

Bhagwati Festschrift Gala Dinner, August 5, 2005
Remarks by Larry Summers

I certainly am not a teacher of Jagdish Bhagwati's. I did not have the opportunity to be a student of Jagdish Bhagwati's. I was only very briefly, for one year, a colleague of Jagdish Bhagwati's. I have been an occasional sparring partner of Jagdish Bhagwati's. And more than occasionally, I have been an observer and an appreciator of the contributions that this man has made.

You know, economists believe in markets, and democrats – with a small “d” – believe in the marketplace of ideas, and so do we all. But economists study market failures, and those of us who believe in the marketplace of ideas recognize that the marketplace of ideas has failures as well. Producers will always be much larger contributors to debates than will consumers. Entrenched interests have far more to protect and far more ability to organize than do future interests who may benefit from a change in policy. Large and wealthy nations find it easier to control and shape the global debate than do poorer and less fortunate nations. These are all structural failures in the marketplace for ideas – structural failures that lead the world to have less wise trade policies, less wise economics policies than it would otherwise have. There is no single individual – and perhaps there are no other ten individuals collectively – who over the last four decades have done as much to correct this distortion in the marketplace for ideas as Jagdish Bhagwati.

Whether it is in speaking for consumers' interests in imports as he advocates free trade, whether it is in speaking for the entrepreneurs who don't yet know they are going to be entrepreneurs, whether he speaks to the benefits of the bracing winds of competition to come from economic liberalization and trade, whether it is in speaking on behalf of the interests of nations who do not have the resources to formulate a set of rigorous doctrines around the intellectual property protections that need to be shaped in *their* interest because it is a matter of life and death, Jagdish Bhagwati has been a potent force in this world.

No ten special interests have had the influence that he has had on the global debate. There are literally billions of consumers who do not know his name whose real incomes have been higher because of the goods they have been able to purchase at a lower price because of the influence this man has had on the world trading system.

There are any number of entrepreneurs who have lived their dreams and created thousands if not millions of jobs for their countrymen because of the influence this man has had on our world economic system. Our world economic system has a long, long way to go towards being more just, more fair, and more inclusive. But it is today fairer, juster, and more inclusive than it would be without Jagdish Bhagwati's strenuous efforts.

The cause of protection, stagnation, and inhumane globalization has tremendous amounts of money and political influence behind it. The cause of economic liberalization overcoming entrenched interests and humane globalization has two great assets. One is the fact that it is the truth. The other is that it has Jagdish – and his pen and his mouth – on its side. And it is going to have Jagdish on its side for many years, and that is enough.

If I might be so presumptuous as to speak for them, on behalf of so many of your global citizens who owe their higher material standard of living, who owe their livelihoods, and, in at least some cases, owe their lives – through long causal chains – to your very important efforts, Jagdish, I thank you and I thank Padma for all that she has helped you in contributing.