The Wind of the Hundred Days

How Washington Mismanaged Globalization

Jagdish Bhagwati



The MIT Press Cambridge, Massachusetts London, England

Contents

1	The Capital Myth: The Difference between Trade in Widgets and Dollars 3
2	Why Free Capital Mobility May Be Hazardous to Your Health 13
3	Free Trade, Yes; Free Capital Flows, Maybe 21
II	From Miracle to Debacle: The Asian Drama 25
4	The "Miracle" That Did Happen: Understanding East Asia in Comparative Perspective 27
5	The Asian Economic Crisis: What Do We Know Now? 51
6	A Friend in the United States, but a Crony in Asia 61
· III	Free Trade: Fair Trade, Wages, and Human Rights 65 Free Trade and Fair Trade 67
7	Free Trade in the Twenty-First Century: Managing Viruses, Phobias, and Social Agendas 69

Preface xiii Introduction

I

xv

The Two-Edged Sword: Capital Flows 1

viii Contents

8	Free Trade: Why the AFL-CIO, Ralph Nader, and the Sierra Club Should Like It 87
9	The Folly of "Fair Trade" 105
10	Is Free Trade Working for Everyone? 109
	Trade and Wages 119
11	Play It Again, Sam: A New Look at Trade and Wages 121
12	Globalization: Who Gains, Who Loses? 137
	Moral Obligations and Human Rights 151
13	Moral Obligations and Trade 153
14	Trade Linkage and Human Rights 157
15	On the Efficacy of Trade Sanctions 169
<i>f</i> .	The Design of the WTO and Trade Negotiations 171
16	Fast Track: Not So Fast 173
17	Short on Trade Vision 177
18	Global Fixes 179
19	Fifty Years: Looking Back, Looking Forward 183
20	On Thinking Clearly about the Linkage between Trade and the Environment 189
	The Dispute Settlement Mechanism at the WTO 201
21	Mismanaging the Banana Dispute 203
22	An Economic Perspective on the Dispute Settlement Mechanism 205

A CONTRACTOR

Contents ix

Trade and Cul	lture	207
---------------	-------	-----

- 23 Trade and Culture: America's Blind Spot 209
- 24 The West's Triumph: Did Culture Do It? 215
- IV Regionalism, Multilateralism, and Unilateralism 225
- 25 Fast Track to Nowhere 227
- 26 On the Perils of SAPTA 235
- 27 The FTAA Is Not Free Trade 239
- 28 Think Big, Mr. Glinton 251
- 29 In Favor of China's Entry into WTO 255
- 30 Free Trade without Treaties 261
- V The Debacle in Seattle 265
- 31 WTO's First Round: The Seattle Agenda 267
- 32 Labour Standards and the WTO: The Case for Separate Agendas 273
- 33 Don't Muddy the Waters 281
- 34 Did Clinton Take a Dive in Seattle? 285
- 35 What Really Happened in Seattle? 287
- VI Investment and Immigration 291
- 36 Illegals in Our Midst: Getting Policy Wrong 293
- 37 Why Borjas Fails to Persuade 299

é

x Contents

38	A Close Look at the Newest Newcomers: Immigration De Takes Skill 309	bate
39	Who Needs the Multilateral Agreement on Investment?	313
VII	Globalization 315	
40	But Mr. Clinton, Globalization <i>Has</i> a Human Face 317	
41	Globalization, Sovereignty, and Democracy 323	
42	Poverty and Reforms: Friends or Foes? 343	
43	Growth Is Not a Passive "Trickle-Down" Strategy 357	
44	Living with Globalization 359	
45	The Global Debate 363	
46	Globalization in Your Face 365	
ŗ,	Index 373	