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Globalisation - greater division of rich and poor

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IS ANYONE paying attention to the suffering and woes of the poor in developing countries? Voices in the developed world say that the answer is NO!

Despite the pleas of the poor to go slow on unbridled capitalism, capital flows, globalisation and liberalisation, the developed countries continue with their demands for market-opening measures and continue to preach globalisation and liberalisation as a new religion that must not be questioned.

Anyone who questions these are labelled heretics and pariahs. The developing countries themselves are not united. Malaysia has repeatedly called on them to unite to face the new challenges but while many agree to do so, at critical moments, the division among them becomes clear.

No wonder Prime Minister Datuk Seri Dr Mahathir Mohamad and Japan's former vice minister for international affairs Mr Eisuke Sakakibara are not hopeful of the outcome of the meeting of the developed countries, the Group of Eight (G-8), in Okinawa, Japan later this month.

The most recent US trade deficit numbers indicate that the US is going to be very critical of Japan in Okinawa. Moreover, there is little chance the developing countries will be even given a hearing. The G-8 is after all an exclusive club from which the majority of the world's population is excluded.

Developing countries have in various forums voiced their concerns but these seem to have fallen on deaf ears. The Group of 15, the Group of 77, the Non Alignment Movement (NAM) and the Organisation of Islamic Countries (OIC) have sounded their views at various summits in recent months. But the appeals of the poor fall off like water off a duck's back.

What choice then do developing countries have? Unite and fight for their rights and those of their citizens. The developing countries collectively account for the majority of the world population, yet individually they are economically weak. They have strength in numbers, if they choose to utilise this resource for individually, they are incapable of commanding the respect or the attention of the developed world.

Developing countries have been left out of the decision-making process at the international level which is dominated by "governments of the developed countries and by international institutions that are mainly under their control and influence".

Even as they are excluded from the process, the decisions of the developed countries affect the poor. This was clearly demonstrated with the Plaza Accord when the G-7 agreed to strengthen the yen in keeping with US demands to reduce its deficit with Japan.

This decision saw the developing countries having to pay more for their yen denominated loans so that the US could achieve its aim of reducing its trade deficit with Japan. Yet the poor countries were not even consulted when a decision was taken at the plush New York Plaza Hotel.

Leaders in developing countries cannot be blamed if they decide to ignore the decisions taken by developed countries. Especially if their (developing countries) views are not taken into account and the "decision is bad for us". This message was sent to the developed world by the G-77 at their meeting in Havana, Cuba, and by the G-15 heads of government meeting in Cairo recently.

Malaysia has given the world notice that it will "fight tooth and nail"

if the country's prosperity is threatened. Other countries need to do the same. Use their own internal strengths and fundamentals for the benefit of their people.

Malaysia has taken "unorthodox" measures to deal with the financial crisis of 1997 and handle the process of globalisation and liberalisation without any adverse effects on its citizens and economy.

"Globalisation is a savage process," say John Micklethwait and Adiran Wooldridge. Martin Khor says a major feature of globalisation is the growing concentration and monopolisation of economic resources and power by transnational corporations and global financial firms and funds.

The developed world and international institutions continue to shove "globalisation" down the throats of the poor. Developing countries see an erosion of their independent policy-making capacity, according to Khor of the Third World Network. Many developing countries have to adopt policies made by other entities, which may on balance be detrimental to the countries concerned.

The most important feature of globalisation, according to Khor, is the globalisation of national policies and the policy-making mechanism. He adds that national policies that until recently were under the jurisdiction of states and people within a country have increasingly come under the influence of international agencies and processes or big private corporations and economic and financial players.

"This has led to the erosion of national sovereignty and narrowed the ability of governments and people to make choices from options in economic, social and cultural policies," Khor says.

This is a process that the developed world and the multilateral institutions continue to aggressively promote. Something that developing countries must be aware of. While the developed countries preach democracy and freedom of choice, good governance and transparency, the processes that they are demanding that developing countries adopt and pursue are not democratic and certainly lack transparency - a definite case of double standards.

Do those who demand that developing countries pursue these policies really know what the poor go through? In their book titled "A Future Perfect", Micklethwait and Wooldridge sum up the situation with: "Very few of the consultants who celebrate the global village seem to have flown economy class over long distances."

Thus it is time those in the "economy class" united and demanded their rights and an equal say in policies and decisions that affect them before it is too late.