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# Farmers can face the world



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Dr Jagdish Bhagwati at a free-wheeling conversation with senior editors of the Hindustan Times on Monday.



*... says Bhagwati, feels it is a fallacy to think our farmers would be swamped by global competition; wants India to be ready for freer trade in farm sector*

**Narayanan Madhavan**  
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THEY CALL economics a dismal science, but it need not be so when Dr Jagdish Bhagwati discusses it. The Columbia professor, who has long been a frontrunner for a Nobel prize, liberally mixes inter-disciplinary thinking, pragmatic wisdom and his unique brand of wit to come up with telling insights.

He challenged the UPA's pet themes — neglect of the farm sector and the case for job guarantee schemes — on Monday as he bantered over coffee with senior editors of *Hindustan Times*, but was gracious enough to concede ground to the difficulties political leaders face. "I don't like to double guess them because they have to walk a minefield," the global guru of free trade said.

Bhagwati, as a grand Indian success story in the US — and a frequent consultant for global policymakers — spoke of how Indians were the new Jews in America, successful in all fields, except, perhaps the mafia. "That is because they have not been discovered yet," he joked.

Surprisingly for some, Bhagwati, who was due to meet Prime Minister Manmohan Singh and Commerce Minister Kamal Nath, said it was a fallacy to think Indian farmers would be swamped by global competition. India should be ready for freer trade, as it has in the case of manufactur-

ing, he said. "My hunch is we can do it," Bhagwati said, calling for studies to verify the position. "There is some sense of neglect of agriculture. Facts are that poverty in rural areas has also gone down. But what they (politicians) believe is important."

He said employment guarantee schemes (EGS) were likely to be corruption-prone, as its effects were difficult to measure. "EGS is not going to be productive." But at the same time, he stressed that economic growth, while necessary to remove poverty, needed other steps like emphasis on healthcare and education. "I think we have learnt the growth process but we need to improve the access to growth," he said.

Bhagwati's recipe for success in this is a cocktail of democracy and free market policies, and pragmatic policies to address poverty without policy-makers being bogged down in academic measurements in defining who the poor are. "Poverty is like pornography. When you see it, you know it."

Bhagwati is not quite a radical poster boy like his Columbia colleague Joseph Stiglitz, who has questioned globalisation. In his own words, he is a real-world economist who uses what he calls Gujarati pragmatism to inform his science. He is not sure if India can sustain the nine per cent GDP it is showing in the current year. "It doesn't seem supportable to me. I think it will need substantial opening up on the infrastructure side."

If his views on India are tempered, Bhagwati's tone on China is downright critical. He said China's growth was on shaky ground as it was at a heavy environmental cost, with no NGOs, judiciary or political opposition, as in India, to countervail communist commissars, who, he said, were effectively involved in a state-run land grab — while infrastructure remained poor. That may be heartening to India, as would be the fact that he considers New Delhi's leaders more prone to independent thinking and multilateralism than counterparts in stronger economies like South Korea.

Bhagwati came out strongly against US attempts to manoeuvre bilateral and regional agreements that undermine the WTO's efforts. His next book, *Turmoils in the trading system*, would show how Washington and the EU distort the free trade they champion, and how Asia is paying them back in their own coin.

For all the knocks his dream of multilateral trade is taking, Bhagwati may still have reason to be happy, because he sees progress in global migration as Western populations decline to make way for workers from nations like India. This, he said, could boost Indian immigration into Italy, and in the process, throw up an Indian-born leader to counter Sonia Gandhi's role in New Delhi. "We will have taken our revenge," he joked.

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## Know him

- Dr Bhagwati, a member of the Columbia faculty since 1980, is the Arthur Lehman Professor of Economics and a professor of political science
- He has received the Freedom Prize (Switzerland) and Seidman Distinguished Award in Political Economy (USA)