

Globalisation : How Not to be Marginalised

The question is how best to maintain the diversities of nation- states in the age of globalisation and avoid their further marginalisation as well as how to successfully integrate the entire populace with the benefits of economic development that might accrue due to globalisation and not to leave them in the lurch to the detriment of social and economic stability.

DIVERSITIES in general terms mean maintaining separate entity of the nation states which is apparently and seemingly in sharp contrast with the process of globalisation as it is generally understood . But a closer examination will make it abundantly clear that the inherent and underlying connotation of globalisation is unity in diversity, a montage and a collage as in a piece of art or symphony orchestra comprising of many colours, or strings and many players in a single notation. But before embarking straight away on the main theme of the subject it will be pertinent to delve into what is commonly understood by globalisation and how it derived, the matrix of its centrifugal forces in other words its genesis.

Celebrated American poet Robert Frost in one of his poems succinctly wrote: "Before I built a wall, I'd ask to know what I am walling in or walling out."

Globalisation is the demolition of all walls, breaking of all barriers. Canadian media expert Marshall McLuhan first coined the phrase, the global village. He had in mind the impending revolution in information technology. His futuristic view has come true. Innovation in information technology has brought about the biggest ever revolution on a global plank after the industrial revolution in Europe in the 18th century. The revolution is so sweeping that now no country can afford to live in isolation .Xenophobia has become a thing of past. Geographical borders among the nations have been transcended. The air and the sky are now wide open. The world has entered the age of knowledge based economy. Internet, e-mail, e-commerce etc have made the world smaller and communication from one corner of the globe to the other is only a matter of minutes and seconds. Paperless commerce is increasingly making its presence felt removing the old hassles and bottlenecks. There is no longer any walls and barriers. With the advent of globalisation all past walls have crumbled down.

Globalisation means many things in the context of many spheres. In economics it means liberalisation, deregulation, market economy structural reforms and adjustments so on and so forth . Gone are the days of command or centrally planned state controlled economy. True, the world is becoming smaller, but the markets and opportunities are becoming larger and larger. The only quality that can survive in the age of globalisation is the one that can stand intense competitions through increased productivity and technological innovations .Old technology is fast becoming obsolete and outdated and is being constantly replaced by sophisticated one. Globalisation also means the ability to attract and lure increasing amount of foreign direct investment (FDI), merger of companies and multi-nationals for having a sharper competitive edge and joint ventures for the same reason. For

example, US, European and Japanese companies are now tying up and linking with Indian, Korean and Chinese enterprises with the consideration of getting bigger markets and profit maximisation. Foreign investment now follow the 'flying geese model', which, inter alia, means that after siphoning out and gloughing back profits from one location the investment goes to another location which is more viable, lucrative and profitable.

With the process of liberalisation co-operation among nations and trade linkages have thus widened and greatly augmented. Their interdependence, integration and interaction have increased manifold. In short, in the context of economy globalisation means managing and opening up of the economy and adapting to the evolving technologies and markets for rapid economic growth.

Globalisation in the political sense means similar type of governments the world over that is representative governments. Globalisation and liberal democracy have almost become synonymous. Gone are days of iron curtains or military regimes which snuff out entrepreneurial spirit and dictate the trend of the economy. For example, Pakistan is currently in a bad shape due to Army Chief's usurpation of state power by toppling a popularly elected government. Fiji is in turmoil due to ouster of a democratic government and the attempted and aborted seizure of power by private ethnic armed gangs .As the process of globalisation sets in the government becomes smaller and assumes the role of a facilitator leaving the steering wheel to private sector. In other words, privatisation and deregulation assume the dominant role. The business of the government is to do no business at all.

Globalisation also means good governance and ingredients that make it such as law and order, social stability, free and fair elections at regular intervals, eliciting public opinion, initiating appropriate reforms in overall economy, breaking bureaucratic tentacles and curbing corruption etc. In other words the government is to create an enabling and congenial climate of investment, both domestic and foreign.

Globalisation also brought in its wake global culture. There is no more any homogeneity or native thing. Pandit Rabi Shankar, the noted Sitar maestro, plays for the global audience or Madonna says 'namaste' to her Indian audience and fans while Indian movies are having global markets. Coke culture, Nike culture, windows 2000, mobile telephones of brands and Japanese cars have swamped the global market along with rapid spread of English as a medium of communication . Under

globalisation the trends of culture are also being dictated by the developed countries which with their latest and sophisticated technologies own the main agencies and channels and have established monopoly over them. Globalisation , in brief , comprises multi-lateralism and multi-faceted approaches and mindset in every sphere of life and living

Globalisation is hence a challenge and an opportunity . The challenge is how to maintain the diversities of the nation state and not to be swept away by the currents and cross currents of stiff competition for survival , particularly for the developing countries, who are still at the receiving end and are thus at a disadvantaged position with regards to adaptability with the evolving new technologies and market realities. President of India Mr. K R Narayanan in his Independence Day message (Aug, 2000) has aptly said that in the frenzy of catching up with the



HEART OF THE MATTER
Mansoor Mamoon

process of globalisation a vast majority of teeming millions in India have been by-passed. There is growing world-wide antagonism against globalisation, particularly among the disadvantaged groups and from the countries which bear the acronym of LDCs (least developed countries). The World Trade Organisation (WTO), which acts as the spokesperson of globalisation witnessed angry protests when it met in early 2000. The World Bank's meeting in Washington was also the scene of violent demonstrations . The EU (European Enlargement) Summit held in France in December 2000 designed to make equal room for such European countries which were formerly satellites of the Soviet Union was also marred by violence. These were the manifestations of the popular feelings against globalisation.

In Havana last year the developing countries had a grand conference (South-South Summit) where they gave vent to their apprehension of being further marginalised in the wake of globalisation. It was stated at that conference that twenty per cent of the people of the western countries have monopoly control over eighty per cent of the global resources, while the developing countries had to remain satisfied with barely seventeen percent. There are lofty statements in WTO Preamble but the

discrimination , but in reality some of them tend to formulate other types of procedures that create indirect barriers such as technical regulations, custom investigations, environmental considerations and so on which are in essence unrelated to trade issues. And to top it all, they also relate social issues with trade and commerce. This gross discriminatory situation has been further aggravated by the creation of strong trade blocks by the developed and newly industrialised countries like the transnational 22-nation APEC (Asia-Pacific Economic Cooperation), NAFTA (North American Free Trade Agreement), EU (and its possible further integration in the near future) and the ASEAN (Association of South-east Asian Nations). The poorer countries still have no viable platform as a bargaining chip and clout. Yet another cogent point is the high vulnerability of the economies of the developing countries. When there is recession or economic slump or a rise in oil prices the developing countries are invariably the hardest hit. But the crux of the point is 'how to effectively link up and integrate with the process of globalisation with the resource deficiencies they are faced with, and meet the challenges not only to business but to the societies as well.

From the above discussion it has been amply demonstrated that globalisation and regional

economic integration have speeded up, new socio-economic trends are making headway, the world is getting smaller and smaller and consequently the market is becoming larger and larger, economic dependency among nations and regions is getting stronger and competition fiercer and the gap between the developed and developing countries, between advanced technologies and backward technologies is widening. Globalisation on the one hand is integration and on the other it is dividing the world. Along such a conflict ridden course, economic and social adaptability and growing strength of nations, particularly the developing ones, are under severe strain and test. More and more developing countries have now come to realise through financial crises and slow pace of economic recovery that the development of economic globalisation and new economy have brought both the new development opportunities and serious challenges to the countries in the southern hemisphere with vast diversities and they in their turn need to seek timely solutions as to maximise the advantages and minimise the disadvantages. It has, therefore , become pertinent on their part to strengthen dialogue , coordination and cooperation among the developing countries so as to realise equality, mutual benefit, stable and harmonious world where all nations can co-exist peacefully and with their diversities.

Now the question is how best to maintain this diversities of nation- states in the age of globalisation and avoid their further marginalisation as well as how to successfully integrate the entire populace with the benefits of economic development that might accrue due to globalisation and not to leave them in the lurch to the detriment of social and economic stability.

An attempt is being made here to redefine the role of the states to overcome the challenges of globalisation and sustain their diversities. Only by making a practical strategic option and a reasonable and effective use of opportunities and finding the best way to cope with the challenges can they avoid being marginalised and impoverished and make progress by keeping pace with the time and reap the benefit of prosperity along with the rest of the world. The governments and enterprises will be required to give due attention to the task of constantly improving economic judgement, their capacity for decision making with regard to economic management and continuously strengthen their economic stabil-

ity and growth capability if they wish to succeed, reduce the risks arising from economic fluctuations and share the fruits of economic globalisation. Globalisation requires a process of adaptation and readjustment. The developing nations now at varying degree of development should respond to the new economic trend and should increase exchanges and share successful experiences in keeping with the common concern of the developing countries.

The following steps can be recommended for the nation states to maintain

their diversity and not to be swept away in the whirlpool of globalisation;

Generate through high level interaction between the governments and business leaders, strategic initiatives for deepening of trade , investment and technological partnership on a regional basis;

Develop an enabling environment for creating business synergies for comprehensive and sustainable economic progress;

Promote region-wide strategic alliances to seize trade, industry and investment opportunities emerging from a globalising world;

Nurture the concept of intra-regional institutional networking for identifying new global trade and investment opportunities in the context of global revolution;

Provide intellectual leadership for developing capital and conducting research on areas of special importance;

Enhance inter-cultural understanding fostering a deep sense of social responsibility;

Flourish in thought and deed good governance and liberal democracy;

Downsize the government and remove the bureaucratic hassles;

Free the media from state control;

Fostering and promot indigeneous culture;

Speedily and appropriately reform laws and regulations that hinder social and economic advancement.

All these will go a long way in helping the nation-states in adjusting and adapting with the process of globalisation and at the same time sustaining their diversity. There is , however , no short cut to rapid progress. The road is arduous and the terrain is rugged . But through sustained efforts the nation-states can successfully march along the road to progress, prosperity and rapid development in this age of globalisation withstanding and successfully overcoming all challenges.

THIRTY-EIGHT years after Chinese troops crossed their common Himalayan border endangering India's security, Beijing poses another threat to its Asian Neighbour.

But today's foot soldiers are China's manufacturers and their weapons are cheap consumer goods.

Indian trade bodies are protesting that China's its low-cost and high-quality consum goods that they claim will destroy the country's industrial base.

With some of the small-scale industries like hosiery and batteries already shut down, Indian business is demanding that the government adopt anti-dumping measures against goods that sell at 30 to 40 per cent below the price of locally manufactured products.

The Directorate-General of Anti-Dumping and Allied Duties has initiated anti-dumping investigations on imports of dry batteries, shoes and toys from China.

Prime Minister Atal Behari Vajpayee early last month told the government-organised Council on Trade and Industry, on which Indian businessmen also sit, that anti-dumping measures would be strengthened in the coming months.

"We have taken some steps. These include a wide range of measures such as ensuring transparency in invoice value, tariff measures, adherence to standards and specifications and institution of anti-dumping action," he said.

China's ambassador to India, Zhong Gang, has dismissed dumping charges as "completely groundless" adding that imports of Chinese goods account for only 2.4 per cent of India's total imports.

Developed and developing nations have often exchanged charges of dumping manufactured goods in each other's markets. Now Asia's two most populous nations are embroiled in such a controversy. Indian trade bodies charge China with flooding the country with cheap consumer goods at the expense of local manufacturers. But, New Delhi is playing it cautiously because of warming bilateral ties and world trade rules.

A World Trade Organization (WTO) spokesman told Gemini News that member-countries can rightfully 'make use of WTO regulations to protect local industries.'

A member-country needs to prove that imports cost well below the normal selling price of the product in the home market.

It has also to show that local industries producing similar goods are threatened.

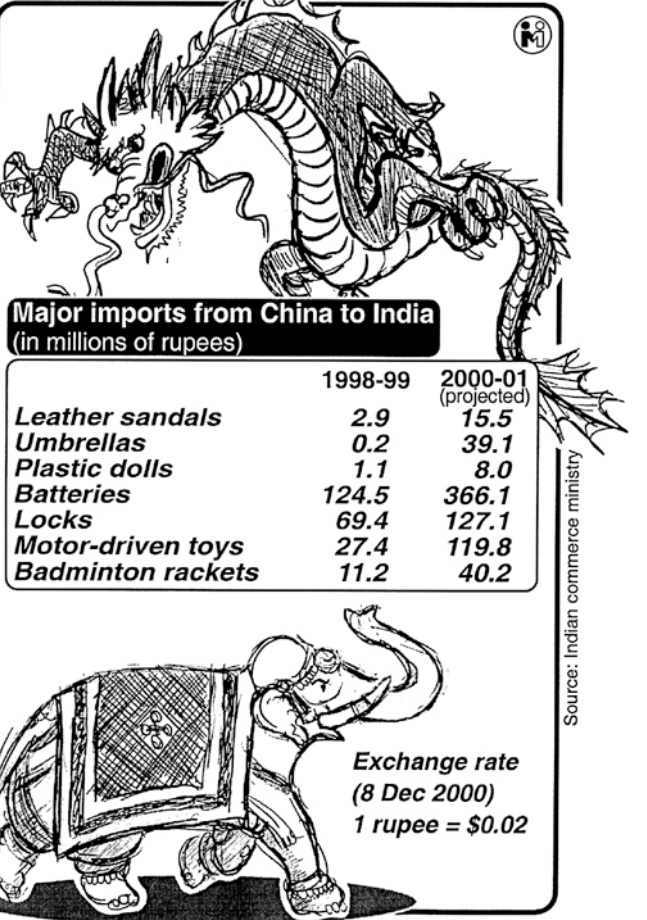
However, China is not yet a member of the WTO. Whereas India joined the body in 1995, a 60-member WTO working party in Geneva is still preparing for Beijing's entry, calling for firmer assurances from China on commitments it has made.

Although countries can take action against those preceived to be dumping goods, Vajpayee told Indian industry to adapt to face competition as an over-protective approach would only foster inefficiency and lead to stagnation.

"The dismantling of Qualitative Restrictions (QRs) forms part of the international management, which we have accepted and are obliged to honour," he said.

DK Joshi writes from New Delhi

India and China: sparring giants



To the Editor ...

HC ruling against fatwa

Sir, The historical declaration of HC against *fatwa* is a solid step forward towards social progress. I wholeheartedly congratulate this historical ruling. It is no doubt a step forward towards eradication of women suppression in the name of Islam. For obvious reasons, the *fatwabaz molhas* (Amini, Azizul Htoque) are opposing this as they're afraid they may loose their business and it may reduce their scopes to dominate the simple-minded people in rural society. I condemn their outrageous remarks against HC ruling. In fact, they've committed an anti-constitutional act by denouncing the ruling. Therefore, proper action should be taken in this regard otherwise these reactionary forces would

soon go beyond the limit.

Jahed Ahmed
Member, Bangladesh Student Association,
Colorado State University, USA

Muslim countries

Sir, Megawati Soekarnoputri, Vice-President of Indonesia who just made a state visit to our country is the proud daughter of Indonesia's founding father Dr Soekarno (Bung Karno). Many Indonesians are aware and, if I'm not mistaken, this is also officially recognised, that Dr Mohamed Hatta along with Dr Soekarno were the co-founders of the Republic of Indonesia. Both these fierce patriots waged a relentless struggle against Dutch colonialism and later, against Japanese fascist occupation during the Second World

War. Another great stalwart who was in the forefront of the independence movement was Dr Sultan Shariar.

These political icons of Indonesia parted ways during the Cold War era. Soekarno vigorously championed the non-aligned movement, propounded the political concept of the 'emerging nations and forces' whereas at home, he favoured the system of 'controlled democracy'. Dr Hatta on the other hand, appeared pro-western and was known as a die-hard anticommunist. Dr Shariar became the chairman of the Socialist Party of Indonesia and though respected individually, his party could not make such headway in the troubled waters of Indonesian politics.

There is a misconception in our media that Indonesia and Bangladesh are the two largest Muslim countries of the world. That was true in the seventies. Pakistan's population has grown at a

phenomenal rate and its birth growth rate is higher than ours. Today Pakistan's population is nearing 140 million with a microscopic non-Muslim minority, whereas our population numbers, at most, 120 million with minority religious groups constituting about 10 to 12 per cent of the population.

Robert Kader
34 Mehdiabagh, Chittagong

Blending ethanol in petrol

Sir, A number of countries especially India, Pakistan, Sri Lanka and Brazil are seriously considering the proposal to allow blending of up to 10 per cent of ethanol in petrol in order to mitigate the impact of hardening of international petro products prices. The concept of involving an admixture of ethanol which is

being called 'Gasohol' is an established practice in countries such as Brazil.

There is no reason why we in Bangladesh cannot employ this option. The move would also benefit the sugar industry which is facing a massive glut situation in terms of production costs of sugarcane in the northern province of the country. We have firm belief that the concept of production of 'Gasohol' in the country would help in this context as the sugar industry would be able to effectively utilise the alcohol produced from molasses.

Obaidullah Raihan
Dhaka

Export our handloom products

Sir, Our textile handicraft products are developing fast, and the recent Eid shopping trends showed that we have the potenti-

ality to expand the export of our handicraft and handloom products, now dominated by sarees and towels.

The *loongie* (one stitch loincloth) market is huge in the South, SE Asia and FE Asia, but the versatile *loongie* is never in the news in the trade and commerce pages of our newspapers. We should pay more business attention to the wide variety of our leisure wear, especially decorative kurtas and ladies apparel. The *gamcha* (handloom airy towels) has survived the test of time, but we feel rather shy of promoting it. We should pay credit to our weavers for maintaining the version of the famed Muslin of yore.

AlijZabr
Dhaka

temporary period by either increasing tariffs or imposing non tariff barriers.

But safeguard action can only be taken after an official investigation has been conducted.

The government has adopted a four-pronged strategy. It has:

λ hiked the import duty on edible oil;

λ launched an anti-dumping investigation into select imports from China;

λ laid down standards for imported goods; and

λ made licensing compulsory for all imports under WTO norms.

According to Omar Abdullah, junior minister for commerce, an investigation has been launched under special provision of WTO norms.

There are other complaints.

Amil Mitra, secretary-general of the Federation of Indian Chambers of Commerce and Industry (FICCI), says the controversy is not about regular Chinese imports. "It is about massive smuggling, rampant under-

invoicing of official imports from China."

The larger menace is smuggled goods. Goods are said to be smuggled through Nepal uncomfortably sandwiched between China and India and clandestinely unloaded at Gorakhpur, a border town in India. In any case, a 1996 Indo-Nepal Treaty allows duty-free goods from Nepal, including those made in China, to be re-exported to India.

All this is getting a lot of Indian politicians very hot under the collar.

Madan Lala Khurana, the ruling Bharatiya Janata Party MP and anti-dumping campaigner, fumes : "Even if one agrees that Indian industry must become competitive, it would be ruined thanks to China's limitless capacity for undercutting."

Finance Minister Yashwant Sinha says : "It is not the multi-nationals but the Chinese goods that are bothering us."

And commerce minister Murasoli Maran bombastically assured Indian industrialists : "I will not still on the ash hill of the domestic industry wearing the crown of globalisation."

Nevertheless, consumers generally welcome Chinese imports. The Economic Times pleaded : "The state should always support our consuming interest it is through trade that this region will become safe."

Meanwhile, Ambassador Zhong Gang has warned : "Boycotting Chinese goods will prove detrimental to both sides."

India's exports to China grew much faster (60 per cent) than China's exports to India (32 per cent) in the first nine months of 2000.

Zhon reminded the Indians, "There is great potential for Indo-Chinese bilateral trade and it won't be long before we join the WTO."

Populist rhetoric aside, New Delhi is handling the problem of influx of cheap Chinese goods with a great deal of caution and with good reason.

India-China relations are improving and the two countries are on the verge of striking an agreement on a part of their mutual border after decades of dispute. For the first time, they have exchanged maps on the 545 kilometre Line of Actual Control in the so-called Middle Sector between the two countries.

Equally importantly, protectionism runs contrary to India's commitment to bringing about second generation economic reforms. New Delhi has assured Beijing its measures are only temporary. Gemini News

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