

Realities of globalisation

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Out of the many respected institutions that late Dr Mahbubul Haq built during his lifetime, one is the Human Development Centre at Islamabad. Later, as a tribute to his memory, it was christened as the Dr Mahbubul

Haq Human Development Centre. It was meant to be a meeting place for intellectuals devoted to the cause of human development, research scholars and young social development and planning practitioners with promise. These functions are being performed with great credit under the leadership of Mrs Khadija Haq, the current President. Major product of the Centre is the report on Human Development in South Asia - an annual feature. It, in a way, could be considered a regional edition of the global Human Development Report compiled by the UNDP - which was also the creation of Dr Haq - yet it has a distinct character of its own, as it is more focused on the South Asian countries with a theme significant for the region. This year's Report has just been launched in Pakistan. Its theme is Globalisation and Human Development, which will have to be seen afresh in the light of developments during the last weeks.

Globalisation is a controversial concept which has become more arguable as the outcome has not come out to be what was envisaged by its propounders. On the other hand, many fears of the dissentients of globalisation have been confirmed, especially, those related to the developing countries. Also, it has become apparent that globalisation is a natural by-product of the rise of information technology. Irrespective of the regulation of the world economic forces, intellectually and technologically, the world anyway would have become a global village. Economic coaxing and manoeuvring was not a requirement of the process; it was imposed on the world to fulfil the agenda of the rich industrial countries almost by force. The world economy would have made adjustments in its structure and shape on the basis of the fundamental laws of Economics without any coercive measures or manipulation. I am not a non-believer in planning, but I believe that it should be for collective good - and not for the benefit of the privileged few: In this case, good of the people of the world, especially the poor and those living in the developing countries.

The South Asia HD Report for 2001 is noteworthy for three reasons. It has come out at the heels of the WTO meeting at Doha where the member countries resolved to hold negotiations something which could not be attained at Seattle two years back. A further development with substance was the admission of China to the WTO; it looked rather ridiculous to have an organisation - which puts its weight all around - without representation of one-fifth of humanity. Secondly, the Report has been launched in the midst of gargantuan economic, social and political global changes set off after the events of 11th September. The fast but potentially basic realignments in the offing are going to change ideological frontiers of the world besides economic and political metamorphosis of sorts. However, the most significant quality of the Report is the systematic discussion of the history and consequent developments related to globalisation. In fact, the Report may be containing one of the most balanced observations about the various arguments in favour and against global developments, and as they would impact developing countries. Discussion on issues especially relevant to individual countries of South Asia is an important piece for charting future course of policies in the region.

The South Asia Report, defines globalisation as the movement of goods, services, people, and information across national boundaries thus opening up economies and societies. There always were serious hurdles in all four areas of movement mentioned above. Goods and incomes could not be transported freely across the national borders due to tariffs, duties and the fear of negative impact on exporter and importer country. Services were not allowed to flow freely as they could harm domestic service sectors besides labour and employment situation. Free movement of people made tourism as a top economic activity in addition to large-scale emigration from the developing countries. But this freedom was greatly hampered by mounting racial tensions, local law and order situation and terrorism in some areas. September 11 was further bad news - it has made every stranger a suspect and widened the distance between communities. The only successful component has been the availability of informa-

tion, though even this is constrained by poverty and ignorance. The factors impeding free movement of these four elements have taken a fast turn for the worse during the last three and a half months. One does not have to be a seer to foretell that given the present atmosphere of suspicion and scorn, circumstances will get worse at least for quite some time to come.

Returning to situation before the 11th September events, the scene was cluttered with arguments and experiences in favour and against globalisation. The promoters saw great economic strides through the process. They consider globalisation as an eradicator of poverty in the developing world through the creation of employment opportunities. They also envisage an explosion of information technology which will make the world a planet of equal social and economic opportunities. Also, it is argued that globalisation will encourage the third world countries to attain investment levels beyond their present potential due to economies of scale and play of comparative advantage. A strong case has been made on the basis of larger capital flows to the developing world as a result of greater investment and flow of technology and managerial know-how. Assertion of advantages of globalisation like cooperation in manufacturing, joint research, and resolution of conflicts through an international governing body (WTO), can be justified if the mode of their implementation could be agreed upon.

Page 15 of the Report presents a table by Paul Streeten which displays gainers and losers from globalisation. It practically sums up the debate. The losers include: employment, people without assets, wages, people with low skills, the uneducated, workers, labour, debtors, small firms, human security, local communities, local cultures, global poor, firms having no access to markets and without brands! The gainers, naturally will be those from the opposite class, like: people with assets, people with high skills, educated, capital creditors, those independent of public services (meaning the affluent), sellers of technologically sophisticated products, firms with brands and having access to markets and the global elite. There is little room left after this presentation for further arguments.

The aim of globalisation may be described as to encourage education, skills, technology - this may satisfy the morals of the elite in the developed countries. But how would we justify the misfortune that will befall the vast majority of the population of the third world? Will this, within a few decades, not develop into a fierce conflict between the haves and have-nots, developed and the developing or, say, North and South? Did we consider less rigorous alternatives to achieve the goals set for globalisation?

The impact of the initial dose of globalisation on South Asia is almost negative. The HD Report on South Asia draws the following conclusions: Globalisation has not reduced poverty or improved human development. Income distribution across the various economic groups worsened. South Asia did not fare well in education - severe gender disparities were observed in mean years of schooling and no significant resources were mobilised to enhance education. Health expenditure was reduced in many countries as compared to pre-globalisation levels. Expenditure on poverty alleviation, social security (traditional support systems) declined as more people were pushed into informal sector. Most South Asian countries failed to integrate economic policies with social policies, thus stagnating expenditure on public services. Economic growth rates have, generally, declined. Efforts at expanding the tax base floundered badly due to lack of focus on policy. Trade and current account balances have remained negative. Employment expansion has been insignificant due to weak employment creation, low growth and low expenditure on social sectors. This is not a happy situation and needs to be studied in depth to avoid a plunge into unknown waters.

Dr Mahbubul Haq Human Development Centre has done singular service by raising globalisation issues in South Asia and the world. It should help governments of the region and the policy makers to review their plans for integration under globalisation. Mrs Khadija Haq has not asked a question to the masterminds behind globalisation, perhaps, to maintain academic decorum. But I will take the liberty to put it: Is there any limit to human avarice to amass wealth and lust for oppressing others?