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"SOCIAL DIMENSION OF GLOBALISATION"

Globalisation is on everyone's mind nowadays. This concept of a world without borders, of a global nation in all but name, promises a future so changed that the social, political and economic order of things as we know them will be radically different and probably threatening in many ways. Certainly it will have a tremendous impact on the life that we lead as workers and as employers, and also as Governments.

2. Not so very long ago, in the years following World War II, the peoples of the world were busy dismantling empires and creating new independent nations out of the colonies of the Europeans. That was the time when much value was placed on freedom; freedom that is, from the imperialists, from being the colonies of other nations. It was felt that the subjection of a people by another people was unjust and shameful and it must be ended as soon as possible. The subject people must be free, be allowed self-rule, be independent. Uhuru, Merdeka - these were the cry from the heart of the "natives", the black, brown and yellow people who had been colonised by the white people.

3. There was resistance, much resistance. The imperial colonial powers fought hard to retain their colonies. The subject people who rose to fight for their freedom were labelled terrorists and were attacked by the vastly superior forces of the imperialists. Many were the so-called terrorists who were incarcerated, usually without trial; many were killed, were tortured even and executed.

4. But the cry for independence could not be silenced and gradually but with growing momentum the freedom fighters gained ground and liberated their countries. More and more of the so-called terrorists became respectable, became honourable freedom fighters, became leaders of independent nations.

5. What was the meaning of independence then? Independence meant freedom from interference in the affairs of the newly-independent nations, freedom to associate or be allied to any nation or power bloc, freedom to accept and practise any system of Government. Non-interference was the key-word. To interfere with an independent country was to deny independence for that country. The newly-independent countries and their leaders gloried in their freedom. This was what they had fought for, this was what many of them died for and they were not going to let it be diminished in any way.

6. But they were wrong. Their independence was not full. It was President Soekarno of Indonesia who first realised it. He called it "neo-colonialism", a form of colonial rule that required no physical occupation of the land. The economic weaknesses of all the newly-independent countries forced them to submit to the influence and even hegemony of the economically powerful former colonial masters. The newly-independent countries had to seek aid and to borrow from the rich countries and these were not given without strings attached.

7. Every day the strings became more numerous and stronger. But still much lip-service was paid to non-interference in the affairs of independent countries. For the rich ex-colonial masters even this need for lip-service was frustrating. A way had to be found to dominate the former colonies more directly once again.

8. International agencies were used. Then came the idea of the Non-Government Organisations. Governments may not interfere but Non-Government Organisations are not subject to this dictum. And so the NGOs moved in, financing and setting up local

counterparts which effectively promoted the interest of the rich. The NGOs gained legitimacy and power by citing corruption, abuses of power, abuses of human rights, degradation of the environment, logging, hydro-electric projects, gas pipe lines, industrialisation, anything and everything, so as to keep the Government of the independent countries feeling guilty and submissive. No Government, however well intentioned, can be free from all that can be thought up as misdemeanours by the NGOs. It was considered not unfair for the NGOs to deny the poor people of a poor country cheap electricity or jobs or water supply in the interest of any one of their many so-called "causes". The poor countries must preserve the environment and become a "carbon sink" for the rich polluting nations of the world at whatever cost to their own people.

9. But as if the independence of the new nations was not eroded enough, the Governments of the powerful countries invented reasons for moving in directly. They claim that they have responsibility for the well-being of all the people in the world, even if they are citizens of other countries. All the people in the world must be freed of their Government's corruption, abuses of power, lack of transparency etc, their independence notwithstanding. After the end of the Cold War the freedom to choose forms of Governments was removed and only one choice was allowed - Liberal Democracy. That the removal of the freedom of choice is against the very principle of democracy was ignored. Be democratic or all the people and not just the Government will be punished, deprived of food and medicine, impoverished through economic actions.

10. Is it really concern for the well-being of the poor oppressed people of these newly-independent former colonies or is it frustration at not being able to get at the wealth these countries have, not being able to exploit the potentials these countries possess? It would seem that the latter is more likely to be the objective.

11. Democracy, transparency, the rule of law, freedom from corruption and from cronyism are good in themselves. But is it necessary to make the people suffer, to impoverish whole countries for the sins of their Governments. Is it necessary to destroy thriving economies in order to bring about democracy, and all the good things, that was supposed to accompany it? What happens when these democracies fail to work, when anarchy reigns instead; when they become so emasculated that they have to depend completely on foreign help and accept foreign directives for their domestic and foreign policies?

12. Should the new (relatively speaking) independent countries object to effectively losing their independence? Battered by the NGO's, made to feel guilty over their record on human rights and allegedly incompetent administrations and obliged to the powerful because of aid and their unrepayable debt, they were in no position to reject globalisation or even question it. And so all and everyone welcome globalisation without knowing really what they were letting themselves in for.

13. The first danger sign came when the currency traders devalued the currencies of the Asian tigers. Suddenly these so-called economic miracles were impoverished and found themselves spluttering and breathless as their countries collapsed economically. The media and an assortment of international experts and agencies told them that they had been naughty, that their growth and economic miracles were all fiction, that all the time they were mismanaging their economy, stealing money from their treasuries, and feeding their cronies. That the peoples of these countries had obviously prospered, that physically and infrastructure wise they had grown and developed, that they had managed to industrialise their agro-based countries - all these proved nothing, all these did not prove that they were governing their countries well. If their currencies were devalued and their economy and finances were in shambles, it was all their fault. The currency traders and the stock market investors were merely pulling out in order to save their precious capital.

14. But even if some of these allegations were true, it cannot be denied that the growth and development of these countries were real. They are not free of corruption of course

but which country, developed or developing is free from corruption? But the reality was that corruption, lack of transparency, cronyism were not the cause of the currency depreciation. What caused the currencies to devalue was the speculation, or more accurately the manipulation by the currency traders. They did not need to have a single cent of a country's currency in order to sell it. They are adept at short selling. A few zeros more on the computer, ownership transfers and they become richer by a few hundred million dollars.

15. But were they concerned about the effect of devaluing a currency? No. They admit now that they saw only those figures on a computer screen. They did not see, or if they saw, they casually blame Government incompetence and indiscipline for the social misery that their avaricious currency trading had caused. In one country 20 million people lost their jobs almost overnight. There were riots, shops were ransacked and burnt, women raped and people killed. Governments fall and anarchy sets in. And the international agencies which were supposed to help merely saw an opportunity to impose their rules for opening markets etc. instead of bringing relief to the people. Loans were withheld in order to gain compliance. And with compliance the whole country and all its businesses and banks had to be sold at fire-sales prices. If the loans cannot be repaid then the country will become debt slaves, indefinitely.

16. No more independence. Everything will be decided by foreigners whose only interest is to open markets and to collect repayments on their loans. No subsidies for food or fuel for the poor people. No restrictions on foreign ownership. No national agenda.

17. And so not only will there be poverty and unemployment but also prolonged riots, instability and finally anarchy. But not to worry. The country is democratic, practises market economy and accepts globalisation in toto.

18. Well, after all these should we in the developing countries be convinced that globalisation is the remedy for the social ills of the world? Frankly I have doubts. What we are seeing is the erosion of the independence of countries and their further impoverishment. What we are seeing is the feverish acquisition and mergers of the banks and corporations in the powerful economies so as to become even more powerful. Already most of the banks and corporations are bigger than most of the developing nations of the world. Despite frequent exhortation to establish level playing fields it is obvious that they believe size is the determining factor. Big is beautiful. Big certainly guarantees success. But big corporations being powerful must suffer from the corruption of power. And we are already seeing this happening as auditors are told to cheat or lose their contracts. In a world dominated by the big corporations and banks will there be social justice or will there be massive corruption?

19. Globalisation is presently interpreted simply and exclusively as the freedom of capital to go anywhere to cross and recross borders at will. The poor countries are told that the inflows of capital will be good for them. There will be growth and jobs and more wealth for everyone. But they are not told what would happen when capital is pulled out, pulled out suddenly. They will not know it until it happens. And then it would be too late as they find themselves suddenly poor, suddenly full of jobless people. But still the free flow of capital is touted as the sole essence of globalization

20. We need to look at this gift horse in the mouth. What would happen if the giant banks and corporations move into a country? How will the small domestic banks and companies fare? Obviously they are not going to be able to compete with the giant non-nationals. The giants can afford to lose in the country as they will be making profits elsewhere. The locals cannot afford to lose, at least not year in and year out. They will go bust or they will have to accept being acquired. Either way they lose out, becoming at most a minority shareholder but most probably selling out and living on the proceeds. There won't be too many businesses they can go into as most would be non-viable as other giants pose

threats to their survival. And so in the whole world there will be a limited number of giants in each business, an oligopolic situation which will not be healthy. And everyone who wishes to work will have to work for these giants, to be one of the hundreds of thousands of the minions of these globe straddling giants. Perhaps there will be one giant multinational union to represent all the workers of the corporations around the globe - but I doubt it. It would be too powerful and too dangerous to be allowed.

21. We have heard of the Banana Republics. It is ridiculous to suggest that banana growers could manipulate Governments but when a Government depends so much on one source of fund and of bribes, then Banana Republics become entirely possible. What will happen when foreign banks and corporations, each many times bigger and richer than the host country, decide that the Government is not doing the right thing by them. The urge to exert pressure on the Government by foreign giants would be irresistible. Of course these great corporations and banks will not resort to bribery and pressure but can we be certain? Either way the independence of nations will become non-sustainable. The foreign corporations will take over.

22. Governments, at least those of democratic countries, are elected by the people and owe their legitimacy to the support of the people. The people through the constitution and the legal processes can discipline them, can dismiss them even. But banks and corporations are not so democratic nor will they owe allegiance to the people of a country. They are not elected by the people and they cannot be dismissed or voted out. Only the people who hold shares in them can remove the directors but we have seen how difficult this is. Besides powerful shareholders who wield strong influence over the Governments of their countries of origin will protect them against actions by locals.

23. The free market can certainly discipline Governments but not necessarily for the good of the people. The market players are the most likely to benefit when markets discipline Governments, probably at the expense of the people. The main concern of the free marketers will be profits for themselves, not social justice. Paradoxically they will claim that social justice is the concern of Governments, Governments which they have emasculated.

24. After all that I have said I am sure you will conclude that I am against globalisation. But I am not. Globalisation is a great idea. Correctly interpreted it can be a means of correcting the inequities in human society worldwide.

25. Today some countries are filthy rich and some are church-mouse poor. One sixth of the world's population is living from hand to mouth, unsure of having food on their table the next day. A substantial number earn 1 U.S. Dollar a day. Yet there are countries with per capita income of 30,000 U.S. Dollar or 82 U.S. Dollar a day.

26. Why is this so? Why is there such disparity in incomes? In most countries those who make money in business or through wages are required to give back some through taxes. Yet the MNCs who make huge profits operating throughout the world and are going to make even more with globalisation contribute nothing to alleviate the poverty of the world's poor. Yes they do sometimes pay taxes to the countries in which they operate, although many don't. But what about the very poor in the poor countries where the MNCs have no business? If in a country the poor gets some share of Government revenue irrespective of which part of the country they live in, why cannot the poor in the poor countries unattractive to business be also given some benefit?

27. Yes, aid and loan have been given but we have seen how ineffective these have been. If on the other hand the rich countries by universal convention were to allocate a fraction of their revenue to actually build needed infrastructure in the poor countries, then much will accrue to the poor people, the workers, the small contractors of these countries.

28. Experience have shown when infrastructure constructions are undertaken no matter by whom, jobs and contracts are generated for the locals and foreign funds would flow in to enrich the country. In addition the building of infrastructure serves as a catalyst for development. All along the roads and railway lines, near ports and airports, new settlements and towns and businesses will grow. Electric power plants and water supply projects also built by infrastructure funds will provide basic necessities.

29. Globalisation would then be more meaningful for a greater number of people. In addition globalisation should be regulated so as to prevent monopolies, oligopolies and the exploitation of the poor by the rich. Rules and regulations are not incompatible with globalisation as long as they are designed with the protection of the poor countries from unscrupulous manipulations by those with capital and influence.

30. Most importantly the globalised world must not be for the capitalists only. The social needs of the citizens and the workers in the poor countries must be given equal consideration. Not only must the people be fairly compensated but their pride must not be injured.

31. Globalisation must be for all. Capitalists, workers and Government must benefit from globalisation. If capital is to be allowed to cross borders freely then workers too should be allowed to do the same. If this cannot be accepted then free capital flows cannot be accepted as well. If free flows of workers have to be regulated in a world without borders, a globalised world, then capital flows must be regulated also.

32. Globalisation must be planned and planned carefully. The planning must involve everyone from every part of the globe. It must be for the good of everyone and it must be proven to be good for everyone. It must be implemented slowly, with the biggest effort directed at benefiting the least developed parts of the world. Globalisation should not be about business only but it should be about the well being of everyone in human society worldwide. Then and then only will globalisation be meaningful to the world at large.