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For South countries, globalisation is largely a promise unfulfilled

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ONCE it was widely accepted that globalisation was not only unstoppable, but also beneficial to all.

But no longer, as evidenced by large-scale demonstrations at important World Bank, IMF and World Economic Forum meetings since 1999.

The West, which has always claimed to have the best intentions of the Third World at heart, maintains that globalisation would help solve most, if not all, of the world's economic, political and social ills.

The United States and its powerful allies claim that it is in the interest of developing countries to open up their markets and economies to allow the unrestricted flow of capital and trade.

They argue that the free flow of foreign money, goods and corporations would not only stimulate economic growth and improve efficiency but also allow poor countries to benefit from a more equitable distribution of the world's wealth.

But instead of fulfilling the promise of shared prosperity, globalisation has led to the impoverishment and destabilisation of many developing countries, especially in Africa and Latin America.

Many of these countries which have had to beg for loans from the IMF and World Bank have been forced to adopt disastrous policies that have trapped them in a never-ending nightmare of economic dependence and misery.

They have been forced to lay their economies open to foreign exploitation and control, and reduce or do away entirely with import duties to the detriment of infant industries. These import duties not only protect and boost local industries, but also provide a vital source of funds for the Governments of poor countries.

The Unctad 1999 Trade and Development Report states that the greater openness of developing countries in the 1990s has led to higher volatility, larger payment deficits and poorer growth performance.

There is now great concern across the south that, in its present form, globalisation which allows the free flow of capital and predatory assaults by the strong on the weak, could erode national sovereignty, marginalise developing countries and enrich the wealthy North at the expense of the South.

The financial crisis of 1997, in particular, which saw the devastation that currency speculation and manipulation wrought on the tiger economies of East Asia, woke many people up to the very real threat posed by globalisation.

Concern about the negative effects of globalisation is no longer confined to the South. Many people in the developed countries are worried that cheap products from developing countries could cost them their jobs.

More and more journalists and columnists in the mainstream media in the West are voicing doubt and criticism of the globalisation process.

"China and Malaysia survived the crisis because the former refused to be globalised and the latter defied the IMF about how to deal with the crisis.

"Its sponsors define progress wholly in terms of wealth accumulation. The ultimate purpose of economic activity is described as solely to reward business investors, from whom all benefits flow.

"It has been a self-serving ideology elevated to the status of economic principle," said prominent columnist W. Pfaff.

But like it or not, as a major trading nation, Malaysia cannot afford to

reject globalisation.

Let's not forget that globalisation, in the form of a steady inflow of foreign investment, has benefited us greatly and allowed the country to rise from a backward agriculture-based economy to that of a prosperous industrialising economy.

As Prime Minister Datuk Seri Dr Mahathir Mohamad has said time and again, Malaysia is by no means opposed to globalisation in and of itself.

What Malaysia and the developing world are opposed to is the current situation where coercive and non-democratic WTO policies that benefit the North are dictated by the North and imposed on the South.

There is clearly a need for all developing countries, like Malaysia, to work closely to loosen the stranglehold that the West has over WTO so that we can participate fully in shaping the WTO's agenda.

Otherwise, developing countries will be at the tender mercies of developed countries, in particular the United States, and institutions such as WTO, IMF and World Bank that are controlled by them.