

Trade Policy Conundrum

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I had a little cameo appearance in the CUTS 30th Anniversary film where I expressed my admiration of Pradeep Mehta and CUTS. But let me repeat again that CUTS is by far the most impressive non-governmental organisation today.

I first met Pradeep in Johannesburg (Midrand), when I was giving the Raul Prebisch lecture at the UNCTAD IX conference in 1996. I gave the lecture and then he came to me and introduced himself. I didn't know who he was; I couldn't say that now that he is a celebrity! I could sense, however, from his conversation that Pradeep had great values and also great passion to implement them. In conversation, it was also clear to me that he did not subscribe to populism, that bane of several virtuous people who fail to appreciate that good results can follow only if the policies we pursue are carefully thought out. In a country like India where there is an excessive abundance of intellectuals who seem to think that virtue materialises just because you wish it so, and who therefore do harm rather than good, Pradeep has been one of the rare voices for advocating policies that achieve virtuous outcomes.

In fact, Pradeep has had the courage to support trade liberalisation, which he saw as aiding the poor instead of harming them as several NGOs believed, even though it was a position that exposed him to the charge that he had "sold out" to reactionary, non-progressive voices (such as mine!). Over time, his courage paid off as there are few today, even among NGOs, who now oppose trade liberalisation in the developing countries; and he has surpassed in reputation and approbation earlier NGOs whose stock in trade was anti-globalisation and anti-trade rhetoric.

In the same vein, Pradeep has defied with intellectual tenacity the left-wing attacks on the notion that growth matters in reducing poverty. Thus CUTS, under Pradeep's initiative, ran a major debate on the question of Growth and its role in reducing poverty, after I had given a Lok Sabha (Indian Parliament) speech on the subject, which had excited great interest. Almost everyone (except a rare few who chose instead to do "their own thing" in outlets of their choice) joined in the debate. The resulting volume titled Growth and Poverty made a notable contribution. It proved in fact to be a precursor to the Bhagwati-Panagariya volume, **Why Growth Matters** in the US edition by Public Affairs (and **India's Tryst with Destiny** in the Indian edition by Collins), which has attracted favourable reviews worldwide and was listed as one of the best books of 2013 by the **Financial Times** and has earned the prestigious Eccles Prize for Excellence in Economic Writing.

Pradeep has caught the attention of WTO Director General Pascal Lamy who appointed him to membership of an expert group on trade issues. He has also worked on trade questions in collaboration with DFID, Oxfam etc. He has also written extensively on trade issues today, especially on the Doha Round which has finally been concluded in Bali. This has been accompanied by the acceleration of two major regional initiatives, TTIP and TPP, both of which raise many important questions regarding transparency in negotiations and whether trade-unrelated issues like labour rights and environmental provisions should be part of these "trade" agreements simply because US lobbies want them to be included and pretend that these are features of a "modern" trade agreement fit for the 21st century!

CUTS is ideally positioned to expose these self-serving claims by US lobbies. I hope it will lend its analytical voice to that important task.