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Nobel Laureate Joseph Stiglitz Calls for "Greening" of Globalization

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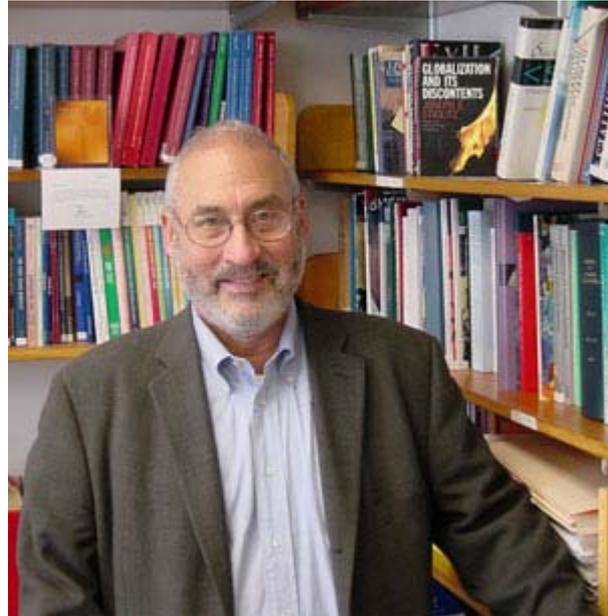
Addressing a packed World Bank auditorium on September 26, Columbia University economist Joseph Stiglitz [1] discussed the issues and challenges associated with globalization in today's rapidly changing world. Stiglitz was in Washington, D.C. presenting his latest book, *Making Globalization Work* [2]. The book follows on his popular 2003 critique, *Globalization and its Discontents* [3], but aims to move beyond identifying problems to outlining solutions.

Among the issues Stiglitz addresses in the book are the links between globalization and the pervasive poverty, inequality, financial instability, and indebtedness that plague many developing nations. He critiques the trade and capital market liberalization that were key components of the much-reviled "Washington Consensus [4]" of the 1990s

and points to the now-widespread agreement that these policies focused "too much on just an increase in GDP, not on other things that affect living standards." Stiglitz argues that international financial policies also "focused too little on sustainability—on whether growth could be sustained economically, socially, politically, or environmentally."

Stiglitz's attention to environmental issues [5] is significant in light of the tendency of many mainstream economists to give them short shrift. "Making economic globalization work will be of little use if we cannot solve our global environmental problems," he writes. In particular, Stiglitz highlights the inadequacy of the current international response to climate change, criticizing the U.S. failure to participate in the Kyoto Protocol [6] while also noting the high hurdles to bringing both the United States and large developing country emitters of greenhouse gases into the treaty's fold. In response to these limitations, he suggests an alternative climate framework that would be based on common carbon taxes among nations rather than on negotiated emissions targets.

Stiglitz is particularly noteworthy as a globalization critic in light of his impeccable credentials. He served as chairman of U.S. President Bill Clinton's Council of Economic Advisors in the mid-1990s, and later as chief economist of the World Bank. His strong criticisms of the policies of international financial institutions even while holding a top position at one of them raised eyebrows in some quarters and made him something of a hero among globalization critics. In



Professor Joseph Stiglitz
Photo: Anton Korinek

2001, not long after Stiglitz left the World Bank, he was awarded a Nobel Prize in economics for his earlier academic work.

Like many commentators, Stiglitz identifies a common thread to the problems he covers in his book: that economic globalization is outpacing political globalization. As a result, "while the nation-state has been weakened, there has yet to be created at the international level the kinds of democratic global institutions that can deal effectively with the problems globalization has created." His latest book can be read as a clarion call to get on with this task.

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Links:

[1] <http://www.josephstiglitz.com>

[2] http://www.amazon.com/Making-Globalization-Work-Joseph-Stiglitz/dp/0393061221/ref=pd_sxp_f_pt/104-9637882-3001513?ie=UTF8

[3] http://www.amazon.com/Globalization-Its-Discontents-Joseph-Stiglitz/dp/0393324397/ref=pd_sxp_grid_i_0_0/104-9637882-3001513?ie=UTF8

[4] http://en.wikipedia.org/wiki/Washington_Consensus

[5] <http://www.worldwatch.org/node/1081>

[6] <http://unfccc.int/resource/docs/convkp/kpeng.html>

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