

# Alternatives

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## Think and Act Locally and Globally!

From the *Alternatives* Desk

THE debate over localization and globalization has always surprised me. There are many who advocate, "Think Globally; Act Locally!" More recently, some are advocating the reverse version, that is, "Think Locally; Act Globally!" Those advocating the latter refer to the change not merely in the field of international finance and investment but also, and more importantly, in the field of production, where 'production' itself has become denationalized and global. In an era of this kind, as the argument goes, merely hanging to the 'national' or the local brings benefits to none or worse could prove suicidal. The argument, although sounds very contemporary and convincing, remains plainly economicist. Life, after all, is more than the mere production of things!

Moreover, dichotomous propositions are always a suspect. Why do we always have to make a choice between the sphere of 'thinking' and 'acting' on issues of both global and local? Why both the options cannot be chosen and creatively reproduced? May be 'economics' or a modernist discipline is not the right method of enquiry to comprehend such a possibility. I say this with some confidence for at least in one field (I am sure there are many other) there is the creative and simultaneous interplay of both the local and the global. Without labeling the field (although many would prefer to call it 'civil society'), the best would be to identify some of the activities where both the local and the global were simultaneously thought about and acted upon. Such activities include, feminist movement, keeping the journalists out of prison, movement against large dams, having a pollution free, green environment, and many more. On the last issue, for instance, I still think that the Dhakaites who are trying to keep the 'Osmani Uddyan' treed and green ought to involve the environmentalists and the eco-friends not only of Dhaka and Bangladesh but also of the region and the world! Put differently, only by thinking and acting locally and globally, all at the same time, can we aspire to achieve a fair and just outcome, particularly of a thing that is already both local and global.

Almost all of the papers in this issue were presented at a recently held international conference on "Globalization and Security," organized by Bangladesh Institute of International and Strategic Studies (BISS) in association with Regional Centre for Strategic Studies, Ford Foundation and Fredrick Naumann Stiftung. During the same period, Centre for Alternatives in association with *The Daily Star* and BISS organized a Public Dialogue on "Globalization and Civil Society." The said Public Dialogue was first of its kind in that for the first time scholars and researchers from Sri Lanka, India, Pakistan, Russia, Japan, Bhutan and Bangladesh faced the members of civil society and the general public at a free and 'open for all' discussion. Indeed, the time has come for you and me to think and act locally and globally without limiting our thought and action either to the local or to the global.

### Public Dialogue

## Globalisation and Civil Society: A Report

A public dialogue on "Globalisation and Civil Society" was jointly organized by Bangladesh Institute of International and Strategic Studies (BISS), Centre for Alternatives and the Daily Star at the BISS auditorium on May 28, 1999. The objective of the dialogue was to discuss the role of civil society in playing and can play through using the opportunities created by the globalisation process for making a positive impact. The dialogue brought together civil society members from the South Asian and other countries. Under the broader theme of the dialogue, not only the linkages of "globalisation" and "civil society" but also the sub-themes of these two concepts were explored.

Intiaz Ahmed of Centre for Alternatives opened up the floor for discussion by pointing out the fact that abstract forces of globalisation were viewed negatively by many in the developing countries. However, globalisation has made extensive networking and information exchange among civil society actors possible and has helped form global opinion to influence national and international policies. Rob Khan of BISS presented the main points and highlights of the discussions that took place at the regional workshop on "Globalisation and Security in South Asia" to set the tone of the dialogue. Khan raised the following pertinent points —

a) globalisation has appeared as an inescapable reality for the world and particularly for the South Asia and therefore, we should look at the positive side of the forces of globalisation and have to try to use it for the benefit of the people;

b) globalisation in areas of information and technology has been unidirectional, i.e. from developed countries to developing countries;

c) globalisation has caused cultural dislocation in developing countries;

d) globalisation has raised the issue of ethics and morality in areas of technology and financial transfers;

e) the security needs of various states given the rapid globalisation process is different; f) globalisation has led to fragmentation decreasing the centrifugal forces of the various social factors.

The discussion that followed Rob Khan's presentation centred around the following issues: a) globalisation's impact on the Third World, b) what constitutes civil society, c) the role civil society can play in meeting the challenges posed by globalisation, specially in South Asia.

### Globalisation's Impact on the Third World

The participants heatedly debated over the nature of globalisation and how the Third World countries were participating in the process. Participants felt that the benefits of the globalisation process have been unidirectional towards the developed countries. The information and technology flow has primarily benefited the First World by increasing the efficiency of their production operation and expanding their markets. The question of equity and equality in the global economic arena was hotly debated. The participants felt that developing countries initiatives were marginalised through the abstract forces of globalisation. They frequently raised the question "is it good for us?" Cultural dislocation caused by globalisation was identified as one of the major adverse effects of this process.

The participants drew the conclusion that the concept of globalisation was at its peak at this historical juncture. They

stressed that limited participation by the Third World countries was the reason for their being unable to reap the benefits of this process. Participants pointed out that the Third World participation was limited because of the structural constraints set up by the world's political order. However, participants stated that isolating one from the globalisation process was not desirable. Some also pointed out the fact that most of the countries of the Third World still possess underdeveloped infrastructure to cope with the pace of modernisation. Therefore, to keep track with the pace of globalisation, they should at first develop their own infrastructure, specially the power sector, legal system and banking system.

This is fact is even more true for specially the countries of South Asia who need special care in this area. Some felt that it is high time to explore the dialectics of "think globally, act locally". The concept of globalisation brings up the issue of "non-governmentality" at the forefront, which demands that the scope and areas of work for government have widened in this age of globalisation. As the current form of globalisation is a powerful phenomenon, the Third World countries are only enduring with the forces. But the issue of whether the forces of globalisation are imposed on South Asian countries or they are compelled to take part in it, should be viewed carefully. In this context, we must admit that we are marginalised in this process and at the end, we have also a very marginalised role in the global decision making procedure.

Many felt that globalisation also created new opportunities and opened up the space for Third World non-state actors and these need to be properly utilised. Intiaz Ahmed, Shantishree Pandit from University of Pune, India, Mafuz Anam of the Daily Star and a few others stressed that in many areas of development, i.e. environmental issues or feminist movement, globalisation has played a positive role. It has helped to bring the non-state and supra-state actors together and form global opinions to formulate and change national policies or government actions.

The participants agreed that though participation of the countries were uneven the developing countries and the non-state actors need to make the best use of the present opportunities and try to expand the space for them to interact, net-

work and use the globalisation process to their advantage. It was highly debated that while the developed countries have ensured the free flow of all three factors of production, they were not at all inclined to give access to labours from Third World countries to their markets. Therefore, the developing world should pursue concerted effort to press the issue of free flow of labour in the market of developed world. At the same time, the issue of electronic transfer of money from West to East, is a matter of great concern for the developing world. But the developed world seems to be much reluctant to take up the issue into cognisance. Vasily Mikheev from Russian Academy of Sciences, Moscow, pointed out that developing countries can use the World Bodies, like the World Trade Organisation (WTO) and the global network to make the developed countries more responsible about their actions. He stated that many transnational corporations were more concerned about the environment in the partner countries than they would have been in the earlier decades. He also mentioned that before blaming the First World and the forces of globalisation as the source of misery for the Third World, the developing countries should also analyse the position of their elite in the globalisation process.

### What is Civil Society?

The discussion also centred on the question of what constitutes civil society. Fasahat Hosain of FRIENDS, Pakistan pointed out that it was a qualitative concept. His compatriot Ameer Saeed from the Institute of Regional Studies, Islamabad, Pakistan, stressed that since civil society was a fluid concept the confusion that exists for not having a fixed definition of what a civil society is will remain. However participants agreed that civil society does not automatically mean a superior or a more democratic sphere than the state. Nira Wikramasinghe of the University of Colombo, Sri Lanka, cautioned that one must not fall into the discourse that since civil society is counterpart to the state it is automatically good.

It was brought out that civil society in South Asia has developed in a different way than it has been the case in the West. Participants agreed that civil society in most of the South Asian countries was highly polarised and sometimes violent mainly because of historical reasons. It was pointed out that

the feminist movement in South Asia, at one point developed without interacting with the civil society that points out the failure of civil society itself. Therefore, civil society in South Asia needs to play more responsible and non-partisan role than it has been playing so far. At the same time, the linkages between the civil societies of South Asia and the West should be explored. Participants, however, focused on the positive role played by the NGOs as civil society actors. Rehman Sobhan of Centre for Policy Dialogue pointed out that NGOs were resource dependent and they acted more as development partners than civil society actors. He stressed that given the dependent relationship, globalising forces had a lot of voice in how civil society actors would act.

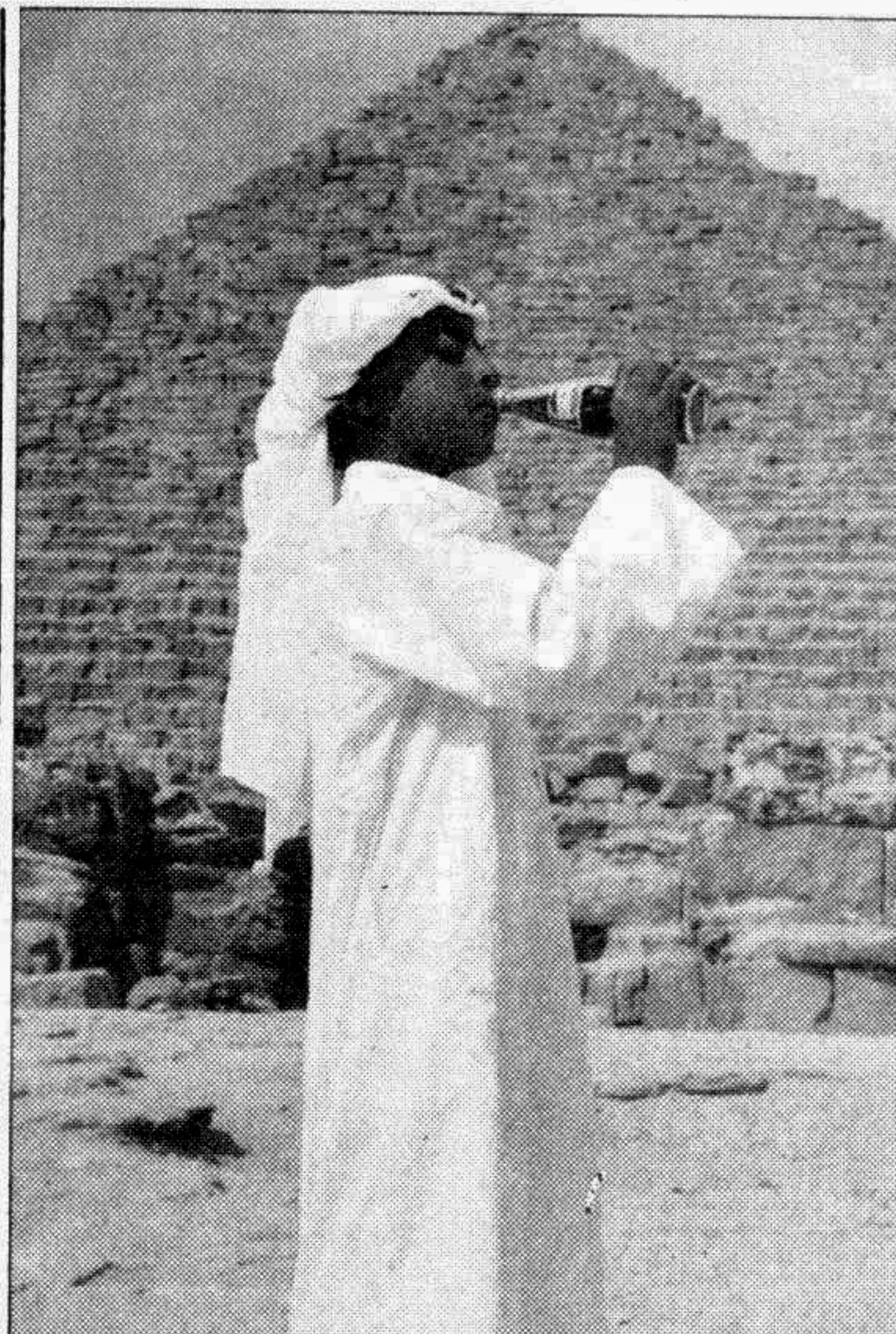
### Plan of Action for South Asia

The participants discussed on what civil society actors should do in order to reap the benefits of globalisation. They also focused on the situation in South Asia and in what areas the government and civil society actors could co-operate.

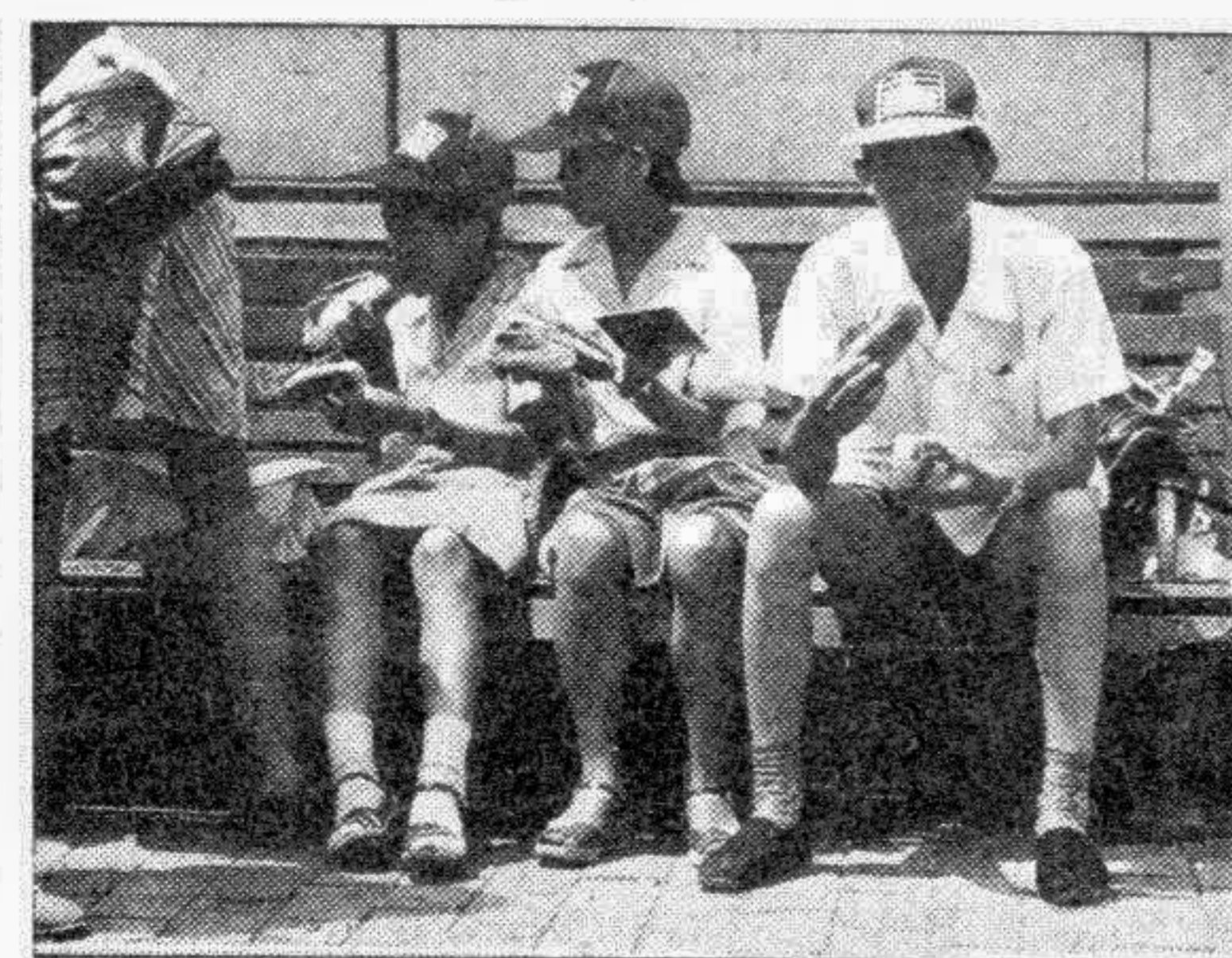
a) Role as Watchdogs: Participants stressed that the most important role civil society actors play is that of watchdogs. In South Asia the democratic space is not fully utilised by the civil society and the government actors remain non-accountable. This creates a gap that can be used by the abstract forces of globalisation to reap the benefits of globalisation that adversely affect the Third World. However, there are instances where the civil society actors have been able to take positive action and use the global network to their advantage. Pandit mentioned the instance where local people, civil society actors resisted the use of HYV cottonseeds that were being pushed by the Karnataka government. The role of the media and information that was available through the global network was vital for the locals to start the movement.

b) Co-operation with the Government: Participants also felt that bureaucracy played an important role in South Asia in formulating policies and in running the country. They stated that it was crucial not to exclude the government from the steps taken by the civil society to counter the adverse effects of globalisation. Ameer Saeed stressed that the focal points between these groups need to be identified. Rehman

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ALL FOR GLOBALISATION

### Environmental Globalisation

## A Bangladesh Perspective

by Dr. Mizan R. Khan

*Why do intrinsically domestic environmental questions create international concern? Mainly because national diversity in environmental standards affect competitiveness in international trade.*

ENVIRONMENTAL globalization may be said to have started with the Club of Rome. At the end of the 1960s, it pointed out that unlimited expansion of the Western Model of economic growth would lead to disaster in terms of depletion and deterioration of the natural environment. With Meadows' *Limits to Growth* (1972), everything, from population growth to waste flows, was mapped from a global perspective. Its effect was dramatic and convincing. It has raised worldwide consciousness enormously and has boosted the link between technology and issues of scarcity and ecology. Environmental degradation in many different forms in one part of the globe negatively affects people in other parts. Sustainable development (SD) introduced as a new paradigm by the World Commission on Environment and Development (WCED) is, therefore, articulated as a global objective and not simply a national concern.

Today, the profuse ways the concept of SD is used indicate a universal acceptance of its inherent goodness. But the vagueness and the resulting ambiguity in meaning of SD allowed it during the last decade to have multiple, rather innumerable, interpretations. At the heart of the debate lies the question of trade-off between economic growth and environmental protection. To resolve the trade-off, environmental economists draw a distinction between two kinds of environmental problems: a) those that are intrinsically transnational, and b) those that are intrinsically domestic. Should India pollute a river that flows into Bangladesh, the issue would take on an intrinsically transnational character. The most important examples of transnational pollution are depletion of the Ozone layer, acid rain and global warming. So initiatives are under way to combat them.

But, should Bangladesh pollute a lake lying wholly within its border, the problem would be intrinsically domestic. Why do such intrinsically domestic environmental questions create international concern? What are the conceptual and policy approaches to them? How should a developing country like Bangladesh relate to those concerns? This feature is an attempt at answering these questions, while analyzing the linkage between trade and environment, a little-explored area in the developing world. The basic argument here is that national diversity in environmental standards affect competitiveness in international trade.

### Trade and Environment: The Linkage Debate

In recent years, a debate is very much on about the linkage between the two. Just in mid-March 1999, the World Trade Organization (WTO) organized in Geneva two high level Symposia: one on Trade and Environment, and the other on Trade and Development. Whether environmental protection runs afoul of the goal of seeking maximum gains from trade is at the heart of the debate. While pro-

tection is the ultimate goal of environmentalists, protectionism is the ultimate fear of the trade community. This reality creates a cultural gap between the two.

### Free Trade promotes Environmental Protection

Neoclassical economists, the proponents of free trade, argue for a positive linkage. The proposals in the Uruguay Round strengthen GATT/WTO's basic commitment to free trade and economic globalization. Here is a list of their arguments:

1. Free trade promotes economic growth, which enables governments to raise resources for a variety of objectives, including the protection of environment.

2. The rich pollute less, thus driving the supply curve of pollution inward. With stages of development, environmental pollution experiences a kind of inverse U-shaped (Kuznet's) curve.

3. Free trade enables import of clean and pollution-fighting technologies.

### Policy Prescriptions of Free Traders

1. Free trade with minimal governmental intervention. For example, a ban on imports of tropical hardwood would affect only 1% of the trees chopped down (GATT report), while 80% of them are burned locally as fuel.

2. GATT says No to what some call "environmental imperialism," as was evident from a ruling against the US ban on imports of tuna from Mexico, because Mexican fishing boats allegedly kill too many dolphins.

3. GATT rules warn against a call for a "level playing field," code words for protection against imports from countries with lax environmental standards. Where pollution has only local effects, environmental policies are a matter of preference, no different from other policies affecting competitiveness, such as labor laws, education and tax.

4. Even when pollution crosses national boundaries, GATT argues that in the long run, carrots (aid and technology) will effect environmental protection more effectively (than sticks (trade sanctions)).

5. Another GATT-friendly suggestion is the introduction of internationally tradable pollution permits, a novel instrument approved in the Kyoto Protocol.

6. Reduction/elimination of trade barriers would promote greenery: under the proposed deal to cut farm subsidies in the Uruguay Round, production is likely to shift from protected farmers in the North, who use more fertilizers/pesticides, to less polluting farmers in the South.

7. Public participation in the trade-environment debate, as in NAFTA. But the WTO's Committee on Trade and the Environment does not create avenues for direct public participation.

### Arguments of Environmentalists/Anti-Free Traders

1. Proponents of steady-state/ecological economics argue that free trade runs afoul of sustainable scale of resource use in global terms.

The regenerative/assimilative capacities of the biosphere cannot support even the current levels of resource consumption, much less the manifold increase advocated in the Brundtland Report to generalize the higher standards worldwide.

2. Countries that do not internalize the environmental/social externalities in their production processes have a cost advantage. This encourages industries working under higher national standards (as in USA) to shift to countries with lower standards (as in Mexico).

3. Trade is transport-intensive, and responsible for one-eighth of world oil consumption. Thus, trade contributes substantially to energy-related pollution. As energy is often subsidized, so too is trade.

4. Free trade can be accused of "reverse imperialism": when firms produce under the most permissive standards and sell their products elsewhere without penalty; they press on countries with higher standards to lower them.

### Policy Prescriptions of Environmentalists

1. Selective integration. When convenient, balanced trade can be used, but it should not be allowed to govern a country's affairs at the risk of environmental/social disaster. The wiser course was well expressed in the overlooked words of John Keynes: "I sympathize, therefore, with those who would minimize, rather than those who would maximize, economic entanglement between nations. Ideas, knowledge, art, hospitality, travel — these are the things, which should of their nature be international. But let goods be home-made whenever it is reasonably and conveniently possible; and above all, let finance be primarily national." The recent Joint Statement signed in Geneva by some developing countries is kind of an oblique reference to such an assumption: "The argument is not that trade is responsible for the discouraging development situation. Rather, the contention is that this situation exists in the context of increasing liberalization of trade. And hence, there is an obvious need to critically examine the role of the global trade regime in development."

2. The most practical solution is to permit nations that internalize costs to levy compensating tariffs on trade with nations that do not. Environmental protectionism is against social dumping/ecological subsidy, which is different from traditional protectionism. Such an approach was advocated by the US Vice President Al Gore wrote in his book *Earth in the Balance: Ecology and the Human Spirit*. Thus, the competitiveness issue binds the environmentalists, the businesses and the trade unions into an unholy alliance.

### Perspective of a Developing Country, Bangladesh

1. Many developing countries view the issue of trade-environment as essentially a Northern agenda, and one which competes with the Southern 'trade and development' agenda.

2. National differences in environmental standards are perfectly natural. Even if two countries share the same environmental objectives, the specific pollution they would attack will generally not be identical. For example, Bangladesh has a greater social incentive that does the US to spend an extra dollar preventing diarrhea rather than reducing air pollution.

3. The moral militancy of environmentalists of the North has begun to disillusion many of their counterparts in the South, who accuse the former of 'Eco-imperialism,' and they deny that Western nations have a monopoly on virtue.

4. Many of the export goods from countries like Bangladesh are environmentally intensive. So trading may increase environmental damage more than domestic consumption. The shift in production from rice to shrimp has led to severe socio-economic conflicts and environmental problems in Bangladesh.

5. Opportunities for trade can result in changes in land ownership and other property rights, as is happening in the coastal areas of Bangladesh. This may be the trade's most important, but least studied, environmental effect. Where land is perceived as being able to grow exportables (able to earn foreign currency), then powerful interests have an incentive to expropriate it from its original farmers. Those who resist shrimp culture are often subjected to torture and even killing. The farmers then migrate into forests or onto marginal lands, 'shifted cultivators.' The environmental damage is often blamed on poverty. Less often is their poverty seen in political economy terms.

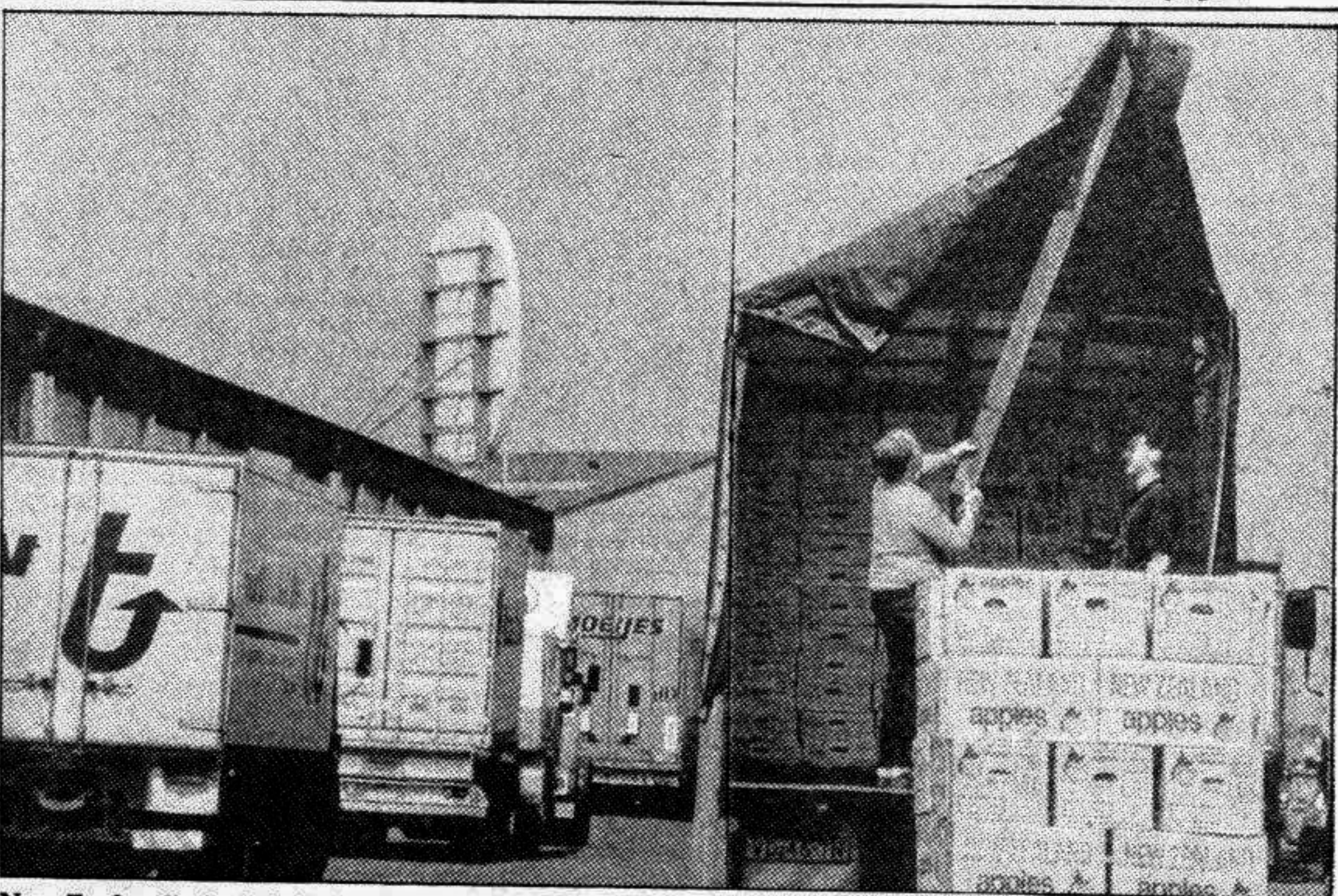
6. Another area where trade and environment conflict is the import by Bangladesh of reconditioned, but energy-inefficient, cars. So the government is taking steps for ensuring catalytic converters and CNG in newly-imported cars and buses.

7. There is a widespread sentiment worldwide against the use of polythene and synthetics. Here is a challenge and opportunity in Bangladesh for developing handy, light and easy-to-carry jute bags, which are biodegradable.

8. The provisions of trade-related intellectual property rights (TRIPs) under WTO on the protection of plant varieties and life forms need to be reconciled with those of the Convention on Biological Diversity (CBD), which requires that benefits arising from the conservation and sustainable use of biodiversity be equitably shared between those who conserve the resource and those who exploit it commercially.

9. The experience of recent years in technology transfer points to not a very welcome trend: despite the fact that transfer of green technology is warranted genuinely for the provision of 'global public good,' pure commercial considerations continue to dominate their transactions. The result is a skewed distribution of transferred technology among countries and regions. The question is: how can the

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New Zealand's fruit juice being unloaded in Belgium