

## Book Guide

# In Defense of Globalization

In this book, CFR Senior Fellow Jagdish N. Bhagwati argues that, when properly regulated, globalization can be the most powerful force for social good in the world today. Teaching notes by the author.

## Summary

### Undergraduate Economics Courses

#### 101 Principles

*In Defense of Globalization* is an excellent supplemental, required reading for 101 textbooks such as by Greg Mankiw and Paul Krugman. The book is written in an accessible style while not sacrificing the rigor that is necessary for students interested in proper economic analysis.

Thus, while the entire book can be assigned for this purpose, the instructor can usefully pair the standard chapters in the 101 text with specific chapters in the book. For instance, on international trade analysis, the relevant chapters in the book include Chapter 5 on "Poverty: Enhanced or Diminished." In addition, the book contains a unique discussion (pp. 186–189) of trade in bads, not just trade in goods (and services)—an issue that students are bound to run into as they face the daily discussions of trade issues in newspapers.

Similarly, when students deal with direct foreign investment or multinational corporations, Chapter 12 in the book ("Corporations: Predatory or Beneficial?") provides a necessary supplement to the analysis in standard 101 texts by considering whether multinationals exploit their workers—a question which is often uppermost in students' minds as they, for instance, confront campus agitations against sweatshops. Issues such as corporate social responsibility, again uppermost in many undergraduates' minds, are also discussed systematically and can be assigned to stimulate and hold the students' interest by demonstrating how economic analysis can help address these questions effectively.

Chapter 7 on "Women: Harmed or Helped?" examines the evidence on gender issues and includes empirical and analytical discussion of phenomena such as the narrowing of gender pay inequality due to globalization. Similarly, in Chapter 6 several econometric and analytical studies on child labor and how trade affects it in poor countries will demonstrate to undergraduate students the power of economic analysis in addressing a burning question of the day. Environmental discussions from standard 101 textbooks can also be supplemented with Chapter 11 ("Environment in Peril?"), which analyzes the current critiques of trade, foreign investment, and growth by environmentalists.

In all these chapters, and others such as on gradualism versus shock therapy, the book offers nuanced arguments so that students are exposed to different arguments and learn how to use economic analysis to analyze them and reach their own conclusions. This should attract students to economics by showing how the abstract principles they learn are not sterile exercises but can be used to analyze pressing problems that they confront on campuses and in public policy on a daily basis.

#### Development Economics

All of the above applies to undergraduate courses in development and international economics. Here, the issues raised in the book are even more directly connected to whatever content a course might have. The book offers chapters that analyze the most important issues that are now of concern in developmental economics.

#### Globalization

This applies equally to undergraduate courses, now frequent, on globalization. I have used the book as the principal text for a 175-student course in Columbia University's School of International and Public Affairs, and the reaction was strongly favorable. Many students said the book and the course encouraged them to explore different arguments and taught them how to evaluate those arguments, whereas other courses often offered conclusions rather than arguments.

### **International Trade**

The book can also be used as a supplement in courses addressed only to international trade. Since this book deals with what might be called the broadly "social" consequences of globalization, mainly trade, it is usefully supplemented with the paperback edition of my book *Free Trade Today* (Princeton University Press, 2002), which addresses—again in simple language and in just three lectures—other more directly "economic" questions such as the theoretical case for free trade, the postwar developments in the theory of commercial policy, and the questions concerning the relative merits of unilateral, bilateral and regional, and multilateral trade liberalization.

### **Undergraduate Political Science Courses**

#### **International Relations and Development**

All that I have said above applies to undergraduate courses in political science. In addition, these students should find relevant the discussions in the book on the rise of NGOs (Chapter 4), the reasons for the growth of anti-globalization (Chapter 1), and the proposals for "appropriate governance" to manage globalization (the last third of the book).

### **Public Policy Masters Programs**

#### **International Affairs, Human Rights, and Development**

These courses draw students from several disciplines; thus, accessibility of style, rigorous analysis, and societal relevance of the issues discussed are necessary in the books the students use. *In Defense of Globalization* meets such criteria. For example, human rights teachers will find an analysis of corporate social responsibility; the Alien Torts Act; and issues such as the effect of globalization on gender, on the environment, on poverty in poor countries, and on real wages and labor standards in rich countries. There are also chapters on democracy, child labor, and gender issues. Indeed, I had a great Socratic-style class with Michael Ignatieff, the eminent human rights intellectual, in his Kennedy School class where—based on my book and related materials—we discussed some of these very issues.

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