

Donald Trump very big risk for global economy, says Joseph Stiglitz

Nobel Prize winning economist Joseph Stiglitz was speaking at an interactive session in Azim Premji University of Bengaluru.

Nobel prize-winning economist Joseph Stiglitz on Wednesday said presumptive Republican presidential nominee Donald Trump 'is certainly a very big risk for the global economy'.

"I certainly think he is a very big risk for the global economy. I think the damage he has done already by raising the spectre...represents a force of instability in global financial and trade system," he told reporters ahead of an interactive session organised by Azim Premji University in Bengaluru.

He was asked whether Trump could be the biggest risk to the global economy following his hostility towards free trade, including North American Free Trade Agreement (NAFTA) and his repeated comments labelling China as a currency manipulator.

Many economists and experts on financial matters in the US have come out openly, saying if Trump wins the election, his hostile attitude to free trade would alienate Mexico and China in particular, resulting in escalation of trade war.

Stiglitz said all presidential candidates have come out against the new trade agreements, including Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) and these are not good for American citizens and Europe.

“All the presidential candidates have come out against the new trade agreements – TTIP and TPP. Those new trade agreements are not very good for American citizens and I don’t think they are very good for Europeans,” he said.

Stiglitz said most of the aspects is not about trade, but about the investment and intellectual property provisions.

The real concern, however, would be if India goes back on its longstanding view on intellectual property provision that has access to generic medicines, which is important, he said.

“India has a long standing view that it has an IP provision that has access to generic medicines. That’s very important. It will be very bad if India went back on that long standing position on access to generic medicines,” he said.

Stiglitz said TPP and TTIP is an attempt to make generic medicines less accessible.

He alleged India was under pressure from US to follow the same tradition, but it’s important for the country not to give in to it, “which comes totally from big pharma companies which does not represent the interests of the American people.”

Stiglitz said Hillary Clinton of the Democratic Party had already expressed opposition to TPP which includes these provisions on generic medicines and investments.

Asked if TPP was mainly aimed at containing China, he said, “One of the arguments put forward in the US is about maintaining American hegemony in Asia.”

“President [Barack Obama](#) said who is going to write the rules of trade in Asia? The response of Asia should be Asia should be writing their own rules, not the US,” he said.