their often beneficial role: familiarity breeds contempt but contempt does not breed familiarity. Thus, the young campus activists against sweatshops accuse the corporations of exploitation of foreign workers. But the available empirical evidence for some developing countries, in studies such as by Ann Harrison of Columbia School of Business, shows that, in their own factories (as distinct from subcontractors or suppliers of components and parts who probably pay the going wage instead) the multinationals tend to pay what the economics literature calls a “wage premium” of the order of 10% over the going wage. Is this exploitation? Yes, but only if you are smart enough to know that the English dictionary defines exploiting labour as either using or abusing it!

In fact, even as we continue to teach in the classroom about the nefarious activities of ITT in destroying Salvador Allende’s elected Chilean regime or the sordid story of Union Meuniere in Katanga, we must come to terms with the fact that these examples, and even lesser atrocities, have become less likely in a world where democracy --- admittedly not always liberal or otherwise pleasing --- has broken out in several developing nations and where again civil society and the media make retribution for misdeeds more likely.

2. But if the common apprehensions about globalization’s social impact are mistaken in the main, we cannot retreat into the notion that “by and large”, “more or less”, globalization is helpful. The occasional downside needs to be addressed. This requires imaginative institutional and policy innovation. For instance, the insecurity that freer trade seems to inculcate in many, even if not justified by the economists’ objective documentation of increased volatility of employment, needs to be accommodated through provision of adjustment assistance. For poor countries that lack resources, such a program must be supported by World Bank aid focused on lubricating the globalization that this institution praises and promotes.

3. But we also need to recognize that, particularly with the growth of civil society, there is legitimate impatience with the speed at which globalization will deliver the social agendas. Thus, child labour will certainly diminish over time as growth occurs, partly due to globalization. Globalization is part of the solution, not of the problem. But we want to go faster. The central question before the globalizers and their foes has to be: how do we do it?

And the answer has to be one that is different from the obsession of several lobbies and

our Congress with trade sanctions, a remedy that threatens globalization by using disruption of market access and hence fraught with temptation for the protectionists around us. In rare cases of huge moral outrage, a widespread resort to trade sanctions can work. But otherwise, suasion, especially for social agendas that appeal to our moral sense, surely has a better chance.

This is particularly true now that we do have CNN and the NGOs. Indeed, I find it ironic that many among the several serious and thoughtful NGOs today, who after all must believe that public action will follow their advocacy, are the ones who are often skeptical of moral suasion. As they search for “teeth” (in shape of sanctions), I tell them: God gave us not just teeth but also a tongue; and today a good tongue-lashing is more likely to be effective in advancing the social agendas that we espouse and share. Indeed, teeth may not just be unproductive; they may even be counterproductive. Thus, the sheer threat to exports embodied in the proposed Harkin Child Deterrence Bill led to children being laid off in Bangladeshi textile factories and female children wound up in worse employment: prostitution! Contrast this with the International Program for the Eradication of Child Labour at the ILO, which eschews sanctions but does the heavy lifting required to reduce child labour by working with local NGOs, interested aid donors and cooperative host governments, and ensuring that children get to schools, that schools are available, and that impoverished parents who lose the child’s income are financially assisted where necessary.

Indeed, a great upside of the use of moral suasion to accelerate the social good being done by economic globalization is that it joins for common good the two great forces that increasingly characterize the 21st century: expanding globalization and growing civil society. Partnership, rather than confrontation, can lead to shared success. It is worth the hassle.

4. A final thought. We need to defend the corporations against ignorant, ideological or strategic assault. They generally do good, not harm. Again, the question has to be: can they help us to do even more good? The purists say that the shareholders must do the social good, not the corporations. But we are well past that, certainly in the United States, when it comes to what they do at home. Non-profit organizations such as Columbia use their student and faculty resources to assist Harlem; Microsoft and IBM assist the communities in which they function and others too.

In fact, this policy of “social responsibility” has traditionally made capitalism attractive, giving an added lie to the anti-capitalist and anti-business sentiments. When there were no modern style corporations but substantial fortunes made by individuals and their families, successful capitalism was characterized precisely by such behavior. Recall Simon Schama’s Dutch burghers with their “embarrassment of riches”, the Calvinists, and the Jains and Vaishnavs of Gujerat in India, Mahatma Gandhi’s home state, who accumulated fortunes but spent them, not on personal indulgence but on social causes.

Corporations today need to do just that, each in its own way. Pluralism here is of the essence: no NGO, or government, has the wisdom or the right to lay down what corporations everywhere must do. Social good is multi-dimensional and different corporations may and must define social responsibility, quite legitimately, in different ways in the global economy. A hundred flowers must be allowed to bloom, so that they constitute a rich tapestry of social action that lends more color to globalization’s human face.