

## Globalisation: friend or foe?

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*In this paper I plan to reflect on why community and social enterprises and other community-led activity are important in the contemporary context of globalisation and to suggest that we may be mistaken in the way globalisation is defined and therefore demonised.*

### What is “globalisation”?

As a term, globalisation has come to mean the way in which the world economy is run, and dominated by multi-national corporations and the international institutions they tend to control. Rather like that other excellent word “enterprise” which has been hi-jacked to simply mean business, globalisation is now taken to be about:

- The liberalisation of capital markets to encourage unrestricted profiteering by capital which knows no sense of place.
- So-called “free” trade policed by the World Trade Organisation and its “level playing fields” and what have been caricatured as its “seven deadly rules”. (see box)
- Structural adjustments determined and enforced by global institutions such as the World Bank and the International Monetary Fund designed to make nations play the globalisation game.

This interpretation of globalisation has led, unsurprisingly, to an anti-globalisation movement, campaigning in frustration at the way the world economy is managed, at the way financial institutions appear to assuming the role of global government and at the inexorable rise of inequality and social exclusion.

#### **The seven deadly rules**

1. limits protection against cheap imports
2. limits government regulation of services
3. limits regulation of foreign investment
4. limits the use of subsidies for agriculture
5. limits the use of subsidies for industry
6. blocks exports from developing countries
7. gives business rights over knowledge and natural resources

### The positives of globalisation

While it is right to condemn globalisation as defined in this narrow way, it has also led to a refusal to perceive any positive aspects in the globalisation process of the past two decades which have led to an ever more interdependent planet. For, the true meaning of globalisation is about those

processes and developments which have made the concept of a “global village” a reality. These are to do with:

- *Communications*: the way we can now communicate with each other across and around the world with speed and cheaply, using e-mail and the web, and know what is happening on the other side of the planet as it happens.
- *Transportation*: the fact that it is now possible to travel quickly - and at reasonable cost – between continents allowing visits, meetings and conferences to take place which not long since were unthinkable.
- *Knowledge*, and the information technology which allows that knowledge to spread around the globe.
- *Scientific advances and their application*, which can benefit all of humankind (I read just the other day of the possibility of medical operations being undertaken across continents by remote control using the very latest techniques of robot, digital and information technologies).

All of these characteristics and capacities of globalisation can give truly positive benefits just as they can also be used in a negative fashion. They may be used for good or for evil, to benefit the many or just the few.

Thus, global capacities permit terrorism to be organised on a global scale. Equally, those who combat global terrorism can use, for example, the capacity to track financial transactions around the globe to clamp down on the assets and money movements of suspected terrorists. (At the same time, ironically, the same capacity somehow cannot seemingly expedite the simple transfer of funds between banks! It presumably is a question of choice and of priority. It is desired by financial institutions to stop terrorism but not to speed up our transfer payments because for every day money is in the limbo of transit between two accounts the banking system can make profit from it.

Simply because we can transport all things around the globe at great speed does not mean it is sensible to do so. It is a choice which determines that we transport food huge distances at considerable environmental cost to the planet rather than encourage home production and consumption near the point of production.

A global institution such as the WTO does not have to be the instrument which exacerbates divisions between rich and poor and which appears consistently to favour the rich trading nations through the fiction of the level playing field. Who wants a level playing field if you are a village team playing a professional club? Playing off a handicap as in golf would be a more apt analogy allowing equal rather than unequal competition.

“I do not want my house to be walled in on all sides, and my windows to be stuffed. I want the cultures of all the lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any.” Mahatma Gandhi

The Winds of SAP, the Winds of GATT, the Winds of WTO.....  
The window was opened in the 80's,  
The door was opened in the 90's,  
The Wind has entered, is taking control –  
Do This, Do That, Downsize! Privatise! Liberalise! Globalise!  
Gale force Winds blow India off its feet!!

## **Managing the globe**

The problem is not in globalisation itself, but in how we, as global society, manage and regulate the positive capacities of globalisation and set about achieving our global aspirations. It is a question of governance, of who makes the decisions and from what value base.

The US commentator, Joseph Stiglitz, has written about how, contrary to popular belief, the past economic growth of the USA has depended on the Government taking initiatives and being responsible for what it does through the democratic process. Instead, we are presented with the notion that only private business and financial institutions are capable of delivering growth, and only economic growth may deliver social progress and justice. On a global scale we are effectively being offered government by financial institutions, which are secretive and unaccountable. It is arguable that the World Economic Forum and its annual meeting in Davos has far greater authority than the United Nations. And there is evidence to suggest that the closed shop of the Business Round Table in Europe has a very significant influence on the policies and direction of the European Union.

So the key question is: How do we develop processes globally – as well as within nations – that can reign in and control the way the world is run and make those global institutions accountable to the peoples of the world? We should not be anti-globalisation but anti the way the globe is managed.

## **Subsidiarity – the concept of reverse delegation**

In the rhetoric of recent years in the European Union has been the concept of “subsidiarity”; meaning that decision-making and power should be vested in the lowest levels of society which, in turn, delegate upwards (reverse delegation) those tasks which can best be done on a larger scale or at a higher level. In practice this does not generally happen in Europe, which in fact is a highly centralised and controlling bureaucracy, but the concept is exciting, dynamic and in essence quite revolutionary. Power to do things should be delegated upwards from the grass-roots and those powers which are delegated may, of course, be taken away if the higher level of government or society does not adequately discharge its responsibilities.

In a global context the idea of subsidiarity correctly infers the need for global institutions – as well as global/regional, national, regional and district institutions – but institutions which take on only those tasks and

responsibilities which have been handed to them and institutions which are always accountable to the levels below them.

### **The values of community-based development**

This line of argument then brings us to the importance of community-based actions and community-based structures as the test-bed for development which is founded on certain values and principles and as the grass-roots level from which the first responsibilities may be delegated upwards.

Within the community-based development sector – what in Europe these days is often referred to as the *social economy* linking those two hitherto separated concepts “social” and “economic” – there is general agreement about the core values which underpin thinking and action about the way community should work:

- *Democracy*: adopting structures and institutions which are accountable to the people.
- *Working for the common good*: having as primary purposes benefit to both people and the planet.
- *Fundamental rights*: recognising that all people have a fundamental right to adequate food, shelter, health, education and work.
- *People before profit*: focussing on improvements to quality of life while ensuring that there is sufficient profitability for financial sustainability of the project or institution.
- *Local economy*: adopting human-scale activity which strengthens the local economy.
- *Harbouring resources*: adopting environmentally sustainable working practices which minimise harmful impacts on the planet.

Involvement at community level is a training ground for the development of a civil society; indeed it is the bedrock of civil society and an essential for the development of a civilised society. And the values which underpin community-led, grassroots institutions are a direct challenge to the values which influence the prevailing status quo.

Since September 11th any challenge to that status quo, to the way globalisation is managed, has run the risk of being interpreted as pro-terrorist. Indeed, in the immediate aftermath of the New York attacks the Australian Prime Minister made it quite clear that for him any argument put forward against capitalism or any suggestion that the way the global economy is run has adverse effects on growing numbers of people was tantamount to terrorist talk!

### **A global movement for change**

Our task however is surely to build a global movement for change from the grass-roots which does challenge the status quo, which demonstrates and argues that globalisation is managed in the interests of the few rather than the

many, which insists that there are other values which matter, and which proposes that global institutions can be developed to serve mankind and be accountable to the people. The ethics, values and culture of the community development sector must permeate upwards and outwards. To do that we can:

- Strengthen our networking and sharing through such international associations as COMMACT and others.
- Engage in Civil Society by becoming active in community affairs and in the democratic processes of our nations.
- Engage with the public and private sectors, but without compromise and without being co-opted unsuspectingly to bolster the agenda of others.
- Change the perception of the Third Sector as “third” but to be seen as as equal – if not more important – than the other sectors.

It is a large and long task. Maybe time is against us. But there are gains which can be noted: the successful campaign against the multi-lateral agreement on investment (MAI); the success of Jubilee 2000 in gaining some concessions on debt relief; the challenges made and for once listened to in Seattle; the partial climb-down on HIV AIDS drugs by some of the pharmaceutical companies. Small steps perhaps and by no means any reason for complacency, but evidence that global movement and pressure from below can have some impact, that we can use the capacities of the global village to challenge the way globalisation is managed.

#### **In conclusion: a vision for COMMACT**

- The global processes and capacities of the modern age are to be welcomed because they can benefit mankind.
- The key issue is not globalisation, but how the globe is governed.
- We do need global institutions,
- But they must reflect different values and therefore seek to achieve different objectives.
- Those values and objectives should come from the grass-roots with tasks and responsibilities delegated upwards.
- All institutions must be democratically accountable.

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