

# THE MORNINGSIDE POST AT COLUMBIA UNIVERSITY

## The World According to Joe Stiglitz's Movie (And Me)

By Ben Colmery MIA 2009

Last week, I took in the screening of "Around the World with Joseph Stiglitz." It's a film following Stiglitz around, um, the world, as he visits assorted winners and losers of globalization, and breaks down for us what it means to win and lose the globalization game. I have to say, I quite enjoyed the evening.

The strength of this movie, which he concurred during the Q&A session afterward, is that it doesn't take just one side, as so many other voices on the matter tend to. This isn't merely a globalization horror story, nor is it trumpeting the glories, either. It is just a frank, but accessible, trip through one of his great passions, and an issue that touches almost everyone's life in some way. The movie starts in Gary, Indiana, where Stiglitz grew up, and bounces around, making stops in Ecuador, Botswana, Indiana, and China. We hear from villagers, farmers, local politicians, and even the retiree living in Stiglitz's old house in Gary. If you want a crash course in globalization—from policy, sound infrastructural investment, environmental concerns, trade imbalances between developed and developing countries, the brutal nitty gritty of people who are watching the world around them disintegrate for someone else's benefit—this movie is for you.

As Stiglitz wandered the broken down buildings along the streets of Gary, and elaborated on the decay of local industry as it moves to other lands, and with it jobs, and someone else's globalization victory, I couldn't help but think of Albion, Michigan, where I went to college. Albion was once a town of prosperity, standing upon a local factory that employed so many. But then the factory shut down, the jobs eliminated. Now, in a town with a rotting, rusting carcass of a factory, with the same broken windows as Gary, that same feeling of emptiness and desperation, instead of jobs, there is rampant destitution. Albion has become a drug trafficking center, connecting Chicago and Detroit. It is easy to wonder, without the college to provide something that isn't an eyesore, what Albion would become.

Sure, our economy is structurally adjusting from goods oriented to service oriented. But that doesn't mean everyone's capable of adjusting with it. It is hard not to be trouble by those left in this wake.

In the Q&A, Stiglitz cited a Pew poll in which America was one of the bottom five countries in the attitudes of people toward globalization. The irony, he noted, was that on the aggregate, America could be considered one of the big winners. That's the trouble with the aggregate, and one of the points of this film. The numbers might look good, but that doesn't mean globalization is great for even one of its supposed big winners.

In the movie's depiction of India, we saw a village with a sign saying it was for sale. A village... for sale... with its "trees, houses, and animals." Imagine if your hometown, the whole town, went on the market, because it could no longer afford to sustain itself. I wonder what would happen to Albion if the "right" person bought it.

The movie talked of brain drain. I started to wonder what Gary might have looked like had Stiglitz stayed. Not that I can blame him for leaving. When I lived in Michigan, I often drove to Chicago, going through Gary. Oh, Gary. I have long thought of Gary as a top five place in which I'd rather not live.

Stiglitz, in the movie, spoke at length about the issue of intellectual property, and how developed countries are patenting genetic innovations in plants in a way that places restrictions on people in developing countries from using them to maximize their own economic benefit. Stiglitz argued that patents are a monopoly on knowledge, and brought to light Thomas Jefferson's metaphor of candles and ideas. Jefferson's metaphor was essentially that, when it comes to ideas, no one possesses the less because everyone possesses the whole of it. He who receives an idea from Jefferson receives it without lessening him, as he who lights his candle at Jefferson's receives light without darkening him.

I'm not here to disagree, per se. I'm the one trying to free up information for those who have access to less information. My media development work in Ukraine was all about putting the tools of information into the hands of local people, and showing them the benefits of free information in a culture that long put a heavy price on keeping it hidden. As I was watching this, I couldn't help connect brain drain and the cost on knowledge. SIPA was easily the best place for the knowledge I was looking for, as American grad schools with media programs go. It was also the most expensive for all that quality. When I graduate, in order to pay the \$120K plus in loans I have taken out because of not receiving a penny of from the school, it is very likely that I will have to take the job that offers me more money, and there is a very good chance that will be in another country. Of course, I'm interested in working in other countries. But then, many of the top organizations in media development are in New York City and Washington, DC. Still, they are probably going to have to offer me more money to be competitive for my employment. If I get a better offer of money elsewhere, I may not even have a choice but to leave the country.

I spoke after the movie with a SIPA grad who is currently facing a similar situation. He needs a job badly enough that he feels he has no choice but to take an offer in India, even though he'd really rather stay here. But, he needs to pay off school, and he just isn't getting the same offers here.

Brain drain. He and I are among many of the US citizens who will have a SIPA degree, and because of the tremendous debt we have taken on in order to get that degree, will probably have to make our decisions based more on money than on cause. Chances are, in a time when crisis is growing and brains are increasingly in demand, America is likely to lose a lot of its best and brightest.

This is not to point any fingers at SIPA, or to shirk personal responsibility. It is more to illustrate how whacked out bonkers it is that knowledge comes at such a cost in America. Now, run some models, simulations and projections on the long-term impact the high cost of higher education is going to have in opportunity costs to America.

Maybe knowledge shouldn't be free of charge. But in a world as lopsided as ours, maybe Stiglitz has a point. Maybe knowledge shouldn't be hoarded behind a wall of insurmountable and innovation suffocating cost. One can't talk globalization and not talk global financial crisis today (of which the cost of knowledge is just part of the larger picture). Someone in the audience asked Stiglitz what he thought of Obama's recently named economic team. Of course, Stiglitz's name was a glaring omission ([here's a great piece](#) that gets into this omission in more detail). People on that list like Larry Summers, Tim Geithner and Robert Rubin are among the "free-market fundamentalists" who helped deregulate banks and are believed to have also helped pave the way for this crisis. As they were busy doing that, Stiglitz was calling for more regulation. Interestingly, Stiglitz won his Nobel prize for his work on information asymmetry in markets, and his argument that generally speaking markets with some degree of intervention are necessarily more Pareto efficient than free markets alone. This financial crisis has only proved his point.

So, when that audience member raised that question, Stiglitz replied that he hoped some of the free-market fundamentalists in the group had learned their lesson.

The trouble is, and this comes out in the movie, those who call the shots in the global financial and economic system not only don't learn their lesson, it's all set up in a way so they don't have to. As the rest of the world loses, those with economic power write the rules, ensuring their victory.

If more are going to win, those rules will have to be rewritten, and then followed. As Stiglitz points out, we can't talk free trade and then restrict it in practice, as we see in how the US and EU use the WTO. We can't talk good governance, and then practice bad governance in the World Bank and IMF, which have pushed economic models on countries that have driven them further into debt and collapse. And, we can't talk against corruption, and then look the other way when our trading partners are corrupt.

I couldn't agree more.