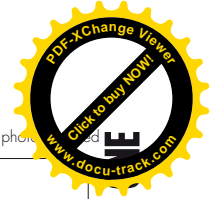
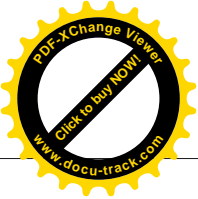


Jeffrey Sachs

Article highlights

- Globalisation needs to evolve
- It's a case of the professional class versus the working class
- A global village can work



Globalisation — reality or myth

Brexit, the growing international immigration and economic crises and the upcoming US elections are all issues on the world's lips right now. *MindSpace* asked Jeffrey Sachs, world-renowned American economist, leader in sustainable development, Columbia University professor of economics, senior UN advisor, bestselling author and columnist on whether globalisation was crumbling?

"Globalisation is a continuing reality but what's happening now is that certain effects of globalisation are coming under widespread attack and scrutiny. Around the world people feel the way globalisation is working is not adequate and that we have to be more rational in how we approach interdependence," explains Sachs.

GLOBALISATION CAN WORK

Sachs points out, there are, however, areas where globalisation has worked well. "Globalisation has been a major source of economic growth for decades, especially in a country like China, which has powered the most rapid growth we've ever seen on a sustained basis for large economies. The results, though, are not uniform

across all countries and within countries the benefits are also not equally shared, which is a big part of the problem. Even if globalisation increases the overall economic pie, it doesn't mean the slices are divided in a way that's benefitting everybody."

BREXIT

"Brexit is a sentiment that's widely shared in Europe and the United States right now. The Donald Trump phenomenon is very much like the Brexit phenomenon. It's about people who feel in some way relatively left behind or unrepresented by their government, with those who have seen industry decline or have lagged behind, saying "this hasn't really benefitted us." Sachs adds that the rapid change of demography and migration problem of half of almost every other country has left people feeling their governments don't represent their interests."

THE IMMIGRANT ISSUE

"The backlash this has had should send a message, which I'm not sure is being received, that policies need to be fairer and more attentive, especially in the United States, where inequality has heightened considerably over the last 40 years. The diagnosis to point fingers at immigrants is very sound, but reflects the reality that those who defend the current system tend to be the professionals. The strong vote for the remain group in the UK was led by the professional class and interestingly, in the US, the Democratic Party, which by some was considered the under-dog party. They now represent the professional class — an urban, college-educated, professional community who feel things are pretty good. Immigrants provide low cost services for them, so they're not in competition for professional jobs, whereas the backlash is from the working class and lower skilled workers, who Trump is appealing to. And like Brexit, we don't know how it will turn out.

"Trump represents a very strong viewpoint, albeit a minority one, with a tremendous amount of unhappiness behind it. The professional classes worldwide have done very well with globalisation and with a demand for skilled services offering higher incomes enjoyed a worldwide boom. But it doesn't mean everybody wins from it. This backlash means we have to attend to the pressures, dislocations and inequalities that are the result."

THE SYRIAN CRISIS

"I attribute this war to a US decision in 2011 to try and overthrow the Assad government. A lot of the subsequent consequences came from this decision, but a lot of US foreign policy is well hidden so people don't understand exactly what's happening. My view is that the US has stirred the pot and created the conditions that have displaced millions of

“Globalisation is a continuing reality but what’s happening now is that certain effects of globalisation are coming under wide-spread attack and scrutiny.” Jeffrey Sachs

people, including those pouring into Europe. My very strong belief is that the US should stop its effort to overthrow the Syrian government, but they say it’s their responsibility to support rebels to overthrow Assad. It’s not good foreign policy to be engaged in wars trying to overthrow legitimate governments, even if those governments are distasteful.”

FIXING INEQUALITY

“We have big worldwide inequalities of income and differences of population dynamics. Europe with a stable but declining population, against Africa with a rapidly rising population of very poor people and inevitable increasing pressures for migration. There’s no clear policy on what’s fair and what should be done. There’s no consensus within countries and no current international standards.

“At the United Nations in September 2015 for the first time, the UN countries in the General Assembly said the world needs to move to some framework for migration – not for refugees from war but the general economic migration. It’s the first time there’s going to be a worldwide effort to define what’s right, fair and sensible for migration, with each country then presumably setting its own policies in some kind of alignment with a global framework.”

AFTER BREXIT

“I believe Brexit will be a minor cost for Britain, not a devastating long-term issue and that Britain will find a way forward. Unless they get into a real wrangle, with Europe becoming defensive and resentful, saying we’re going to teach the British a lesson. That would be pretty stupid on both sides but stupidity isn’t something we avoid often, so it could become much more dangerous – only because the negotiators make it so.

A GLOBAL VILLAGE – DREAM OR IMPOSSIBILITY

“The original idea of the EU was very practical – the essence of which was to avoid another war between Germany and France. From the fifties to the eighties, the idea was to have open trade as a way to bind countries together in peace. Perhaps there was a bit of over-reaching and even a touch of hubris here, as Europe went from the idea of a modest integration to a vision of creating almost a single country – the united states of Europe. While the Euro was adopted, other things got a bit out of line. The process of governance in Europe became incredibly cumbersome, with Europe not really working institutionally right now. It’s a very practical problem having 28 countries making unanimous decisions – and these are politicians with very local interests, making agreement on important things almost

impossible. So where financial markets work in a split second, the politics of these countries seeking unanimity takes months or years – a recipe for huge problems.

“Globalisation exists between interconnections of people, technology, natural environment and economic supply chains. When we have these linkages they bring a tremendous amount of benefit for the world. We need to understand realities such as climate change and agree on a way forward together. The world adopted sustainable development goals a year ago. We also say that within each country and internationally we’re going to move towards fairer, better educated societies with environmentally sustainable policies. If we work on these things together, we have a way forward that makes sense and we can get out of the terribly dangerous name-calling and finger-pointing and illusions that are part of our politics right now and say, here’s a way that really makes sense, is realistic and can lead to more prosperity, social inclusion and a safe environment.” ■

Jeffrey D. Sachs is a world-renowned professor of economics, leader in sustainable development, senior UN advisor, bestselling author, and syndicated columnist whose monthly newspaper columns appear in more than 100 countries. He’s the co-recipient of the 2015 Blue Planet Prize, the leading global prize for environmental leadership. He has twice been named among *Time Magazine’s* 100 most influential world leaders. He was called by the *New York Times*, ‘probably the most important economist in the world’, and by *Time Magazine* ‘the world’s best known economist’. A recent survey by *The Economist* magazine ranked Professor Sachs as among the world’s three most influential living economists of the past decade.