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ECONOMIC VIEWPOINT

By Jeffrey E. Garten

Must-See TV on the Road to Globalism

An insightful and illuminating PBS series airing in April shows how the global economy evolved--and what needs to be done to make it work

Television is not usually a good medium for economics. But there's an unusually powerful program on the global economy airing on Apr. 3, 10, and 17: the Public Broadcasting System's three-part series, *The Commanding Heights: The Battle for the World Economy*, drawn from the 1998 book by Daniel Yergin and Joseph Stanislaw.

The program provides a spellbinding history of the world economy over the past 90 years and maps out the tortuous path it has followed toward democracy and freer markets. It ends with a note of optimism about future global prospects that may be too sanguine given today's news. Nevertheless, it should be required viewing for audiences around the world, for there could be no better launching pad for a meaningful debate about globalization and its future. (The three two-hour broadcasts will be accessible at www.pbs.org/commandingheights.)

The three episodes bring to life and tie together epic events such as the Bolshevik Revolution, the Great Depression, the Cold War, the fall of the Berlin Wall, the 1999 riots in Seattle, and the September 11 terrorist attacks. Included are dozens of insightful interviews with officials, economists, business leaders, and political activists, including John Maynard Keynes, Milton Friedman, Mikhail Gorbachev, Bill Clinton, Robert Rubin, and Dick Cheney.

For me, the program conveys two central messages. The first is that globalization has been, to a large extent, about the spread of political and economic ideas across borders. The aftermath of World War I, together with the Great Depression of the 1930s, led to several decades of increasing government intervention in economic affairs around the world, including in the U.S., Europe, the former Soviet Union, and most of the developing world. Then, in the 1970s, when it started to become clear that big government wasn't working, an equally powerful global countermovement

began to lower trade barriers, drop controls on capital flows, deregulate industry, and privatize state-owned companies.

The second message is that in 2002, the idea of globalization is at a crossroads. The program poses perhaps the most important question of our time: Will market links between national economies keep growing, or will a radical shift in the political environment--resulting from terrorism, growing poverty, and the antiglobalization protest movement--take the world in a different direction?

The Commanding Heights answers that question cautiously but optimistically. All is not well, the show concedes, but with better rules and institutions for international commerce, the world can deal with such widespread problems as financial instability, environmental degradation, and inhuman working conditions--the roots of so much of the political frustration that now fuels the antiglobalism forces. I asked Yergin, the book's co-author and one of the show's main commentators, for his personal conclusion. (Yergin won a Pulitzer for a previous book, *The Prize: The Epic Quest for Oil, Money, and Power*.) "In the end," Yergin says, "the best hope for economic growth everywhere depends on trade expansion and an open world economy. With a lot of effort, we should be able to maintain the course we've been on. History shows there are no good alternatives."

I hope his views aren't the triumph of hope over reality. Despite its positive message, the program also vividly shows the pressures building in the world economy. After watching it, I concluded that much more than incremental change is needed to keep globalization on track. I began to think we are not so far away from a state of global anarchy. After all, were *The Commanding Heights* to be followed by a fourth segment encompassing the next decade, it might well document how the spread of Islamic rage in the Middle East and the Persian Gulf translated into a war between moderates and fundamentalists that paralyzes the oil markets. It might show social upheavals in the dozens of new megacities--Bombay, Jakarta, Cairo, São Paulo--whose basic infrastructures for housing, health, transportation, and law enforcement are near the breaking point. Future viewers would not be surprised to see a highly disillusioned Latin America, led by Argentina, Venezuela, and Peru, turning once again to socialism and protectionism in a futile attempt to cure its ills. Or what about an economic implosion in Japan, started by a stampede of Japanese investors into dollars and euros? Or a violent strain of anti-Americanism in reaction to Uncle Sam's military and

CIA activity in dozens of countries, justified in Washington by an open-ended war against terrorism?

There are more comforting scenarios, of course. But one way or another, the power of this PBS production will compel you to formulate a view. I myself keep remembering the words of economist Friedrich Von Hayek, who in the first segment of the program looks back at the era of globalization that ended in 1914. He said: "We didn't realize how fragile our civilization was."