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HEADLINE: He's a **Gadfly** Who Stings Right and Left With Passion

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BODY:

Like the liberals he often excoriates, the economist Jagdish **Bhagwati** passionately deplores child labor, inadequate wages and the failure to enforce antipollution laws in the developing world.

At the same time, Mr. **Bhagwati**, a committed free trader, opposes the enforcement of intellectual property rights -- software copyrights, for example -- in countries like India and Brazil. And he argues that laws against illegal immigrants already inside the United States are "pointless." Leave them alone if they are already here, he says; immigrants help the United States maintain its edge in technology.

Forget political or ideological labels. Mr. **Bhagwati**, a professor of economics and political science at Columbia University, prefers to consider himself "a public nuisance," challenging established policies, stirring up protests and picking apart conventional beliefs.

He has never been shy about wading into the public arena. Most recently, Mr. **Bhagwati**, 65, gathered a group of scholars, labor leaders and activists from Africa, Latin America and Asia to sign a statement protesting the inclusion of labor and environmental standards in trade deals before the World Trade Organization met in Seattle last month.

In 1994 he organized a similar signature campaign on the eve of President Clinton's summit meeting with the Japanese prime minister, enlisting leading economists, including several Nobel Laureates, to urge Japan to reject United States demands for import targets. (Japan did just that.)

He has written or edited 40 books, written hundreds of articles, and founded and edited two journals, Economics and Politics and The Journal of International Economics. He is a favorite on evening news programs like ABC's and on talk shows like PBS's DebatesDebates, where he delights in skewering Ross Perot, Pat Buchanan and fellow economists with pointed one-liners. "If the W.T.O. is dead, then necrophilia must be breaking out," he said during a taping of DebatesDebates last week.

Wearing an olive green shirt open at the neck and a blue Kenzo designer suit coat, Mr. **Bhagwati** spoke with flamboyant animation in a makeup room after the taping.

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Profits are fine, but not enough, he said. Mr. **Bhagwati** also says he wants to make the world a better place. Born in Bombay, he studied economics at Cambridge and Oxford universities. He said his older brother, P. N. **Bhagwati**, retired chief justice of the Supreme Court in India and a human rights advocate who supports stricter child labor laws, has had a lot of influence on his thinking; they still speak frequently.

Mr. **Bhagwati** believes that together democracy and free trade can deliver both economic growth and social reform, although he concedes that growth is not inevitable in a democracy.

He presents himself as the human face of global laissez-faire economics. Open societies can be created without using trade sanctions as a weapon, he insists. He places his faith in "voluntarism," which would rely on the global communications network and nongovernmental organizations to shame companies and governments into, for example, paying workers a living wage.

"Modern civil society, modern technology has made possible alternative instruments, other sorts of teeth," he said.

"Teeth doesn't mean just trade sanctions. People underestimate the potential of what can be done. Multinationals don't tend to abuse, to indulge in a race to the bottom. They don't exploit every loophole to damage the local guy in terms of their health and standards."

That's why he led the writing crusade before the World Trade Organization meeting in Seattle, arguing that the group should be able to oversee trade without sticky intrusions that would force it to impose sanctions on countries that abuse workers rights. The spreading of wealth, he argues, along with these private efforts, will eventually create the working conditions and educational advancement common in the industrialized nations.

He works closely with Corporate Social Responsibility Standards, an organization that seeks to give public seals of approval to corporations that meet norms of social responsibility in their employment practices. "If you do anything egregious, all these lies will come out," he said. "People will write about, agitate about it. Big firms can not afford it anymore."

He adds that global standards, like environmental controls, don't make sense for other reasons as well.

Admitting that he has no good answer to Mexico City's pollution ("forget about Mexico City, which has horrible environmental problems"), he proceeds to argue that different countries have the right to set different priorities.

"Take the rest of Mexico that has very bad water, but the environment is a lot cleaner," he said. "We have it the reverse way. All our children carry around Perrier bottles. Our water is a lot better, but our air is not necessarily that good. Our priorities are different, exactly the opposite. Even if we attach the same preference to environmental spending, it is conceivable that the Mexican priority will be to clean up water while we would want to clean up air."

To Mr. **Bhagwati's** critics, however, he is less of an original thinker than a confused one. "His departures from laissez-faire economics make him inconsistent," says Robert Kuttner, the co-editor of The American Prospect magazine. "Why is it that money is not seen by him as another commodity? Why does he oppose the standard view on intellectual property rights? All this is rooted in a real concern for the third world, but does not in the end make him a high theorist."

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Mark Levinson, the chief economist at Union of Needle Trades Industrial and Textile Employees, said: "He opposes linking labor rights or environmental protection to trade and investment agreements. In a global economy that is becoming increasingly integrated, this position is irresponsible. Wages are not rising in the many parts of the developing world because workers are denied the right to organize.

"Trade and investment by itself will not raise living standards," he continued. "Look at El Salvador, Honduras, Sri Lanka and Bangladesh. These countries have posted high employment gains in the apparel industry while real wages have declined. In China, foreign investment in the apparel sector has lowered wages and working standards. The suppression of wages and failure to enforce environmental standards creates a powerful incentive to move jobs overseas."

Mr. **Bhagwati** is unfazed by criticism. He goes out of his way to avoid simmering fights, often calling critics after reading an attack on his work to compliment them on their good points and assure them that he was not offended.

By the same token, he has not curbed his own sharp tongue. He admits that, like many good rhetoricians, he plans his verbal thrusts in advance. (He said he regretted that in Seattle he was unable to chide Ralph Nader, the leader of a campaign against the World Trade Organization and the author of "Unsafe at Any Speed," for believing that "the W.T.O. is unsafe in any form.' ")

To Mr. **Bhagwati**, many people in the United States have fallen prey to what he calls the "diminished giant syndrome": a fear that free trade accelerates the flight of jobs. Blue-collar jobs, he says, have been lost primarily to new technologies.

He warns that the overheated American economy is headed for a dislocation, in part because surges and dips in the market "are built into human nature. "I am more than a little worried," he said. "There is so much consumption being built on this. It is really going to take a big tumble, because people are building capacities based on this." He attributes the success of vaunted huge investors like George Soros to "good luck" and the ability to "take big bets," dismissing any formula to understand the ultimate workings of financial markets.

Still, he adds: "The economy that really worries me is China. As they get into more democratization, as they are bound to, they can't resist these pressures. There is going to be some upheaval within the Communist Party. It will spill over into extensive fights about things like privatization. It will be much more difficult to handle."

As for his own role in such debates, Mr. **Bhagwati** says: "If you want to be in the public domain, you need the courage to be unconventional. Logic is not enough. You need wit, irony, good anecdotes and sarcasm. It always works."

"I have been alone, but I hang in there," he said, adding with his familiar mischievousness, "Usually the world comes around."

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GRAPHIC: Photo: Challenging convention: Jagdish **Bhagwati**, professor of economics and political science at Columbia. (Jeffery A. Salter/The New York Times)(pg. B11)

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