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The critics of Globalization --- there are asymmetries, not just similarities, both economic and political among different elements of Globalization such as trade, short-term capital flows, direct foreign investment, short-term capital flows, international flows of humanity and diffusion of technology, but most critics focus, as I will, on the first two --- divide broadly into two camps: those who are (conventionally) worried about its social implications; and those who are (increasingly) fearful of its economic consequences. The former critics cut across the North (rich country) -South (poor country) divide, though many NGOs who subscribe to these views tend to be more in the North. The latter are overwhelmingly in the North (the rich countries), especially the large ones like the US, France and Germany.

I addressed the many social concerns in my 2004 book, In Defense of Globalization, when I went to Seattle for the November 1999 WTO Conference and a joyless-Woodstock happening broke out, most of it consisting of protests by groups who seemed to think that Free Trade was a malign doctrine (in regard to what we valued as social objectives) and the WTO its church. To put it in the language of Tony Blair and Bill Clinton, both discredited in their own countries for different reasons, **Globalization Lacks (or Needs) a Human Face**. I went systematically through various concerns and concluded instead that **Globalization Has a Human Face**, that by and large, it advances instead of setting back even the social agendas.

Take for instance the effect on inequality of pay for women in specific employments even when equally qualified as men. When the pressure of competition is intensified, as happens with traded goods, the ability of firms to indulge in prejudice-driven payment of higher wages to men just because they are men, will be crowded out. As it happens, there is evidence in the US data for just that: over a 20-year recent period, the inequality of pay for women reduced faster in traded compared to non-traded industries. Trade clearly helped.

Then again, while I deal in my book also with many other issues raised by the environmental critics of trade, let me consider here the belief of some NGOs who remain adamantly opposed to trade and their contention that we ought to go ”local” and buy from closer home because the CO2 emissions are considerable in international trade. But then the British agency, DFID (Department for International development), commissioned a study comparing the price of cut flowers from Africa and from Rotterdam. It turned out that the total CO2 emissions for flowers from Rotterdam did worse because the greenhouses in which they had to be grown emitted a lot of CO2 also!

I daresay that the certitude with which many embraced the social critiques has fallen, perhaps because their case has been examined by me and some others and found to be wanting. But now many among us are concerned in any event, less with these social issues and more with the notion that trade with the poor countries is holding their real wages down. They would like to close the door as much as possible on trade, on the outward flow of investment by firms and on the inward flow of unskilled labour.

Thus, if you follow the recent Presidential debates among the Democratic contenders for the high office, they are all having to buy into the trade unions’ fear that trade has cut into their wages: after all, labour is a principal constituency of the

Democrats. But when you consider the evidence for this fear, it is terribly weak. Many recent studies, by Robert Lawrence of Harvard and Robert Feenstra of UC Davis, among others, shows that trade is not a culprit. My own empirical work of some years ago shows that, in fact, trade may have moderated, not accentuated, the fall in real wages that seems to follow inexorable and acute labour-saving technical change. Yet, the fallacious laying of blame on trade persists, even to the point where my distinguished student Paul Krugman, an impassioned opponent of President Bush (who happens to be very good on trade and on immigration), has decided to retreat into the position that trade "may" have harmed wages, though he is unable to produce any real evidence to support the existence of an adverse effect. Sadly, even The Economist, long a champion of free trade, fell a victim last year to this fallacy and devoted a cover story and a three-pager to suggesting that the working class was a "loser" from Globalization, again without any evidence whatsoever, though its latest Economic Focus column on Krugman (the quality of whose work on this subject hardly deserves any attention) was somewhat more skeptical.

I should add that, on illegal immigration, whereas the unions were keen on employers' sanctions and in sympathy with tough enforcement against illegals, their position has changed in recent years. Of course, if you believe (as they do) that trade with the poor countries lowers your real wages, then the influx of unskilled labour is a direct way lowering your wages just as trade is an indirect way of doing so. Largely due to an intuitive understanding of this parallel, which trade theorists have explored systematically, the trade Protectionists were also Immigration Restrictionists, and Free Traders were for Freer Immigration, when the British enactment of the first national restraints on immigration in 1904 was being debated in Britain. The changed attitude of the American unions represents a changed appreciation of two facts: you cannot really control illegal immigration; and, if so, it is better to turn them into legals through an Amnesty and to have them join unions and to support better wages. The Roman Catholic church, of course, sees in the amnesty of many Hispanics the prospect of filled churches, so that altruism and self-interest point in the same direction! And, so we have a strange situation: broadly speaking, the Democrats hate trade but will vote for immigration; the Republicans like trade but are alarmed by immigration.

But, there also seems to be in the American media a general susceptibility to the strange view that the consensus among trade economists over the virtues of free trade has collapsed. Among the economists who are cited on "the other side" are the macroeconomist Alan Blinder (whose argument simply boils down to the fact that we have more tradeables now and therefore the need for adjustment assistance has gone up, an argument that brings him belatedly into the free traders' fold), Paul Krugman (with his unsupported "maybe" and other ambivalences that please faithful Democrats) and Paul Samuelson (whose famous article some years ago argued that, in a Global economy, exogenous changes could reduce one's gains from trade but that a protectionist response would only make matters worse). I have already debunked the claims of the loss of consensus on free trade for the rich countries in a forthcoming article, "Do Not Cry for Free Trade" on my website www.columbia.edu/~jb38 .

But the assertion of the vanished consensus on the benefits from free trade for the poor countries is also to be found in the same media, often relying on the anti-free-trade arguments advanced by my colleague, Joe Stiglitz, and my former colleague Dani Rodrik. But when you probe these arguments, they turn out to be hollow. For instance, Rodrik warns against “one size fits all” strategy, implying that we must tailor trade policy to suit different circumstances. Well, you do have to choose whether you want to move towards freer trade or towards greater protection: after all, you cannot have ad hoc remedies! Or to put it in terms of shoe sizes, you must decide whether (in light of current knowledge), you want to go barefoot or you want to wear shoes. If you do wear shoes, then the shoe size will inevitably adjust towards the specific case! Stiglitz perpetrates other fallacies such as that unemployment means you cannot have gains from trade --- that issue was examined by trade theorists in the 1950s and even a Nobel Prize cannot shield you from ignorance and folly.

There is indeed a New Epoch where, the fierce competition in trade (over similar products among the rich countries) and acute labour-saving technical change have created a “fragility’ of jobs and corresponding anxiety. Merely saying that we must globalize and embrace free trade is simply not an adequate answer. This fragility does require a holistic institutional response if we are going to reap the upside gains from trade while coping with it downside difficulties. I have tried to sketch an answer in the Afterword written for the 2007 edition of my Globalization book. But I am writing a full-length book on the subject, to appear from Oxford University Press, in the early Spring of 2009, for the new President of the United States to read and act upon.

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