

GLOBALIZATION AND ITS DISCONTENTS

JOSEPH E.
STIGLITZ

Winner of the
2001 Nobel Prize
in Economics

Book Review Presentation Group 5

Laertes, who, poor
deeds to suit the
and withdraw, you
were your quantity
"No, I draw back, and
drink of the blood of
"You want to know
Nereus, who knows
fills out the
the Tethyan
fought
these
may
I forewarn you of hardships
Ever, though you raise yourself
after losing all your strength
trouble in your mind, be aware
who are devoted to business
and making peace
"When you get to
and after you have
you must take a
to a country where
even mix salt with
and oars that are
taken which cannot
will say it must be
shoulder, on this
ram, a bull, and a
hecatombs to an
self, death shall
away very gently
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will come
but tell me
about some by
and though I
ask to see, tell
Taste of the
do not
for
as
rise at
one
how did you
will alive? It is a hard
concern us and them there
warms, which no man can
to take him. Are you all
turn Troy, and have you
to your own house?
at of the
heart
but
set out
from the very first day, than I set
to fight the Tro-
Did you
did heaven you safe you a gentle easy pas-
also about my father, and the son whom I left
property still in their hands, or has some one else
I shall not return to claim it? Tell me
friends doing, and in what mind she is; does she
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Scheme of presentation

- Author
- Purpose
- Content
- Language
- Evaluation
- Critique
- Conclusion



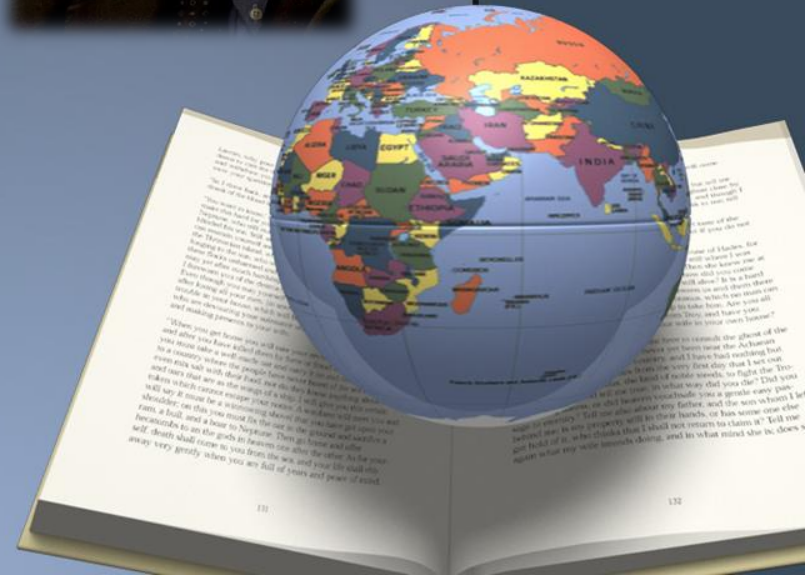
Author

ACADEMICIAN

BUREAUCRAT

POLICYMAKER

- Nobel prize winner in 2001
- Well known personality in public policymaking
- Famous for his critical view of the management of Globalization, free-market economists, IMF!



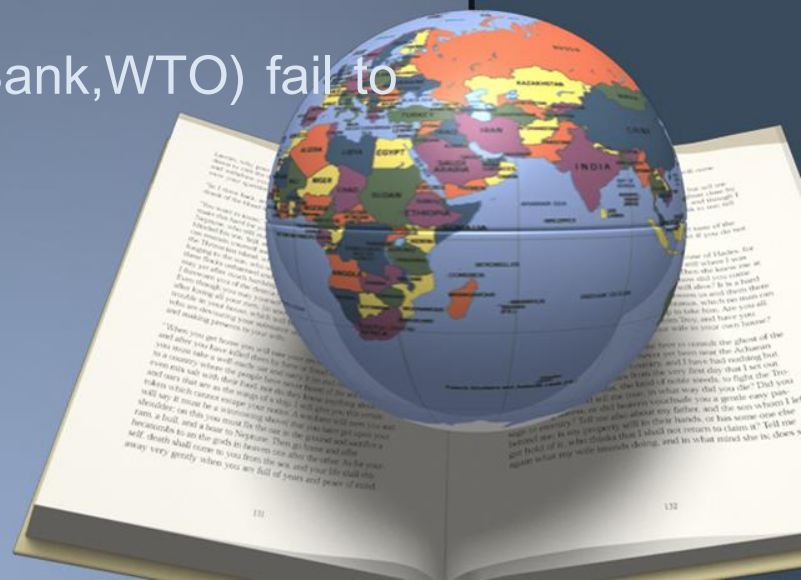
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Purpose

- Subject Matter Expertise
- Insider's View (Chairman of President's Council of Economic Advisor, Chief Economist at World Bank)
- To convey the true picture of Globalization
- How Global institutions(IMF,World Bank,WTO) fail to deliver?
- How to set things right?



Scheme of presentation

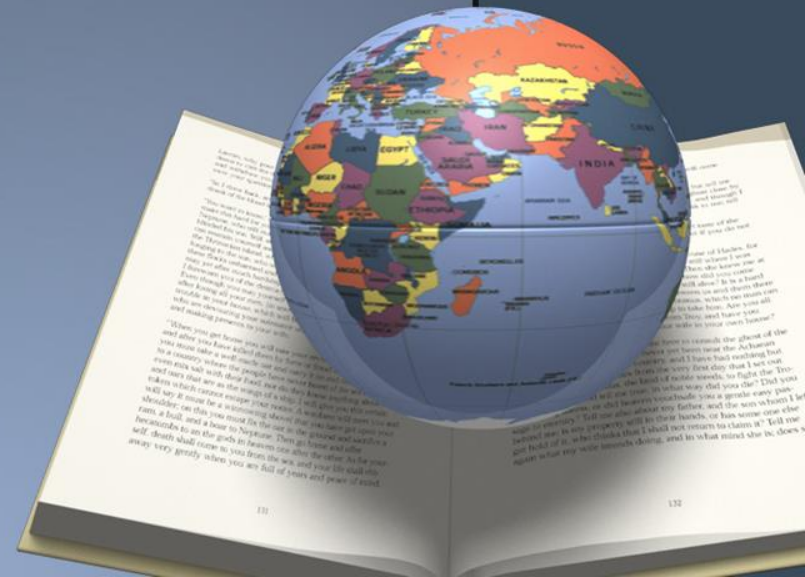
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Content

Why IMF faltered ?

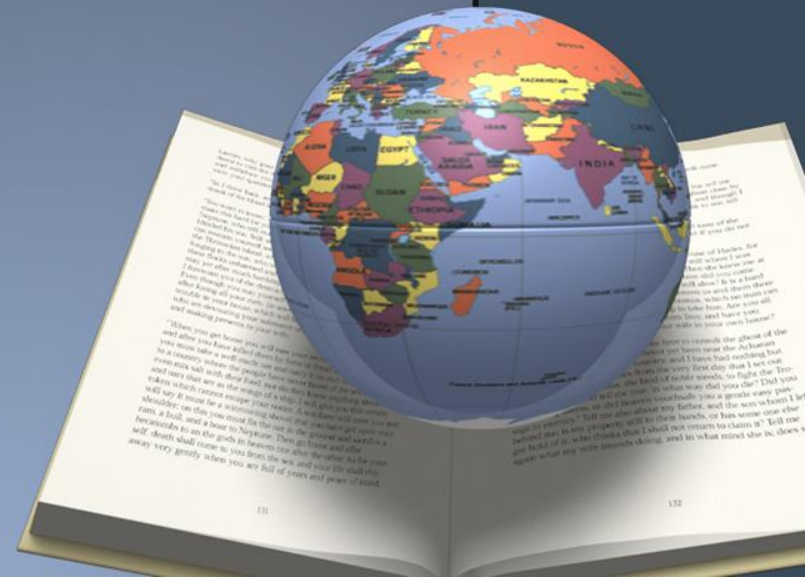
- One-size fits all policy
- Dictatorship of IMF
- Belief in self-infallibility



Content

East Asian Crisis

- IMF responsible for onset of crisis
- East Asian countries had strong fundamentals
- IMF blame game worsened the situation



Content

Russian Crisis

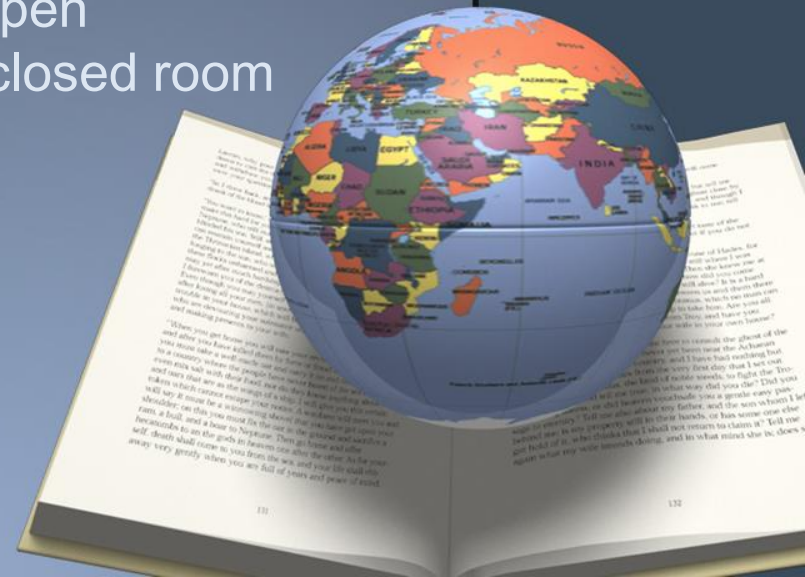
- Transition from planned economy to market economy
- Reasons for crisis
- Two sets of reforms - Shock Therapy and Gradualists
- Adverse consequences



Content

Insights

- Stabilization and growth are two different things
- Pledging sovereignty should be the last resort
- Institutions that are “too big to fail”-a myth
- Global institutions need to have an open brainstorming sessions rather than closed room rigidity.



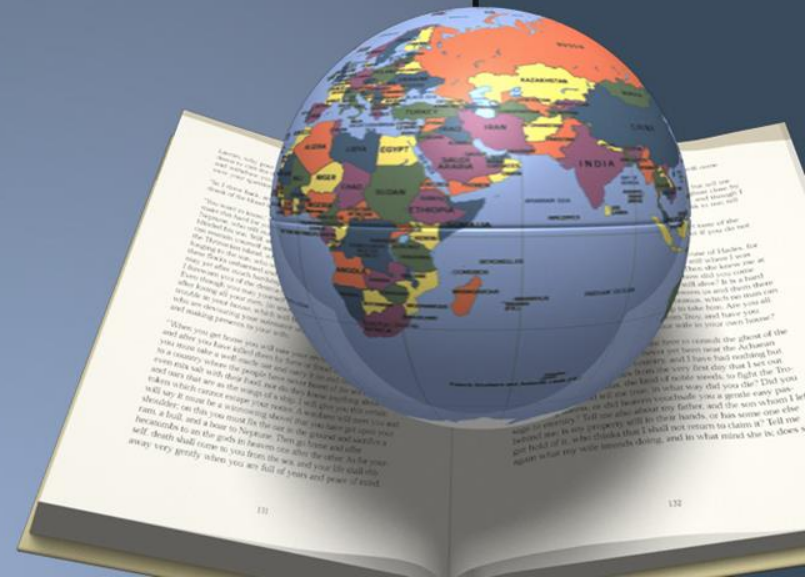
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Language

- **Style** – Lucid and impactful
- **Quality** – Unclear structure
- **Suitability**- Command over basic economics
- **Originality** – Stiglitz's experiences



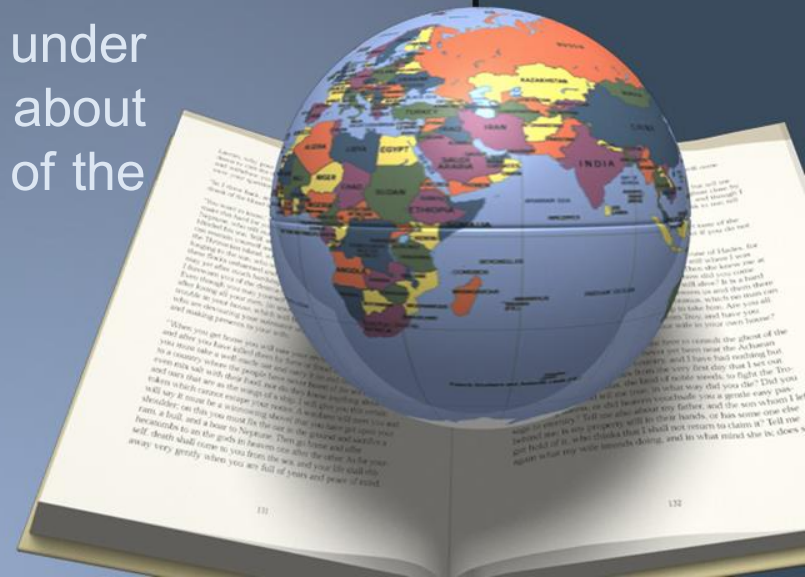
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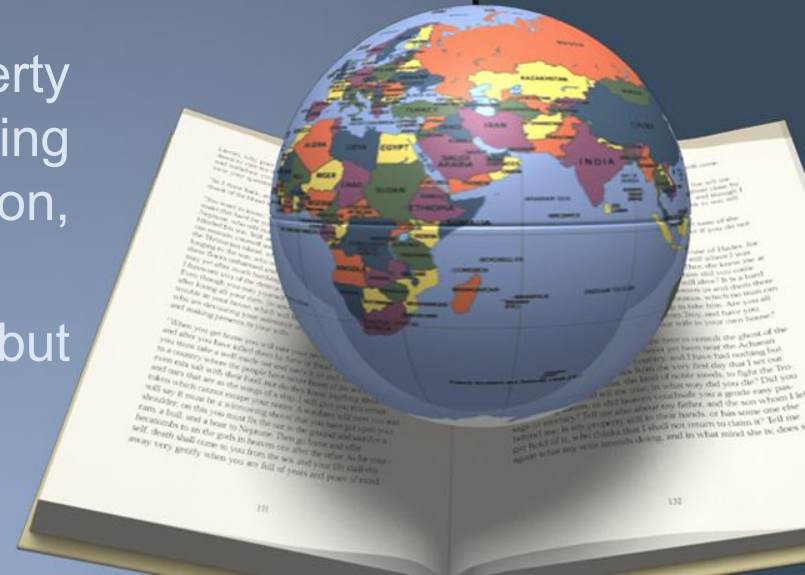
Evaluation

- Simple yet effective – A Layman's guide to understand globalization and the *politics behind economics*
- First hand experiences which have been incorporated; it's like listening from horse's mouth
- Suddenly the hue and cry of under developed and developing nation about them being left out from the policies of the development starts making sense!



Evaluation(Main Arguments)

- International organizations have worked for the benefit of the benefit of the world but more for the benefit of developed world – biased pattern of trade against developing nations.
- “*Beggar Thyself policy*” being explained
- The concept of “*conditionality*” vs. “*conditions*” like austerity measures, having trade surplus has been analysed well
- Ignorance of the problems of poverty and unemployment in developing nations and focus only on inflation, fiscal deficit
- Billions of money to bail out banks but reduction in food subsidies etc.



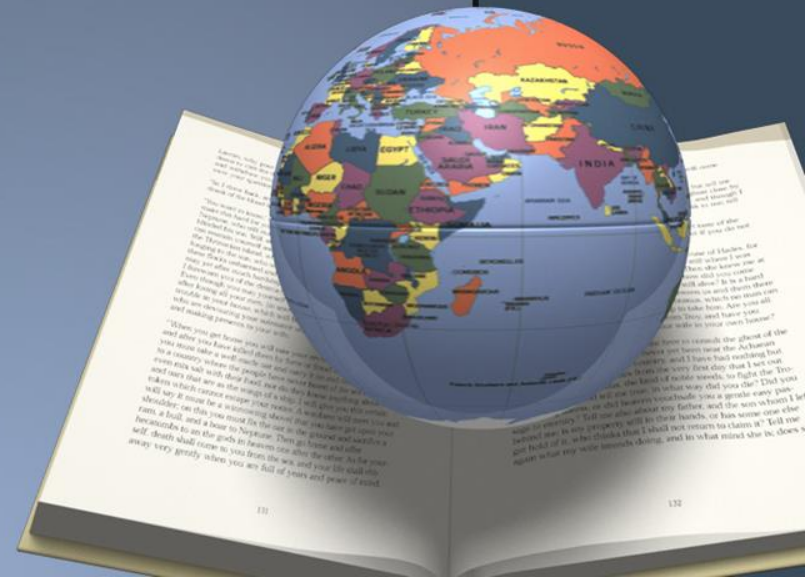
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Critique

- IMF, IMF and IMF !
- Narrow approach to globalization
- No concrete solutions



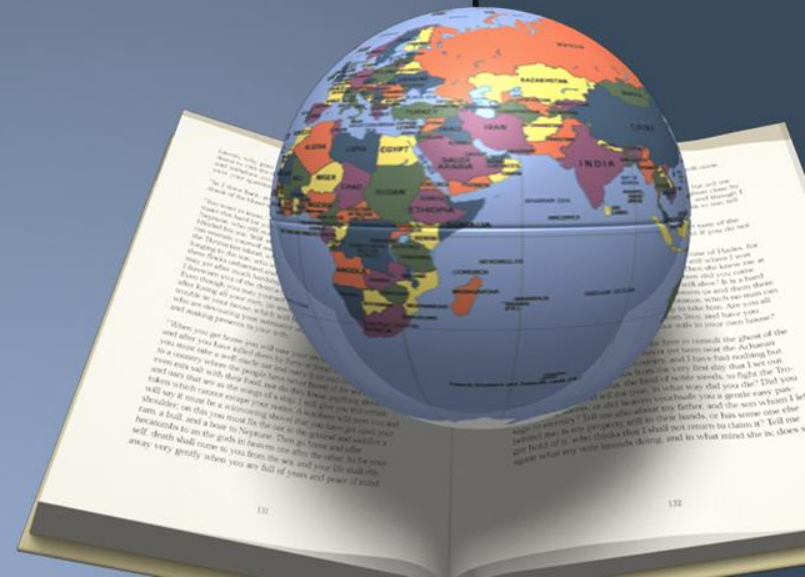
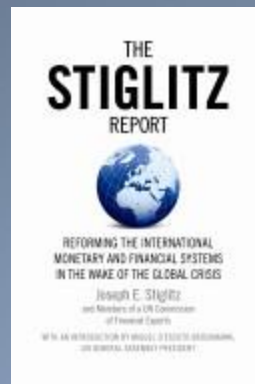
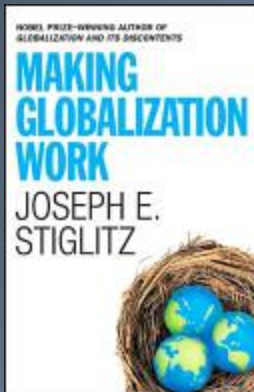
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Conclusion

- Powerful Book from a prodigy
- IMF Reforms
- Insights into global financial economy
- Stiglitz's other books





Thank You!

