

Global Trend

# Globalisation, liberalisation and Bangladesh

by Muzaffer Ahmad

QUITE NORMALLY SAME term means different things to different people as has been quite aptly put by Hartwell that History is all things to all men. President Kennedy is reported to have said that policymakers deal with persistent and persuasive myth. Thus it may be advisable to locate our discussion within a context.

Professor Jeffrey Sachs during his recent visit located globalisation in the context of increased trade in commodities, increased flow of investible finance, institutional harmonisation and rapid growth of information technology. He also posited the proposition that economies that have not distanced themselves from G-8 countries through economic controls and barriers have shown better economic performance but they still remain periphery. They have done better than landlocked and isolated countries, their macroeconomic fundamentals are better on the basis of before and after analysis. But with and without analysis or even meaningful causative analysis was not undertaken. His advocacy for a non-landlocked Bangladesh was privatised infrastructure and privatised oil and gas exploration. He later clarified his idea of privatisation, not as a matter of ownership but as a matter of operational efficiency and investment for efficiency and accommodation of displaced labour. So Professor Sachs would judge Bangladesh's preparedness for liberalised global system in terms of capacity for harnessing benefit using its own resources through importation of property-right protected eurocentric technology and ability to pay the foreign investors for having the use of that technology. This we know has not happened in most countries that adopted Bretton Woods consensus including most of the peripheral countries who are seeking integration into Amro-eurocentric dominated global system where one country can threaten the entire UN system and still talk about human rights, equity, poverty alleviation, resurgence of moral values etc. The question then remains how Bangladesh can find bearings, individually and collectively, to determine its place in relation to a fast changing world. The general advocacy of the donors and co-

opted policymakers and academician is for integration, though some differences as to sequence and speed remain.

Globalisation has been happening since the dawn of human civilisation. But understanding of the development and change of world system has remained limited to political economy and economic history with a social anthropological orientation. This can be seen in the writings of Wallerstein and Braudell. The idea of the west and the rest, coined by Huntington, is at the core of globalisation as classical colonialism can no longer be made viable but the neo-colonialism is viable because of the supremacy of the west in technology and abundance of their finance capital. Despite condescending autonomy of social change the west has consistently argued that development is possible if a society consciously and continuously harmonise their internal system to the institutional system that has been labelled western i.e. democratic (which historically has its roots in Asia-Minor and Central Asia much before Greece and Rome) and capital-owner domination of the market for profit which creates opportunity for research, innovation and investment. One should recall that till about 16th/17th century Amro-Europe had no distinct advantage over Asia and Africa even though social and institutional system affecting modes of production were distinctively different. Factually speaking, Arabs and later Europeans had a global perspective before the new Amro-European historiography reinterpreted the history and the rise of European colonial power necessitated to challenge and invade the Arab and Asian civilisations. It may be recalled it was all done through commodity trade seeking access to market by getting grants of land for establishing trade posts (the then version of EPZ). The Eurocentric view of history did not get its roots firmly established until the industrialisation and colonisation were completed causing the destruction or decline of technical and economic development of many parts of Asia including the sub-continent. These are mentioned to recall the history that Amro-European globalisation is a conquestal assault needed for their technological and economic development while ori-

ental globalisation that preceded it were more harmonious and co-existent in nature.

Smith's free trade theory had much to do with Johnny-come-later position of Europe. By mid-19th century European views of Asia and the Orient

changed drastically due to non-presence of the essentials of 'capitalist mode of production' of the European variety. Marx following Montesqueau discovered 'despotism as natural condition in the Orient in place of 'wealth and civilisation' that

Smith admired. Marx's selective view of Asia led him to ridicule the forces of production in Asia as 'traditional, backward, and stagnant' which contrasts sharply with the accounts of Ibn Khaldun and Father du

Halde. This ridicule necessitated a view of globalisation that would help implant the seeds of transition to capitalism. Is this much different from the Bretton Woods institution's view of new world economic order and the propo-

nents' propagations for a peripheral status for the developing economies. Thus the question the leaders of LDCs face is whether countries like Bangladesh should be happy to become periphery of the peripheral countries (e.g. India, China, Indonesia etc). Or the LDCs should have their own view and approach which ensures globalisation with man in the centre and equity and justice as the driving forces. The first alternative is an ad hoc and easy option while the second requires philosopher statesmen who can create the coalition of social forces to ensure benefit for the most while minimising the cost inflicted by the aggressive capitalist monopoly combine of the west.

The current global economic perspective may be summarised as below. First, the structure and flow of trade do demonstrate growth of regional economies with attendant trade and monetary relation, and division of labour. But this is no innovation as such relation due to diversity in product and services existed in various sectors and regions and that various countries competed even more effectively because of a better level playing field than is possible under monopoly of technological research under the Amro-Eurocentric capitalist mode of trade and production. Second, financial flows have become increasingly more important in shaping the relations among the regional parts of the global economic system and the financial circulatory system is basic to expansion of the world economy. It is important to note that 'capillary' monetary system and 'oxygen-carrying' monetary blood penetrated and fuelled the economic body of world economy. These monetary veins and arteries

economies and still are subject to such potentialities. The Amro-Eurocentric global system is basically directed to lengthen the cycle and shorten the crisis. This requires not an unipolar politico-economic system in decision making but a democratic equity of people, nation and civilisation for sharing the benefits of explosion of knowledge based production system which brings man at the centre and make human being the prime mover. The world system today is based on principal and agent relation while the sustainability of the system requires a meaningful proposition of interdependence bereft of acquisitive accumulation of wealth, knowledge and opportunities in few Amro-Euro controlled economies. The failure of the dominant countries/economies to adopt a truly holistic global perspective contains the elements which are themselves parochial and hence a threat to meaningful globalisation itself.

I have tried to put globalisation in a critical context basically pointing out the contradiction between parochial and holistic view of globalisation. I shall dwell on liberalisation in the same vein as it is at the core of the parochial globalisation process. Liberalisation contains a complex set of economic, social and political issues. Economic technicians make it look too simple and logical as market competition would in all cases increase efficiency for survival and the division of production and labour would become more rational. There is a cost of readjustment after liberalising the market and cost would be compensated by efficiency gain. The distribution of gain is of little concern in the context of economic Darwinism except that it would ease the cost of gains for the fittest through a set of measures that would relocate the disadvantaged species to reduce social and political cost of liberalisation. The technical architects of liberalisation seem to live in and deal with an abstract world which is very different from the economics of everyday life of the average man who is long dead before the long-run market efficiency is achieved in a rationalised policy regime. This abstraction is presented even when precise links amongst fiscal, financial, monetary and trade flow man-



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If Bangladesh wants to take advantage of a democratic liberalisation the market regulation will have to be such as to protect the interest of producers and consumers and dis-augment the imperfect information flow to dismantle the little monopolies/monopsonies. Thus not only modernisation of market structure and protection of creative small innovators, but also augmentation of consumer rights and creation of integrative infrastructure of markets are necessary for promoting efficiency in production and distribution.

are controlled by a system devised by Amro-Europeans that discriminates against the LDCs by all intents. Third, a comparison of population, production, trade and consumption by region indeed indicate that parts of developing economies in Asia are far more critical to the future growth of global economy than the mainstream capitalist economies who now dominate the global system. If this is so then horizontally integrative macrosystem has to be supported by vertically deepening microsystem to overcome inevitability of crisis that had visited capitalist world

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