

# Challenges of Globalisation

by Benazir Bhutto

Globalisation is a little understood concept although it is an overriding one in today's market. Unless the wealthy world pays heed to the voices from the impoverished world, the protests at Seattle may be the tip of the iceberg.



World Trade Organization protesters march through downtown Seattle, Washington, 01 December 1999.

THE forces of the free market triumphed in the last century over the forces of state control to leave an indelible mark in the world. It was an epic battle fought across the global landscape. The success of free trade manifested itself in the World Trade Organisation. However, the emergence of the WTO has not been without criticism.

Statistics of the last 50 years show that rising exports greatly boosted world economic growth. Many nations see an advantage in pursuing freer trade through the WTO, an agreement that binds countries and their trading partners to a set of trade rules. Those rules are then enforced by the WTO.

The levelling effect of trade has led to upheavals in many parts of the world. Whilst access to common market provides developing countries with an opportunity to sell goods without having to jump high tariff walls, it also leaves them at the mercy of the more sophisticated investor of the developed countries.

Global trade recognises no reality other than the cheapest form of production. As captive markets fall, so do businesses, incomes and jobs that cannot compete in a free atmosphere. Such is its impact on sectoral economies, that the world's superpower, America, has had problems coming to terms with it. There, powerful unions fight to protect their own preserve, a luxury not afforded those who live in poorer countries.

The lack of a global effort to help the developing world acclimatise to free markets through a support programme has rendered the effects of the WTO painful. For example, a debt relief programme could have accompanied the acceptance of WTO rules for the developing countries funded by the Group of Eight. This would have made the impact of adjustment more tolerable for the vast mass of humanity, which battles daily to survive in the difficult terrain of the have-nots. This has yet to take place.

Instead, the lowering of across the board tariffs, whilst leading to a huge spurt in global markets, and huge profits for international investors, has also led to many problems. Imports instantly become cheaper, but they have to be paid for in dollars. This causes many headaches in connection with forex reserves in far too many debt-ridden countries battling to pay back loans in the global currency. It also leads to the loss of customs revenues. Theoretically, the general sales tax is to fill in the gap caused by loss of customs revenues. But this is easier said than done.

Many of the developing countries have high rates of illiteracy and underdeveloped economies. Given that reality, all too often national revenues fell widening the gap between national incomes and expenditures. The only alternative to keep the deficit down was to cut back on public spending. That meant cutting back on the civilian sector. Few are the new democracies that can afford to cut military expenditure, especially where ambitious generals wait in the wings and military are holy cows with teeth. The end result has often been deep recession.

The loss of jobs in the affluent countries led to strong protests at Seattle when the agenda for the next round of talks came under discussion. A rainbow coalition of trade unions, greens and consumer groups, united in the belief that the WTO advances big companies at the expense of jobs and environment, held strong protests. The cause is not helped by the discrepancies in social development between the developed world and the developing world. In shantytowns and slums, little children work in factories producing cheaper goods. Big corporate interests see this as an unfair trading practice whilst the rainbow coalition is outraged at the inhumanity of little children working on, say, football production for a pittance.

Try explaining this to the parents who send their children to work. In states, which lack social security, parents often find the only way they can feed their children is by sending them out to work. Moreover, they believe that such work affords their children apprentice-

ship and preparation for the real world. Child labour is wrong. Unfortunately, there is still a big battle ahead in proving it so in many parts of the world.

This could change if the more affluent nations were prepared to provide grant assistance in education. The opening of schools has a salutary effect on parents. They prefer to send their children to the seats of learning instead of leaving them at home at the mercy of assailants. And they are more ready to accept sacrifices in terms of the bread they eat if they think that their children can get an education and take care of them when they are older.

Environment is another issue, which is morally correct but viewed with suspicion in the developing world as yet another unfair trading barrier. Again, given that we live in one global community and one global environment, the G-8 could help international trade and the environment by active contribution.

Unless the world community is willing to join together in making the transition to world trade absorbable, there could be greater upheavals ahead. Large sectors of the world economy, such as agriculture, shipping and textile, are still to open up. Many tariffs are still high. Yet, new trade barriers keep appearing. The jump in anti-dumping

duties by western countries on imports revealed as unfairly cheap is revealing. America alone has about 300 anti-dumping duties in place.

Some of the developing countries, including India, Pakistan and Egypt, threatened to block further liberalisation at Seattle unless their grievances were addressed. They raised concerns about the stringency of restrictions in areas such as subsidies, investor protection, and intellectual property and anti dumping. They complained about lack of liberalisation in areas that would benefit their nations such as textiles.

The experience of developing countries so far has been disappointing. Eager to participate in an enterprise to raise the economic well-being of the global community, the poorer countries opened up their markets. Yet, the reciprocal opening of markets in the affluent world, which they looked to, has yet to significantly come about.

This has led to disappointment. The concerns of the developing countries need addressing if globalisation is to proceed smoothly. The globalisation of the economy poses challenges both for the developed and developing world. One such challenge for the developed world is the question of immigration. Globalisation means a free flow of finance and goods. But it is possible to allow a free flow of capital

whilst blocking the free flow of labour, given that both labour and capital are essential ingredients of a free market? The rise of the Freedom Party in Austria, with its strong anti-immigration policy, is an indication of how some in the affluent world are reacting to the dramatic changes which globalisation brings.

As the twenty-first century unfolds, the market will force liberalisation of immigration laws. America annually increases the number of high-tech graduates allowed into the country on employment visas. Its market demand for high-tech labour is far more than it can meet. Thus, even if the people of a country are reluctant to allow greater immigration, business demands will push such concerns aside. That is the ruthlessness of the free market that knows only the most efficient means of production.

Affluent countries may find such cultural aftermath difficult to politically absorb. As globalisation forces freer flow of labour, the demographic reality in many a country would be affected. In different ways, adjustment to the reality of globalisation will pose challenges for both the West and the East.

An area of particular concern to the globalisation debate is the question of technology, copyrights and intellectual property rights. A pirated version of Microsoft's Windows 2000 sells for as little as four dollars. The real version costs one hundred dollars. The disparity in cost raises serious moral concerns. Should knowledge and technique be universal or should they be denied to those who cannot pay the cost of copyright. Morality and law, on this and other issues, will often be at odds.

Significantly, the rise of markets has been accompanied by the weakening of the state. Companies, in many instances, provide more support, in more parts of the world, than the state itself. Take the question of education, health, housing and pension. Increasingly companies are substituting for the state in providing such facilities.

International financial institutions, in their own way, have tried to help countries adjust to the new era of globalisation. The IMF and the World Bank have tied loans to the liberalisation of economies. Under liberalisation programmes, countries with IMF programmes have dismantled controls, improved investment incentives, removed subsidies, imposed service charges and diminished the role of state intervention. But the cost of adjustment has been high. As the differing examples of Pakistan and Indonesia show, stability has been the price paid.

Beyond the elites, globalisation is still a little understood phenomenon in the world at large. There are some for whom globalisation is an attempt by the largest economy of the world to control the economies of the rest. As such, the international community can expect a backlash to the globalisation effect through the rise of nationalist leaders who play on fears to ride to power.

There is an urgent need, therefore, to pay attention to the repercussions of the globalisation process. A process which is little understood at the mass level and which brings about dramatic change in the manner in which society is fashioned, can be destabilising. The costs of adjustment, high as they are, can lead to grievances and resentment resulting in trouble. This can be avoided. One way to do that can be by shaping international trade into a more equitable direction so that its benefits are felt more widely.

The massive reduction in tariffs has allowed for the biggest boom in economic history. By an accident of time, the move for levelling tariffs coincided with the technological revolution transforming the world into a global village. With trade, banking, commerce, finance and information readily available at one's fingertips, the computer, cross-border commerce has become easier than ever.

Even as new technology companies force the stock market to rise making new millionaires everyday, it is important to pause. Globalisation is a little understood concept although it is an overriding one in today's market. Unless the wealthy world pays heed to the voices from the impoverished world, the protests at Seattle may be the tip of the iceberg.

The unofficial adoption of the dollar as the global currency highlights another dilemma: the force of globalisation is so powerful that states may be too weak to change its directions should they even wish to. The argument of what ought to be done might become secondary to how it ought to be handled.

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# Anwara Khatun in 1952

by Munira Khan

PEOPLE of Bangladesh feels proud and privileged about the proclamation of International Mother Language Day on 21 February by UNESCO. This year the Nation has observed the day in a befitting manner along with 188 countries of the world. It is surely a great honour and achievement for the people of Bangladesh, especially for those who were involved in the Language movement or supported it.

Since 1952, people, particularly the student community, have been observing this day as Shaheed Day, which inspired other movements and ultimately brought freedom for the Nation.

February brings a literary atmosphere full of cultural activities; gives opportunity to new books and magazines about the rich heritage of Bengali Literature and language. Every year we read about the martyrs; the heroes of the language movement from their own write-ups or from friends and others' articles. I am sorry to say that I didn't read any women's names in those write-ups as "Bhasha Shaheed" (maybe I missed) who were actively or politically involved in the movement. Some of their names were never remembered or mentioned for their participation or supportive role for the movement.

I am very happy that this year Shamillita Shanskritik Jote hosted a reception for some veterans of language movement and included Mrs Sufia Ahmed and another lady in the list of honoured veterans.

Here I want to mention and give tribute to somebody who had also played an important and positive role in the movement. She was Begum Anwara Khatun, a member of the then Bengal Legislative Assembly. On 21 February she, the only woman, walked out of the Assembly along with Mr Tarkabish, Mr Khairat Hossain, Mr Abul Kalam Shamsuddin and other Congress members of the Assembly. She also moved a proposal on the issue. On 21 and 22 February the members expressed their concern, sentiment and resentment after the firing and gave speech condemning the action taken by the government. It is a speech to be remembered. After yesterday's incidents it seemed to me that we have not been able to get freedom fully. The profit is yesterday's cruel action taken by the police. Even the ladies were not spared from the atrocities - not to mention our boys. The Nation which can not show respect to women, so motherhood, are bound to die. It is not possible for me to describe the kinds of atrocities inflicted on the

girls in words. The ministry which has ordered the police to take this type of action will certainly be rejected by the people. Some girls were even wounded by lathicharge by the police. I can mention two names instantly - one is Miss Sufia Ibrahim daughter of Justice Ibrahim and Miss Roushan Ara a third year BA student. Eight girls were wounded in total. I cannot think how far this situation will take the country and up to what destination. I warn the ministry not to take this type of anti-people action any more. No government can stop the people to enjoy their civil and legal rights by the actions of the police and military. If we want progress and prosperity of the country we have to gain and attain the love and confidence of 'the people of our country.

..... If the government does not want to bluff us any more, it should wipe out the shameful and inhuman action taken on the people of East Bengal from the memories of the people by taking my amendment proposal. She requested the govt to accept the following amendment proposals:

1. All persons arrested for being involved in the language movement should be released from jail without any condition.
  2. Government will have to pay compensation to all wounded and affected persons.
  3. The officers who are responsible for the misdeeds killing, firing and other atrocities are to be tried openly.
  4. The Government must take a policy not to punish anybody involved in their language movement.
- A speech and a proposal like this from a lady in those days is commendable and still inspires us today. She and the other girls-students who took active part in the language movement should be remembered by the nation.
- I am sure the people of Bangladesh would recognise her contribution in the language movement and remember her for her courage and concern for the people especially for the girls who joined the movement in spite of many odds and opposition from the then society.
- Being a woman in a man's world and fighting with an autocratic government takes a lot of courage. Let us not forget what they had to sacrifice for our Mother Tongue.

## Micro-finance Support Project

### Bangladeshi MFI Provides Service in the Philippines

by Md. Enamul Haque

THE world renowned bodies including the World Bank are developing plans to intensify the poverty eradication drive through micro-credit. There are at least four conditions for poverty eradication. These are democracy, efficient social service, education and micro-finance.

Micro-finance alone is not enough to fight poverty but it plays an important role in poverty alleviation. Bangladesh is one of the leading countries to formulate the concept of micro-finance and globalize the micro-credit service. Credit goes to the Bangladeshi micro-credit practitioners, especially Grameen Bank. It is now well-established that the poorer the person, the more worthy of credit he is. Micro-credit is an effective weapon for fighting poverty. The whole concept is now institutionally accepted by internationally recognized bodies like the World Bank, Asian Development Bank, UNDP and others. There are now a lot of micro-credit related international networking organisations

working together to realize the concept, linking up together organisations as well countries in order to bridge the communication gap between them. Very recently, United Nations Development Programme (UNDP) initiated the innovative "MicroStart" programme. MicroStart is especially designed to provide credit related services throughout the world, giving priority to underdeveloped countries. UNDP will provide financial support to capacity building and offer credit for lending purposes. According to the programme design, UNDP will internationally select a certain organisation as a Technical Service Providing Institute (TSP) from a pool of international organisations.

The UNDP, Manila, Association for Social Development (ASA) - a Bangladeshi micro-credit institute and the People's Credit and Finance Corporation (PCFC) Manila, have now finalised the project document and contract for Micro-Finance Support Project (MSP) in the Philippines.

The long term development objective of UNDP's MSP is to contribute to the poverty alleviation campaign by increasing access of the poor to responsive financial services by expanding the outreach capacity and improving the sustainability of micro-finance institutions (MFIs). The immediate objectives of the MSP are:

1. To build the capacity of the 20 selected MFIs for providing financial services responsive to the needs of the poor using the best existing local practices in micro-finance.
  2. To increase the operational and financial sustainability of the selected MFIs.
  3. To facilitate the institutionalisation of a capacity building facility supporting the sanction of best practices among the wider micro-finance community.
  4. To promote the existing best practices by building capacity in a support network of MFI practitioners and service providers capable of providing technical assistance to primary MFIs.
- The MSP aims at attaining these objectives through two components by learning from

and applying international and local models of successful approaches to micro-finance. Component 1, called MicroStart, will be implemented by a pre-qualified International Technical Service Provider (ITSP). In this case, the Association for Social Advancement (ASA), a Bangladeshi MFI, has been selected as an ITSP.



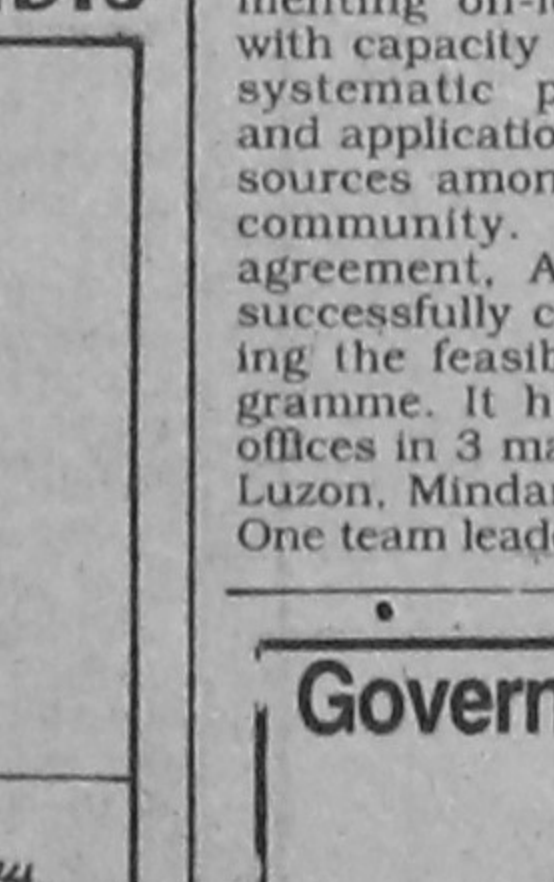
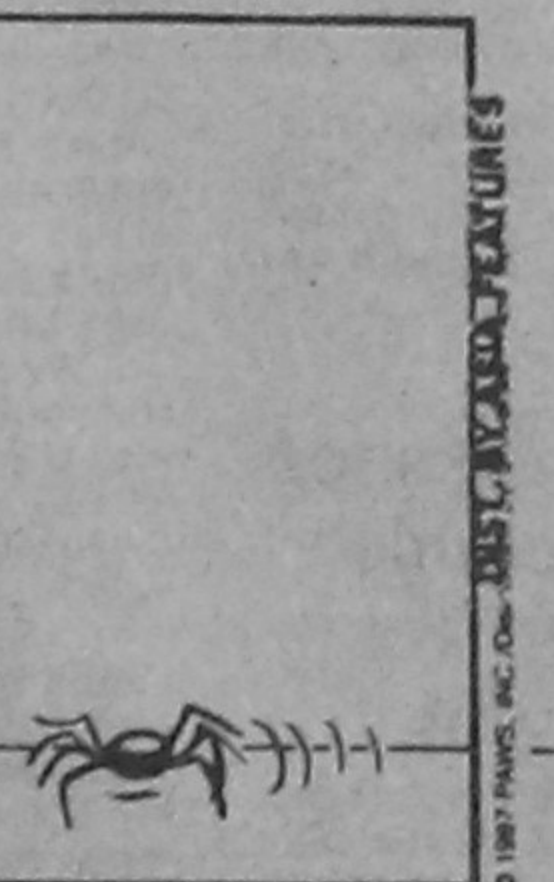
A training class with the Philippines MFI staff.

ASA has signed an agreement with UNDP for a three-year period for capacity building in 20 selected MFIs to increase outreach and self-sufficiency. The aim is to overcome through technical assistance constraints faced by the MFIs

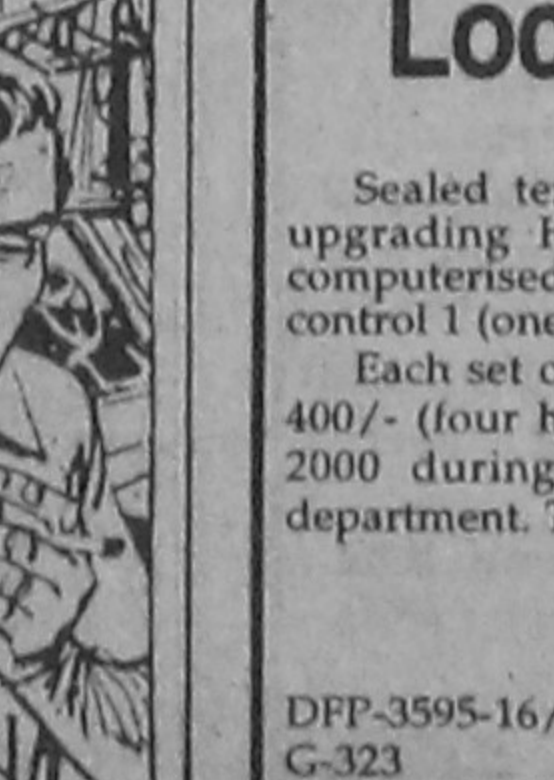
officers are posted in 3 different places. And it has already selected 18 MFIs out of 20, for providing services. The MFIs are CCT, NORFIL, CNCDI, ABS

CBN, TPKI, St. Vincent MPC, Muntinlupa Development, Buayan MPC, MILAMDEC, SEDA, SCFI, WIFE, Muslimah Resource, Catmon Community RB, RARI, San Roque MPC, ASTURIAS Multipurpose Co. and Katin-Aran Center Foundation. According to the schedule, ASA completed training for the senior level, mid-level and grass-roots level staff of the 18 selected MFIs. To succeed in the assignment, the managing director of ASA frequently visits the entire operational area in the Philippines. The system installation of ASA micro-finance model including branch inauguration, documentation processing, books of account, MIS and FIS system and the fund channelling process from PCFC (specialized intermediary financial institute for MFIs) is now going on.

## Garfield



## James Bond



## Government of the People's Republic of Bangladesh

Department of Films and Publications  
112, Circuit House Road, Dhaka  
No. 3-41/1999-2000 (F)

### Local Re-Tender Notice

No-71(DFP)/1999-2000

Sealed tenders are invited from bonafide establishments for upgrading Hazeltine colour analyser and for supply of CCD computerised colour analysing system and computerised standard control 1 (one) inch tape system.

Each set of tender schedule will be available on payment of Tk. 400/- (four hundred) (non-refundable) from 20-02-2000 to 01-03-2000 during office hours from the Accounts Section of the department. Tenders will be opened on 02-03-2000 at 11:00 AM.

Sharke Chaman Khan  
Assistant Director (Film)  
&  
Member-Secretary  
Tender Committee

## Office of the Executive Engineer

Dhaka O&M Division-II  
BWDB, Dhaka

### Notice Inviting Tender

No 11/1999-2000

1. Name of work : Flood proofing measure of BIWTA Terminal Bhaban at Sadarghat, Dhaka under Dhaka Integrated Flood Protection Project (FAP-8E) financed by ADB during 1999-2000.
2. Eligibility of : 'A' class enlisted contractors of Bangladesh Water Dev. Board of 1999-2000.
3. Estimated cost : Tk 89.74 lac.
4. Tender security : 2% of the bid amount and 1% of the bid amount for FD holders in the form of Bank Draft.
5. Cost of tender : Tk 2000/- (Taka two thousand) only each set (non-refundable) documents
6. Tender document will be available from : i) Office of the Divisional Commissioner, Dhaka Division, Segunbagicha, Dhaka. ii) Sonali Bank, Corporate Branch, WAPDA Building, Motijheel C/A, Dhaka. iii) Janata Bank, Dilkusha Corporate Branch, Dilkusha, Dhaka.
7. Last date for : Up to banking hours/office hours on 14-03-2000.
8. Date & time of : 13-03-2000, 14-03-2000 during receiving office hours and 15-03-2000 up to 12:00 Noon.
9. Date & time of : 12:30 PM on 15-03-2000. opening tenders
10. Tender will be : i) The Divisional Commissioner, Dhaka Division, Segunbagicha, Dhaka. ii) The Superintendent Engineer, Dhaka O&M Circle, BWDB, 156-157, Motijheel C/A, Dhaka-1000. iii) The Executive Engineer, Dhaka O&M Division-I, BWDB, 54, Motijheel C/A, Dhaka-1000. iv) The Executive Engineer, Dhaka O&M Division-II, BWDB, 156-157, Motijheel C/A, Dhaka-1000.
11. Name and : Prem Chand Roy, Executive Engineer, Dhaka O&M Division-II, BWDB, 156-157, Motijheel C/A, Dhaka-1000. address of :  
Phone: Office: 9550947.

PANI-359/1999-2000

GD-167

Executive Engineer  
Dhaka O&M Division-II  
BWDB, Dhaka.