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Unfair trade practices of developed nations

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MANY more voices are joining Malaysia in pointing out the downside of globalisation. These are not just the non-governmental organisations and others who have resorted to demonstrating at major international conferences to make their point.

Those speaking up are not just those from developing countries. There are voices of caution from organisations such as the United Nations Conference on Trade and Development (Unctad) and western columnists. Many in the developed countries are also beginning to question the process.

"Globalisation - the aggressive programme for the imposition of Western norms of national economic management, economic deregulation and market opening, and for facilitating takeovers of indigenous industries and agriculture by multinationals - was launched by the Clinton Administration during its first term," William Pfaff, a columnist for the International Herald Tribune says.

Even Stanely Fisher, first deputy managing director of the International Monetary Fund (IMF), is listening to what developing countries have to say about globalisation. But he does not necessarily agree with views put forward by the poor.

In his comments during a recent economic symposium at the Federal Reserve Bank of Kansas City, Fisher on "Globalisation: Valid concerns?" referred to remarks made by leaders, including Prime Minister Datuk Seri Dr Mahathir Mohamad, at the Southern Africa International Dialogue (SAID 2000) in Maputo, Mozambique.

Fisher admits that globalisation means different things to different people. To the IMF, he says, it means "the ongoing trend to greater economic integration among nations".

In making a case for this definition, he says the trend is evident in "the growth of trade relative to Gross Domestic Product (GDP), and even more in the startling growth of cross-border trade in financial assets."

Pfaff points out that the "intellectual consensus on global economic policy has broken down. The Asian economic crisis two years ago virtually wiped out globalisation's much touted growth gains."

The Paris-based columnist argues that "China and Malaysia survived the crisis because the former had refused to be globalised and the latter defied the IMF about how to deal with the crisis".

In terms of people's lives, Fisher says among others "globalisation means that the residents of one country are more likely now to consume the products of another country; to invest in another country; to earn income from other countries; to talk on the telephone to people in other countries; to visit other countries; and quite likely to know more about other countries than they were 50 years ago".

While this may all be true Fisher fails to acknowledge the widening rich-poor gap not only between countries but also within countries that the process leads to. Developing countries and others have also pointed to the unequal distribution of power and the need for poor countries to be empowered.

In fact in his remarks, Fisher says this "unequal distribution of power is a fact of life, that has to be lived with". But does it? Why not do something about it and ensure a fairer representation?

Developing countries and the emerging economies are sadly under-represented in many of the international and multilateral

organisations and do not have a say in decisions that have far reaching impact on the lives of people in developing countries.

As Unctad, in its latest report, points that production by multinational corporations now "span virtually all countries and economic activities, rendering it a formidable force in today's world economy". In this, developing countries and their people have very little say and influence.

President Y. Musaveni of Uganda had pointed out in Maputo that globalisation is "the same old order with new means of control, new means of oppression, new means of marginalisation".

Fisher in his attempt to defend globalisation is not able to explain or defend the unequal and unfair trade practices of the developed countries.

While developing countries are asked to open their economies and their borders to goods and services from the developed world yet the markets of the rich are not as porous to exports of textiles and agricultural products from poor developing countries.

Labour from developing countries is also not free to move to developed countries. Developing countries are not allowed to export what they produce yet their markets are flooded with produce of multinational corporations which essentially are those from developed countries.

This "unequal distribution of power" especially economic power must be reviewed and it is not something that "has to be lived with" as Fisher says. This situation is left unchecked and dealt with, will only cause greater and wider gaps and disparities between the developed north and the developing south.

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