Insecurity and uncertainty – Globalization 4

By Kanes

Globalization or integration of world markets has contributed to the rapid growth and rise in income of developed and a few developing countries but it has at the same time created new threats to human security and generated a sense of uncertainty among people in most developing countries. These threats to human security come from disruptions of the pattern, stability and harmony of daily life by events and developments associated with the globalizing market forces. They are several; loss of employment and income from automation, downsizing, and free trade; human rights violations in factories and workshops; financial market instability created by volatile money 'lows; criminalization of society by crime syndicates operating illegal traffic in narcotics, weapons, women, children and dirty money; health hazards from growing tourism and migration; invasion of western materialistic culture and affluent (American) lifestyles and the destruction and the degradation of the environment by the consumerist society.

Job and Income In security

While globalization has tended to increase job and income security of the rich it has created job and income insecurity to the poor. Job insecurity is increasing in both developed and developing countries in the wake of corporate restructuring and the dismantling of social protection measures. Technological advance, in particular automation, mergers, acquisition, downsizing and relocation of industries tend to create unemployment and lower wages in some sectors of developed countries. Six countries of the European Union have had continuous unemployment exceeding 10 per cent for several years reflecting jobless growth. As a result of automation and information revolution, large transnational corporations are now in the habit of downsizing - an euphemism for macro corporate firings - and throwing thousands of workers into unemployment. The German auto industry, for example, has cut more than 100,000 jobs since 1991. The largest private oil company the Royal Dutch/Shell Group announced in January 1999 that it would cut 105,000 jobs. The high unemployment rates and the possibility of industrial relocation, further have enabled transnational corporations particularly in Europe, to put pressure on their workers to work longer hours for less pay by threatening to move to low wage economies.

The workers and the farmers in developing countries on the other hand are facing risk of unemployment and/or loss of income as a result of liberalization and the flood of cheap imports which undermine domestic agriculture and industry. Farmers in developing countries, for example, are being threatened by subsidized and cheap imports of wheat, rice, maize, beef, milk, butter and other foods from developed countries on the one hand and reduction or removal of import duties and restrictions on such products under the IMF inspired policies of liberalization on the other. Competition from cheap imports following trade liberalization is also making things difficult for domestic industries. Further, while employment opportunities are available and accessible for the highly skilled and professionals, there are national barriers to prevent movements of unskilled labour. To make matters worse, liberalization has helped transnational corporations to squeeze large domestic firms which compete with them and to swallow them up as shown earlier. They are also supported by the patent laws in developed countries which allow silent theft of indigenous traditional knowledge from developing countries as clearly illustrated by the recent steps taken by US firms to patent Indian traditional food and herbal cures such as Basmati rice, margosa (neem), turmeric and pepper oil and Sri Lankan herbs such as Karawila, Pathola, Kothala-Himbutu, Nutmeg, Cardamom and Venivel. To cap it all, insecurity is increased by the IMF policies of emasculation of the state and reduction of expenditure on social services and human welfare and its policies of adding flexibility to the labour market by encouraging informal employment.

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Human Rights Violations

Human rights violations also increase workers' insecurity. Transnational corporations are accused in several developing countries for payment of low wages, denial of trade union rights and neglect of human welfare, in their factories and in export processing zones. A number of them like Disney, Mattel, Nike and Wal Mart have faced public attacks for the working conditions of their contractors' factories in Asia and Latin America. Transnational corporations have relocated their labour-intensive industries in developing countries mainly because of low labour costs and consequently they are opposed to raising labour costs by granting higher wages, improving working conditions and expanding welfare services. Their contractors in fact use about 60 million children for "slave-work" to keep their costs low and stay competitive. The ILO and WHO point out that the continuing shift of industrial production to low-cost sites in developing countries where worker protection is lower is likely to increase the global incidence of occupation disease and injury. The WHO chief says: "From the occupational health perspective, trends to globalization of trade pose certain health risks".

Financial Volatility

Integration of world's financial markets which are inherently unstable - by removal of all controls on capital movements - tends to destabilize those very developing countries which benefit from such liberalization by attracting foreign capital. This is well illustrated by the financial turmoil in East Asia which had liberalized its financial sector too soon. The large capital inflows to these countries apart from assisting rapid growth had also contributed to appreciation of real exchange rates, delayed devaluation at a time of increasing current account deficits, thereby reducing competitiveness, and expanded domestic lending to speculation and increased vulnerability to reversals of capital flows. The sudden out flows of capital - the short-term category - in 1997, amounting to 11 per cent of the pre-crisis GDPs of the crisis-hit countries, were too much for the countries to cope with and the result was massive currency depreciation, stock market crash, bank closures, company bankruptcies and loss of jobs for 13 million people. The IMF's prescriptions of high interest and fiscal austerity made matters worse by deflating the economies and creating an economic recession which through contagion effect spread to distant places like Russia and Brazil. Production losses from the East Asian crisis and its global repercussions are estimated at $2 trillion over the three-years 1998-2000. A substantial part of the progress made by these countries in the last 30 years has been wiped out and people are facing a bleak and uncertain future. In Indonesia for example, per capita GNP in 1996 before the crisis was $ 1080 which exceeded Sri Lanka's $ 740; after the crisis, however, it fell to $ 403 in 1998 even below Sri Lanka's $805. An additional 40 million people or 20 per cent of the population fell into poverty. Nearly 100,000 children have stopped going to school because of the crisis in Thailand and suicides increased from 620 to 900 a month in mid-1998.

Criminalization of Society

Globalization has provided opportunities for criminal activities on a large scale to create personal insecurity. Advances in communications and information technology, cheaper transport and liberalized financial markets have facilitated the cross-border flows of narcotics, dirty money and arms. Illicit trade in drugs, women, weapons and laundered money is contributing to violence and crime the world over. There are for instance, 200 million drug users in the world threatening neighbourhoods. Traffic in women and girls for sexual exploitation - 500,000 a year to Western Europe alone - is a $7 billion business. The Internet is an easy vehicle for trafficking in drugs, arms, women and children through nearly untraceable networks. Illegal drug trade was estimated at 8 per cent of the world trade in 1995. Money laundering is estimated by the IMF to be 2 per cent to 5 per cent of global GDP. The root of all this is organized crime estimated to gross $1.5 trillion a year rivalling transnational corporations as an economic power. Global crime groups have the power to criminalize politics, business and the police, developing efficient networks extending their reach deep and wide.

Health Hazards

Growing travel and migration stimulated by globalization have helped spread HIV\AIDS to create health insecurity. There were more than 33 million people living with HIV/AIDS in 1998; and there were 6 million new infections in that year alone. With 95 per cent of the 16,000 infected each day living in developing countries, AIDS has become a poor man's disease, reducing life expectancy. A loss of 17 years in life expectancy is projected for 9 African countries by 2010, back to the life expectancy levels of the 1960s.

Threat to Indigenous Culture

While globalization opens people's lives to culture, ideas and knowledge from all corners of the world, today's flow of culture is unbalanced as it is a one-way traffic from the rich countries to the poor. The biggest export of the US to the world is entertainment as Hollywood films earned more than $30 billion from exports. The expansion of global media networks and satellites communications technologies have created a powerful new medium with a global reach, and it has brought Hollywood films to the remotest villages in developing countries. The number of television sets per 1000 people, as pointed out earlier, doubled from 1980 to 1995. Hollywood films are accompanied by other appurtenances of affluent (American) living such as Coca-Cola, McDonald hamburger, blue jeans, pop music and Marlboro cigarettes. Such an invasion of western culture can put cultural diversity at risk and make people fear losing their cultural identity.

The culture of globalization is money-culture of laissez faire capitalism and free markets. Culture has been made an economic good and identified with commodities that can be sold and traded - crafts, tourism, music, books, films - to the neglect of community, custom and traditions, and it is being homogenized. The market or transnational corporations utilize the modern media to stimulate consumption habits and build a consumerist society that enslaves the people to money and material things and trap them in debt. It propagates a culture that glamourizes affluence, avarice and individualism that is calculated to undermine the traditional culture of developing countries like South Asia which ennobles the virtues of moderation, altruism and sacrifice. One of the casualties of market expansion and globalization is care and altruism - care of the children, the elderly and the sick by women - which is threatened by the pressure the competitive global market is putting on time, resources and incentives for caring labour. Care has become a victim of increasing employment of women and cuts in state-provided care services following fiscal austerity. It is not a socialist but one of the world's leading capitalists - George Soros - who has recently warned of the free market threat to contemporary civil society in these words: "I now fear that the untrammelled intensification of laissez faire capitalism and the spread of market values into all areas of life is endangering our open and democratic society. The main enemy of the open society, I believe, is no longer the communist but the capitalist threat".

Globalization and the Environment

As markets under globalization reach into new countries and areas, and as the consumerist society spreads around the world, increasing consumption tends to cause an environmental squeeze by accelerating environmental degradation and depletion. Markets are no respecters of the environment. The increasing demand caused by higher consumption for food and raw materials stimulates higher production which in turn results in the rapid depletion of non-renewable natural resources like petroleum and other minerals as well as of other land and water resources like fish and forests. Further, the extensive cultivation of agricultural crops to meet the rising demand has led to the widespread use of chemical fertilizers and pesticides which pollute the soil and water; it has also resulted in bringing in marginal land under crops, intensive methods of production and overgrazing of pasture lands that have caused land degradation. The increased consumption of water for human needs, for agriculture, industry and animal husbandry is reducing available supplies including subterranean water resources.

The largest consumers, of course, are in the developed/industrial countries where the richest people live.

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The richest fifth of the world's population, in fact, consume 45 per cent of all the meat and fish, 84 per cent of all paper, 87 per cent of the world's motor cars and 75 per cent of the world's petrol. The disparity in consumption between the rich and the poor countries is illustrated by the fact that the overall consumption of the richest fifth is 16 times that of the poorest fifth. Average annual meat consumption, for example, is 77 kg per head in the industrial countries as compared to 5 kg in South Asia and 10 kg in sub-Saharan Africa; it is 119 kg in the US as compared to 4 kg in Brunei and 3 kg in Bangladesh. Energy consumption measured in kg of oil equivalent per capita in the industrial countries is nearly seven times that of developing countries and nearly 13 times that of South Asia. The number of motor cars per 1000 people in the former is 25 times the number in developing countries and petrol consumption per capita is 12 times more. These high levels of consumption had led to accelerated use of natural resources: burning of fossil fuels has quintupled since 1950; consumption of fresh water has doubled since 1960; marine catch has increased fourfold and wood consumption is 40 per cent higher than 25 years ago.

The environmental consequences of high consumption are rather alarming. First, there is deforestation as a result of the excessive exploitation of tropical forests for timber. The rate of tropical forest loss is 15.4 million hectares or 38.1 million acres a year - or 72 acres a minute. Second there is declining fish stock; about 25 per cent of fish stocks for which data are available are either depleted or in danger of depletion, and another 44 per cent are being fished at their biological limit. Third, there is loss of biodiversity; about 12 per cent of mammal species, 11 per cent of bird species and almost 4 per cent of fish and reptile species are classified as threatened: between 5 per cent and 10 per cent of the world's coral reefs and half the world's mangroves have been destroyed; about 34 per cent of the world's coasts are at high potential risk of degradation and another 17 per cent are at moderate risk. President of the international Botanical Congress - Peter Raven - states: "We are predicting the extinction of about two-thirds of all bird, mammal, butterfly; and plant species by the end of the next century, based on current trends".

Fourth, there is soil depletion: nine million hectares are extremely degraded, with their original biotic functions fully destroyed, and 10 per cent of the earth's surface is at least moderately degraded. Fifth, there is environmental pollution: about 70,000 chemicals have been introduced to the environment and about 1,000 new ones are being introduced every year and the pollution they cause to soil, water and the air is the root cause of the growing incidence of several diseases; carcinogenic pesticides for instance, is one of the major causes of cancer and the number of cancer deaths is estimated to increase from 6 million a year now to 10 million by 2020; air pollution kills. 3 million people and water pollution 5 to 7 million a year. Six, it is destruction and degradation of the environment which cause acid rain, global warming and ozone depletion with far reaching consequences on people's lives.

Perhaps the most alarming is the threat to the world's water supplies from the unchecked march of globalization and the consumerist society. Water scarcity has become the single biggest threat to life, health, food security and eco- systems. About 1.4 billion people or nearly one-fifth of the world population and two-fifths of world's urban dwellers, do not have access to clean, safe drinking water an about 3 billion people or half the world population, mainly the poor, lack water for proper sanitation. It is estimated that of the 5 to 7 million killed by water related diseases, every year, 4 million are children. Unless development or globalization stays within limits of water supplies and current water shortage is reduced, a good part of the world population will face a serious water shortage in 2025. It is estimated that about 2.3 billion people in 48 countries will face water shortage by that time - 1.3 billion will experience severe water shortages and 1 billion absolute water shortage.

Transnational corporations are accused in several countries for over-exploitation of national resources with no concern for the environment. Nearly all the mining companies have come under fire for ecological devastation and for violent crimes against indigenous people. The American firm - Free Port McMoran - for example, has conducted a vast and hugely destructive mining operation in one of the world's richest and least exploited environments in Irian Jaya which has some of the world's richest gold and copper deposits. The contract was granted to +he firm in 1991 but Indonesian legislators want to review it because of various allegations against it including corruption. The open gold and copper mines operated by Free Port McMoran are destroying the environment by dumping 70 million tonnes of tailings a year into the Ajkwa River and polluting the waterway and blighting the entire forests along the banks. They will leave behind a 230 sq. km. scar in the jungle - visible from space - when the mines close in 30 years.