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The great North-South divide of globalisation

Hardev Kaur in Bangkok

THE Plan of Action issued at the end of the eight-day meeting of the UN Conference on Trade and Development (UNCTAD X) is a "watered down" version of the initial text. In fact, the New International Economic Order document of the 1970s contained much stronger language.

The reason for the diluted version is simply that the developed countries are not prepared to subject themselves to the same liberalisation and transparency rules that they demand of developing countries.

They are also not prepared to give up their control of and influence over such multilateral institutions as the World Bank and the International Monetary Fund. The Washington Consensus, according to UNCTAD Secretary General Rubens Ricupero, has proved to be inadequate. But even so, the major powers do not want it changed.

It is a one-way traffic. Lecture, condemn, demand and extract whatever you can from the poor, developing countries while preaching the benefits of "liberalisation and globalisation" and keeping barriers against and quotas on products of interest to developing countries.

While condemning developing countries for not liberalising their markets, the developed countries themselves are not prepared to make concessions for even the Least Developed Countries (LDCs). Instead, they try to "get blood out of stone".

Just as in the 1970s, when the plight of the poor South was debated at international conferences and meetings, the gap between the rich and poor, developed and developing, is no different today. Perhaps it is even worse than it was in the 1970s.

The "peace dividend" that the world was to have obtained has not been felt by the developing poor. If at all, they are increasingly being marginalised and left further behind in development.

With today's highly interdependent world, it is essential that the views of all the stakeholders and players in the world economy are sought and taken into account.

This is not so now. Developing countries and many affected by the recent financial crisis are being excluded from discussions on financial architecture. Not that much progress has been made but at least the views of those affected and with "alternative" solutions should be heard.

Malaysia, which has proved that there are alternative solutions, has called for effective participation of developing countries in the decision-making process of all international institutions.

In making the call, Prime Minister Datuk Seri Dr Mahathir Mohamad proposed that international institutions have mechanisms to allow the views of all to be heard.

"The decision-making process must be transparent and reflect not just the views of big business and big governments but also those of the threatened small business and small governments," he said.

The question of transparency and equal representation in the decision-making bodies was raised by several leaders at UNCTAD X, including the President of the Conference, Dr Supachai Panitchpakdi, who is also Thailand's Deputy Prime Minister.

Currently, the "Green Rooms" at the World Trade Organisation (WTO) do not offer developing countries the opportunity to participate in discussions and negotiations.

Even at entry level, there are road blocks.

The Iranian delegation told the UNCTAD meeting that "the WTO charter clearly seeks to encourage states to participate more fully in the globalising world economy by acceeding to the WTO on mutually agreed terms and the article makes it clear that no state should be discouraged or barred from negotiating the terms of its accession". However, "in contradiction to this spirit, the accession request of Iran to the WTO has been held for nearly three and half years. It is yet to be brought before, and considered by, the General Council of the WTO".

There are numerours other examples where the developed countries reign supreme and determine the rules and regulations.

There is not much the LDCs can do. The playing field is sloped in more ways than one in favour of the developed and industrialised countries even as the bars are raised.

Developing countries do not have bargaining power. Their primary products fetch very low prices and many of the LDCs are dependent on just one or two primary commodities to generate employment and earn foreign exchange.

The combined gross domestic product of the 48 LDCs is less than the combined income of the three richest men in the US.

Even though there are repeated references to the "fiasco" in Seattle and the need to engage all in the negotiating process, it appears that the message of Seattle has not sunk in nor its lessons learnt by many in the developed countries.

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