

RIS is a New Delhi-based autonomous policy think-tank supported by the Government of India and devoted to trade and development issues. Its work programme focuses on policy research and capacity building on multilateral trade and financial negotiations, regional economic cooperation in Asia, South-South cooperation, new technologies and development, and strategic policy responses of developing countries to globalization, among other issues. The work of RIS is published in the form of research reports, books, discussion papers, policy briefs and journals.

RIS has networked effectively with other prominent policy think-tanks, government agencies, industry bodies and international organizations in Asia and other parts of the world for collaborative research and joint activities. It has a consultative status with UNCTAD, and has been accredited to the Summit Meetings of NAM and WTO Ministerial Conferences. It has conducted policy research and other activities in collaboration with other agencies, including UN-ESCAP, UNCTAD, UNU, Group of 77, SAARC Secretariat, Asian Development Bank (ADB), the World Bank, and the South Centre.

For more information about RIS and its work programme, please visit its website: www.ris.org.in.

— Policy research to shape the international development agenda



RIS
Research and Information System
for Developing Countries

Core IV-B, Fourth Floor, India Habitat Centre, Lodhi Road, New Delhi-110 003, India.
Ph. 91-11-2468 2177-80, Fax: 91-11-2468 2173-74-75, Email: publication@ris.org.in
Website: <http://www.ris.org.in>, <http://www.newasiaforum.org>



Addressing the Defaults of Globalization

Prof. Jan Pronk

Discussion Paper # 155



RIS
Research and Information System
for Developing Countries

Addressing the Defaults of Globalization

Prof. Jan Pronk

RIS-DP # 155

July 2009



RIS

**Research and Information System
for Developing Countries**

Core IV-B, Fourth Floor, India Habitat Centre

Lodhi Road, New Delhi – 110 003 (India)

Tel: +91-11-2468 2177/2180; Fax: +91-11-2468 2173/74

Email: publication@ris.org.in

RIS Discussion Papers intend to disseminate preliminary findings of the research carried out within the framework of institute's work programme or related research. The feedback and comments may be directed to the author(s). RIS Discussion Papers are available at www.ris.org.in

- DP#140-2008 *Internationalization of Indian Enterprises: Patterns, Strategies, Ownership Advantages and Implications* by Nagesh Kumar
- DP#139-2008 *Emerging Patterns in Architecture for Management of Economic Assistance and Development Cooperation: Implications and Challenges for India* by Sachin Chaturvedi
- DP#138-2008 *Rise of BICS and the World Economy Implications of India's Recent Expansion on Developing Countries* by S.K. Mohanty
- DP#137-2008 *Emerging Countries as Sources of Investment and Appropriate Technology: Case Study of India* by Sachin Chaturvedi
- DP#136-2008 *Potential of Asian Economic Integration: A Perspective from the Strategy of Japanese Enterprises* by Tetsuji Kawamura
- DP#135-2008 *East Asian Infrastructure Development in a Comparative Global Perspective: An Analysis of RIS Infrastructure Index* by Nagesh Kumar and Prabir De
- DP#134-2008 *India-Africa Economic Partnership: Trends and Prospects* by S. K. Mohanty and Sachin Chaturvedi
- DP#133-2008 *Towards An Asian "Bretton Woods" for Restructuring of the Regional Financial Architecture* by Ramgopal Agarwala
- DP#132-2008 *The WTO's Doha Negotiations: An Assessment* by Bhagirath Lal Das
- DP#131-2007 *Regional Cooperation and Integration Prospects in Asia* by Rajat Nag
- DP#130-2007 *Deepening India-Bangladesh Economic Cooperation: Challenges and Opportunities* by Prabir De and Biswa N. Bhattacharyay
- DP#129-2007 *Intellectual Property Regime, Indigenous Knowledge System and Access and Benefit Sharing: Drawing Lessons from Kani Case* by Sachin Chaturvedi
- DP#128-2007 *WTO and Trade in Electronically Delivered Software (EDS): Emerging Challenges and Policy Options - An Indian Perspective* by Sachin Chaturvedi and S. K. Mohanty
- DP#127-2007 *Economy: Recent Evolution and New Perspectives for South-South Cooperation* by Maria Lúcia L.M. Pádua Lima
- DP#126-2007 *Welfare Gains from Regional Economic Integration in Asia: ASEAN+3 or EAS* by S.K. Mohanty and Sanjib Pohit

Addressing the Defaults of Globalization*

Prof. Jan Pronk**

I was born just before the beginning of Second World War. It was the final stage in a period of globalization characterized by catastrophes: two world wars, mass genocide, fascism, communist dictatorship, a world economic crisis and the colonization of nearly half of the world.

Globalization is not a new and recent phenomenon. Globalization started right way at the beginning of the history of mankind, as soon as people began to communicate and trade with each other, to visit land beyond the horizon of their own livelihoods and to migrate to areas that promised better chances for survival and economic progress. So, globalization is of all times. However, it got new dimensions in the first half of the previous century.

The previous century

There had been many wars in Europe before. But never before wars, that had started in Europe, had become wars to be fought throughout the world. There had been genocide before, but the scale of the Holocaust made it a catastrophe shaking the very foundations of human civilization. For ages nations had been ruled by authoritarian violent regime, oppressing the people. However, populist movements and notions of freedom and democracy had gradually developed into countervailing forces, containing the powers of rulers and elites that were serving their own interests disregarding those of weaker and poorer population strata. However, the rise of communist, fascist and Nazi ideologies resulted in regimes with absolute power and a ruthless behaviour towards the people subjected to them. Together these regimes

* Text of the First RIS Silver Jubilee Eminent Persons Lecture delivered on 24 March 2009 in New Delhi

** Professor Pronk served as the Dutch Minister for Development Cooperation and as Minister of Housing, Special Planning and Environment. He has been Deputy Secretary General, UNCTAD; Co-Chairman, Global Coalition for Africa; and Special Envoy of UN Secretary-General for the World Summit on Sustainable and Development, among many positions. Currently a Professor of Theory and Practice of International Development at the Institute of Social Studies (ISS) in the Hague, he was elected as President of the SID, Rome in 2008.

dominated a large part of the world's population, without precedent. It resulted in millions and millions of victims.

There had been economic crises before. However, the world economic crisis in the 1930s, was unique. The crisis, which had started in the financial system of an economically advanced country, spread from there to many other countries and sectors of the world economy, and resulted in economic hardship everywhere.

Colonisation had given a decisive shape to globalization. Colonisation was not a new phenomenon, but in the first half of the last century a relatively small number of countries in the Western part of the world, together comprising a relatively small part of the world's population, had brought a major part of other continents under supervision, larger than ever before.

So far my reading of the first half of the previous century. Of course there were also other developments: scientific and technological findings, breakthroughs in communication, cultural renewal, etc. They meant progress. However, these developments mainly emancipated from the West, the centre of globalization and resulted in a stronger hold on the then periphery of the world economy and the world polity. They even facilitated the spread of the catastrophic breakdowns, which also started in the West, to the rest of the world.

A new world order

All this changed after the end of the Second World War. A new international order was created, on the basis of new value system and principles of international law. Such principles had been studied and proposed before, but they never had been generally accepted and applied by all countries. From 1945 onwards a body of principles and rules of international law prevailed, as a result of international talks and based on consensus. A world system of United Nations was created, the embodiment of international law. International law itself became the embodiment of globally shared values. Sovereignty of the nation state was one of those shared values.

This was new, a revolution in international power systems. In the

centuries behind us, a country with economic or political or military power could easily invade another one or oppress the people in another country. There was no institution or legal principle which could stop any individual country to overwhelm another nation. That was brought to an end after 1945. For the first time in world history the principle of sovereignty of the nation-state was generally accepted, together with institutions – international law, the UN Charter with its chapters on peace keeping, the UN Security Council and its rules and procedures – that could oversee its implementation. These institutions were not strong by themselves, but their strength was enhanced by the fact that the country which at that time had the largest surplus of power in the world was willing to protect the new system. The United States of America, the main victor of the Second World War, was willing to share its power with other countries in order to render authority to the new institutions. That was new. Before then other powers had done this. Without that willingness the world would never have seen a new international order emerging with a certain degree of sustainability.

The new order was based on generally accepted principles beyond the sovereignty of the nation state. Amongst those were the well known principles of human rights. But also the new concept of development was a value in itself, and also the principle of cooperation. These implied some sort of a common commitment to live up to such values and principles and to meet objectives based upon them. The same applied to principles and rules such as international monetary stability and free trade, and the principle of preferential treatment for weak countries and infant economies. As a matter of fact during the decades following its establishment the United Nations has become the main global platform for discussion and agreement on new concepts, values, principles and rules. They were the result of scientific studies, expert meetings and stakeholder symposia, followed by international talks and negotiations, leading to declarations, resolutions, charters and treaties, and to more or less consensus decisions of world bodies such as the General Assembly of the United Nations, the Security Council and the Boards of the Bretton Woods institutions. This has gone on until today. New principles such as human development, sustainable development, human security, humanitarian law, the responsibility to protect, the precautionary

principle and the common but differentiated responsibility to combat climate change are the result of recent negotiations against the background of new political, economic, technological and ecological developments on our planet. The breakthrough in international civilisation was that for the first time in world history an international community emerged, choosing to build a system that would help the world as a whole to overcome major catastrophic consequences of globalization.

Was it successful? Yes, to a certain extent. The greatest success was that the new consensus principle that no country was allowed to oppress any other country was put into practice, by ending the system of colonial rule. The independence of India and Pakistan was the beginning of the end of colonization. The end came with the independence of the former Portuguese colonies in Africa, such as Angola and Mozambique in Africa. It took only thirty years to achieve this objective. At the end of the ninety seventies a few small countries were not yet fully independent, but this did not substantially impact world political relations anymore.

Decolonisation was a major success of the new order. Globalization got a new face. The new nation states represented a very large part of world population. Hence they could deal with the traditionally powerful countries more or less on equal footing. However, it was only a partial success. The new states and also other developing countries did not get a fair deal. Their economic perspective was less rosy. Political independence of a country should have a strong and sustained economic basis. However, the international financial and monetary system and the international markets for the main export products of the developing countries, in particular commodities, were tilted in favour of the countries of the North. So, developing countries came to the conclusion that legal autonomy as a nation state was not enough. It should be complemented by economic self reliance. In their view meeting this objective required the establishment of a new international economic order.

The NIEO

For a full decade talks were held in the framework of UNCTAD, the new UN organisation which had been established in 1964 to further the economic development of the new countries. In 1975, during the Seventh Special Session of the General Assembly of the United Nations a consensus text was agreed upon, outlining principles of a new international economic order. However, these were not put into practice. There was not enough political will at the side of the North, despite the shock of the oil crisis of 1973, which had resulted from a deliberate joint action of oil exporting developing countries to raise the price of oil. Cheap oil had fuelled the economic recovery and growth in the North after the Second World War. A substantial price increase would have a serious impact on the economic perspective of the industrialized countries, which then could no longer neglect the demands of the South. That is what many of us foresaw. However, oil importing rich countries reacted by exploring their own oil resources and by resorting to nuclear energy. Before the oil price increase both alternatives had not been cost effective. The result was not only a further widening of the gap between richer and poorer countries, but also a world economic slump, which was soon aggravated by debt defaults of quite a few developing countries.

The world economic crisis of 2008, resulting from debt default in the rich world, is being addressed with aggressive policies to prevent a breakdown of the financial system and to stimulate economic activity. The answer to the crisis in the ninety eighties was quite different, however. It did consist of a general prescription to adjust to a downward trend on the markets, rather than stimulate demand. Government expenditures were cut down, which resulted in major decreases in public social services, for instance in health and education. Agricultural investments were brought down. World commodity prices decreased. Poverty increased. So did income inequality.

Another new world order

In retrospect during the ninety eighties and nineties a new world order was indeed established, but quite differently from what had been the intention during the two decades before. The new order was not based on a common political consensus reached by all nation states working together. Politics

was not in the lead. The new order was based on technology and economics, on unprecedented technological breakthroughs in communication and information and on the emergence of a truly global market, not hindered any more by geographical distances nor by time differences. A real time world economy emerged, with a 24/7 character, full information about everything, everywhere and anytime, facilitating speedy and massive reactions to any new market development wherever.

Politics was not in the lead, but there was one major exception. The end of the Cold War in 1989 was the result of political decisions in East and West. Economic forces did play a role, because the economic perspective of the Soviet Union and the countries of Eastern Europe turned out to be bleak, but it were political decisions at both sides of the divide that made the difference. Those decisions were not only taken by the respective regimes. They also resulted from an unstoppable change in the aspirations of people within formerly communist nations. They resulted in a worldwide new hope that from now on the focus could be shifted away from security, ideological conflict and the prevention of war towards sustainability, worldwide integration and the preservation of peace. Resources that hitherto had been invested in an arms race in the future should be spent on poverty reduction, food security, the preservation of the world's natural environment and its biodiversity and the prevention of climate change.

This would have been possible. The end of the Cold War provided an opportunity for real and sustainable globalization. However, this would require additional political decisions concerning the setting of priorities, the allocation of resources and the reduction of inequalities. If left to market forces alone these three categories of decisions would result in less sustainability, more poverty and greater inequality.

However, politics did not steer development, growth, welfare, poverty reduction or the protection of the environment. Politics followed the market and aimed at improving the workings of market mechanism by creating a level playing field for market forces, ensuring the world wide mobility of information, technology, capital, money and goods.

Technological breakthroughs had given a major boost to worldwide information and communication. For the first time in world history the world economy became a true world market. Transnational financial and economic corporations became bigger and bigger, entered into mergers and became conglomerates with activities in many different economic sectors, whereby also the distinction between the financial sector and the real economy became less significant. Decisions concerning investment, production, marketing and trade in the real economy were taken in the same circles which decided about money and finance, buying and selling shares and companies, transferring short term and long term capital all around the globe, taking risks and assessing these risks.

This resulted in the creation of world economic giants, powerful oligopolies, less and less transparent networks of financial institutions, production enterprises and trading houses. Products could be sold easily, because a new global middle class emerged, with increasing purchasing power, which was tapped easily because this middle class could be bombarded globally with commercial advertisements through all media, preaching the gospel of quick, easy and greedy consumer satisfaction. We got a new world economic order, indeed, but very different from the one which had been advocated in the 1970s.

So, globalization got a new face again. In the 1990s the framework of the United Nations, in the Bretton Woods institutions and WTO was discussed. The negotiations resulted in a further facilitation of globalization. The aim was to create a worldwide level playing field for production, finance, insurance, trade and capital movements. The world market should work as efficiently as possible. So, we, international bureaucrats and politicians, were following the guidance provided by the market and facilitating the workings of the market mechanism. In that respect we did quite well. International procedures, rules, regulations and institutions were established, which helped to implement the newly prevailing views on the primordial significance of free flows of finance and goods, high levels of material consumption and fast realisation of profits. These objectives, if and when attained, would lead to high economic growth, which in turn was expected

to result in higher employment and less poverty and thus in greater welfare. This was the neo-liberal view on the workings of the world market.

Globalization: lopsided, Western, capitalist

The political facilitation of workings of the market mechanism did not take more than a decade. It was successful, because the growth rates of world production, trade and finance increased substantially. However, it was only a partial success. Many other problems were not addressed. Partly this was due to the view that the solution of problems such as poverty and unemployment would result indirectly from higher economic growth. This was not the case, as could have been known on the basis of the experience in the 1960s and 1970s. Other issues were put on the international agenda, such as safeguarding the environment, but without an urge similar to the endeavours to liberalise finance and trade. Climate change, the pollution of the atmosphere, deforestation, the reduction of bio-diversity, the loss of soil fertility, growing scarcity of water, all these issues were discussed but to no effect. It was not possible to reach worldwide political agreement on measures to tackle these worldwide problems. Politicians were aware that these problems had to be dealt with globally, because the underlying forces did not respect frontiers of nation states. However, because these forces had emanated in particular from the historically rich countries, together comprising no more than a quarter of the world's population, and because many populous and poor developing countries claimed a right to development, it was very difficult to reach agreement on the burden of adjustment to the threats to world's physical environment. Some new principles were agreed upon, such as the precautionary principle and the principle of equal but different responsibilities of nation states. However, no new effective structures were built to address these threats. Recourse was sought to voluntary measures only, without obligations and sanctions, such as had been chosen in the areas of trade and finance. Meanwhile depletion and pollution and depletion went so fast that we were running behind facts. The facts went very fast. We lost control.

Other issues were neglected as well. We did not build international institutions which adequately were dealing social problems, such as the social

consequences of capitalist economic growth: unemployment due to technological progress resulting in a substitution of labour by capital, child labour and labour during long hours under harsh circumstances often with wages below the subsistence level, growing informalization of labour, indebtedness of small farmers, migration due to a loss of perspective in the homeland area, mass poverty in mega cities, decreasing food security due to disinvestment in agriculture, decreasing access of poor people to primary education and health care, increasing prices of medication for AIDS and tropical diseases. It is a long but not exhaustive list of neglected areas. Of course, these issues have been widely reported and discussed. Targets were set, promises were made. However, no adequate decisions were made concerning the way to implement the targets. No institutions were established with the authority to steer policies towards these objectives. Resources were set aside, but not spent and, after some time, reallocated in order to serve the interests of the middle class.

So globalization was lop-sided in quite a few respects. Issues other than the workings of the world market were left to individual nations. Such a choice could be defended by pointing to the responsibility of each nation state to take care of the welfare of its citizens. However, much of the social deficit within nations is due to global forces: global climate change, global preferences for foreign and capital intensive technologies and land use patterns, the emergence of a global middle class dictating priorities for resources utilization. These global forces were supported by global institutions. Leaving the global social consequences to individual nations will at best result in a mitigation of these consequences, not in an effective tackling of root causes.

Globalization was not only incomplete and one-sided, it was western as well. It had started in the West. Technology came from the West; innovations were copied elsewhere, but they came from the West. Foreign investment capital originated in the West. Global communication and information passed along western channels. The new approaches to markets and policies were western value driven.

This is not to say that such western values were wrong. They were Western, not Asian, or African, or Arab. When in international talks a confrontation took place between western and other values – for instance concerning governance issues or principles of property and the rule of law – always the western values ruled. Mostly these western values reflected modernity. The new notions were a faint shadow of values that had been cherished in Western countries after the French Revolution (e.g. equality and fraternity) or after the 1930s (e.g. solidarity, public responsibility and social welfare). Instead they were strongly reflecting the neo-liberal principles which in the 1980s had become popular as guidelines for adjustment to an economic downturn and in the 1990s as symbols of a victory in an ideological battle between East and West.

At the turn of the Millennia the prevailing character globalization was not only lop-sided and Western, but also capitalist. Companies and shareholders were aiming at profit maximization by means of fast and massive capital accumulation. Private earnings sky rocketed, which was facilitated by a blurring of the dividing line between personal interests and what is good for the company. Risks were shifted on to others and from there to again others, until a complete lack of transparency clouded economic and social cost benefit relations. Social and environmental concerns were neglected. Inequalities widened. Poor population strata were excluded from the economy society rather than integrated into society. Emissions of greenhouse gasses and other chemical substances threatening the health of third parties and future generations multiplied. An overriding drive to make money with money ousted feelings of social responsibility. Capitalism helped globalization to blossom. In turn, globalization facilitated the evolution of the capitalist system into its purest form ever.

Global Apartheid

Globalization has done a lot of good for many people in many countries, including India. Many have benefited from sustained economic growth, high material welfare, broad communication possibilities, and cost reductions due to technological innovation. Globalization has opened a world of options for people not only in the West, but also in Asia, Africa, Latin America and

the Middle East. People can communicate with everybody else in the world provided that they belong to the same global middle class, having access to the market in general, to capital and knowledge and to modern means of communication in particular. This is unprecedented. But at the same time globalization has strengthened an economic system in which many people don't have this access at all. They are excluded from the system, which does not seem to want them anymore. In the present world economic system there is not much need for the contribution of many people. Both the labour power and the purchasing power of the world's underclass seem to be dispensable. Since 1980/1990 inequality has increased at a very high rate. Presently all statistical indices of inequality within countries as well as in the world as a whole are a plural of those before the daybreak of 1989. From that year until the world economic crisis of 2008/2009 the world went through a period of high growth. However, the proceeds have not been used in order to reduce poverty, lessen inequality or sustain the ecology. This is what world leaders promised the world's population in 1992 at the United Nations World Conference on Sustainable Development in Rio de Janeiro. The promise was not kept. On the contrary, inequality widened.

One might argue that in any economy there has always been inequality and that there always will be. Poverty and inequality seem to be unavoidable. Poverty, it is argued, has always been with us and you cannot do much about it. It is true that complete eradication of absolute poverty is very difficult. However, that is not the issue. The issue is not whether poverty and inequality do still exist, but whether in a certain period there is more or less poverty than before and whether inequality is rising or declining. The trend matters more than the facts measured at one specific moment. This is also true politically, because an upward trend in terms of access and welfare for more and more people would open a perspective, while a downward trend would feed feelings of frustration.

What matters are the reactions to poverty and inequality. Trends are manmade. For instance, towards the end of the 19th century people confronted with absolute poverty and huge inequality fought back. They formed labour unions and used their power as labourers who had to produce the goods that

were to be sold in order to enable capitalist entrepreneurs to increase earnings and profits and to further accumulate their capital. Labourers concluded that they were providing an essential function in that process and went on strike. They didn't accept exploitation and impoverishment. In response to this, entrepreneurs and elites, who aspired for sustained profits and increasing incomes, came to the conclusion that too much poverty and too much inequality was counterproductive. The wages of the labourers had to be increased, in order to enable the underclass to buy more products. It was understood that sound conditions on industrial markets would depend on healthy labour relations. So, towards the end of the great industrial revolution of that century within the individual nation states economic and social enlightened self interest of entrepreneurs and other upper-classes, next to possible ethical values, played an important role in policies aiming at the reduction of poverty belonging to the under-class reduction. So it was the resistance by victims of exploitation together with rational considerations amongst capitalists that pointed to a deal. The same considerations laid the basis for Keynesian economic policies during a downturn in the business cycle and for the American New Deal and Western European social welfare policies after the World War II. Always feelings of solidarity and other ethical values went hand in hand with economic and political rationality. Both considerations had one thing in common: the desire to strengthen the sustainability of the society concerned.

Towards the end of the 1970s an effort was made in favour of a similar approach for the world economy as a whole. This was proposed in the so-called Brandt Report published under the title "Our Common Future". The report argued that developing countries should really be supported, not only because of morality, but also because this would benefit the world as a whole. No society, neither a national society nor a global one, can afford too much inequality. Too much poverty and inequality within a society would endanger its stability. So, boost the world underclass: indebted developing countries with a low national income and meagre export earnings and the poor people within those countries. Within UNCTAD, (the United Nations Conference for Trade and Development), we tried the same approach. Secretary General Gamani Corea distanced himself from the paradigm

advocated by his predecessor Raul Prebisch, who had pointed at a structural divide between the economies in the centre and those in the periphery, of the world. Corea pleaded for international economic policies based on an awareness of mutual interest between rich countries and poor nations. It didn't work out. Both the Brandt Report and UNCTAD were shifted aside. Nobody bought the underlying concepts and ideas. Talks between developed and developing nations failed completely.

Why not? I have come to the conclusion that to a high degree this is due to globalization itself. As I indicated earlier, within any economy sooner or later people realize that there is a limit to poverty and inequality, which cannot be overstepped without risking the stability of that economy and the sustainability of the society and polity concerned. The awareness grows: the poor are needed. However, as long as products and services can easily be sold to a middle class living far away, sales being facilitated by modern means of communication, you don't need the poor around your corner. And the middle class in the world is huge, it is several billions of people and costs of communication are low. Because globalization means steadily decreasing costs of communication, people belonging to the global middle class, commanding a certain degree of purchasing power, are not living far away from each other. On the world markets of today neither geographical distances nor time differences play a role anymore. Internet, email, TV commercials, financial trading arrangements, sea containers, civil aviation transportation enable a 24/7 communication amongst all members of that class, wherever they live. Globalization enhances the feeling of mutual connectivity amongst educated people, industrial workers, employees working in financial enterprises and service providing companies, students, consumers, internet users, holders of bank accounts and credit cards, people watching TV, people buying air tickets and consumers in general all around the world. People belonging to your own class, though living on the other side of the globe, seem to be closer to you than poor people around your own corner in your own society. Globalization also means that the world's underclass does not exist in the minds of people belonging to the world's middle class. Even if they live around the corner, they look far away and dispensable.

Of course, such an explanation holds for a certain period only. At a certain moment in any market, in any society, the same mechanism is going to work as in any other nation before or elsewhere. But because of globalization, which done away with national frontiers and which has annihilated the importance of geographic and time distances, much time will pass before the mechanism is going to work in world society as a whole. The world's middle class of today, that is those people with a reasonable level of living, earning a decent income enabling them not only to survive but also to enter the market, to buy and to save, amounts to about four billion people, two third of the world's population. For quite some time to go these four billion do not seem to need the economic participation of the other two billion, neither their labour, nor their demand as consumers. So, these people are being forgotten, or even seen as a hindrance to accumulation of further welfare by the middle class itself, because enabling the poor to participate might require an investment, an effort to enhance their productive capacity, which would demand an income transfer or a redistribution of resources, which would be seen as costs without benefits. In a global society, much more and much longer than in a national society, the poor are been seen as a burden on those who live at the bright side f the divide.

So, there is a $2/3^{\text{rd}} - 1/3^{\text{rd}}$ divide in the world as a whole and it will take decades and decades before the mechanism indicated above is going to work again. One consequences of globalization is that moral and rational reasons to address inequality and poverty are fading away. Greed ("I want it all and I want it now") breeds selfishness. Greed excludes: other people are not seen as human beings, but as cost factors.

In the past, in nation states with capitalist economies, poverty was the collateral damage of economic growth. It was substantive but accidental, but it had to be cured and, if possible, prevented. However, in the globalist capitalist system of today poverty seems to be made and kept on purpose, because any effort to remedy the poverty of people in the underclass would be at the detriment of the middle class. So, poverty is no longer collateral damage within the system, but a calculated default of the system itself. Efforts to avert, contain and reduce poverty are half-hearted; resources for

relief, abatement and defrayal are shallow. At the same time the greed of the middle class incites a material consumption pattern with disastrous consequences for the world's nature, biodiversity and climate, assuming that technological progress will enable future generations to cope with the problems which we are creating for them. This is nothing else than a careless discounting of the interests and welfare of people yet unborn.

It is a world phenomenon. It is taking place everywhere. There is not only collateral damage within the system, without adequate remedial action. There are calculated defaults inherent to the system and a careless discounting of the future. The system seems to be heading for a crisis.

Globalization cannot be halted. But the present character of globalization can be changed. Presently globalization is good for many, not only for an elite, but for many people, more or less two third of the world's population. But at the same time it is bad for many others, the remaining one third, partly because they are being neglected, partly because they are being exploited or because they are being deprived of their resources. Living spaces of poor people, homelands of indigenous people, livelihoods of small farmers and pastoralists are being taken by others with economic and political power. Settlements of the poor, often no more than a shelter or a shanty, are being demolished in order to make room for the urban middle class. The poorest people are living in the worst places in the world. The most vulnerable amongst them run the risk that the land where they used to live will be occupied and that they will be driven away from their livelihoods. In the words of Jan Breman, a Dutch development researcher, who studied, amongst others, the life of poor people in Gujarat, these people are "down and out". Indeed, in many countries, for instance in India, Sudan, South Africa and the Netherlands, the most vulnerable people are being told: you don't belong here, we take what you have, get out, stay away and never come back.

All this is Global Apartheid, in the words of former President M'beki of South Africa, addressing the United Nations Conference on Sustainable Development in Johannesburg, in 2002, ten years after the previous meeting in Rio de Janeiro. Globalization cannot be stopped, Global Apartheid,

however, can be stopped. Globalization can be made less lopsided, less Western and less capitalist. It can be made developmental.

Development is conflict

Without such an effort the world is bound to go through many more conflicts. Elsewhere I have argued that development itself is conflict. By its very nature development is change. In any society there are always people with a vested interest in maintaining the status quo next to people who would benefit from change. Development means that those who benefit from the status quo – bigger landowners or powerful elites within a nation or traditional rich countries in the world economy – will have to stand backwards in order to make room for others. That means that conflict is inherent to development. Those conflicts may be purely economic, but they can also be political, or religious, or tribal, or ethnic, or everything at the same time. Development means a struggle for progress for ever more people and requires a change in the present (power) relations in a society. Such an intended change breeds conflict. Conflict is inherent to development. Conflicts cannot be wished away, they cannot be prevented, only managed and contained, in order to prevent further escalation, for instance from a more or less economic conflict into a conflict which is also political and cultural. Escalation of conflicts towards other regions or across borders can be prevented, not the conflict itself. Development is identical with conflict. What should be aimed at is not the suppression of conflicts but of violence caused by them.

Development thinkers and policy makers have learned this the hard way. That includes me. We thought that development required stability before change. We have learned, however, that this is not possible, at least not if such a process of change is supposed to benefit more and different people.

However, there is no alternative. No development also means conflict. A situation in which people are being exploited, impoverished and excluded is no less conflict ridden than a process of rectification and reform. If people feel that there is no perspective they will resist.

If they conclude that the others do not see them as human beings but as people who shouldn't exist, they will fight back. They will fight the values

of those who rule the system. If they understand that those who belong to the middle class consider them a threat, a potential enemy, for the only reason that they belong to a specific group – a religion, an ethnic minority, a race, a tribe – they will turn their back to the system and build a new system for themselves. Not everybody will resort to resistance and revolt. Poverty and deprivation do not necessarily lead to violence. Most poor people have to spend all their energy on their daily pursuits to survive. But amongst them there will be always opinion leaders and activists that take a lead. Others will agree. Youth will follow, in particular those who are unemployed. There are many.

So what should be done? Two things. First we need a new world system. The system we have got is not good enough. It ought to be more equitable, more developmental, less lopsided, more universal, more oriented towards social and environmental needs rather than facilitating financial and economic interests. The system that has emerged since World War II has done a lot of good, but its further development has stagnated and it has become deficient in many respects. During the first decade of the new Millennium it has led to a number of crises: a food crisis (many people are not able to feed themselves daily, while others have more than enough), an energy crisis (overexploitation of scarce fossil fuels, inadequate investment in sustainable energy), environmental crisis (climate change, loss of biodiversity), a welfare crisis (too much blatant poverty, overconsumption by the well to do, ever growing inequalities) and, recently, a financial and economic crisis (breakdown of the international financial system and a world depression). These crises are related to each other in many respects. They originate in different causes, but they have three elements in common. First: large inequality between people on all markets concerned. Second: greed and short term horizons of middle class people with access to these markets. Third: deficient policy institutions with a mandate to address consequences of market failure. This third element is the most alarming of all. There are alarming threats to the future welfare and security of the world's population. Threats are not new. Institutions have been established to deal with threats: international law, the United Nations, international agencies with a mandate in fields such as trade, finance, development, energy and agriculture. All

have been eroded. None of them is functioning adequately. Even more alarming than the threats themselves is the fact that we seem to have lost the capacity to address them. That is the main reason why a reform of the international architecture is so urgently needed.

The second priority concerns all individual nation states: the fight against poverty, the reversal of inequality and the securing of sustainability. A reform of the world systems will be needed not only for the reasons mentioned above, but also in order to help individual nations meeting these objectives. However, no government should hide behind delays in international reform. Many causes of poverty can be dealt with at home, in particular political causes: tilted priorities, bad governance, undemocratic processes of decision making, unequal access to domestic resources and assets, deficient institutions dealing with human rights violations. If domestic defaults are not addressed, people will lose not only their perspective on progress in the future, but also their faith in the functioning of the society and its institutions.

This is a call for a two track approach, worldwide and at home. The call is not new. It rang also mid nineteenth century. At the time it was answered by the establishment of a new world order, arrangements based on international law, peace agreements, reconstruction, decolonisation, development, social welfare policies and human rights charters. It was a New Deal for the world. It has been eroded. Presently the world is facing new challenges, different, but no less threatening than hundred years ago. The challenges are highly complicated because of the course taken by globalization and the conflicts that everywhere are inherent to inescapable processes of development. So, we need another New Deal, a new world compact for sustainable development. The welfare and security of next generations is at stake.

Discussion

A Participant

My question is what good can come out of the present financial crisis or can be made to come out of the financial crisis.

Prof. Jan Pronk

What good will come out of it? Any crisis at a certain moment will create an opportunity for major reform. I see three tendencies. First, there seems to be a willingness in many different countries to strengthen the public sector, to oversee and control private banks. Proposals are made to make a distinction between regular traditional banks which are just investing the savings of people who are their clients and banks which are involved in money trading and speculation. In my view such a distinction would help restoring confidence. Second, we need a delinking of the income and interests of bankers from the profits made by the banks. These profits often depend on bank mergers, on the introduction of new financial instruments and on the risks taken. Maximizing short term profits and share-holders value, by increasing debts and mortgaging the future is not a sustainable course. It will render the banks concerned very vulnerable in the long run, when bank managers have left already, after having cashed their bonus. Third, we need a stronger but different IMF, which should get two new mandates. The IMF should have the authority to supervise all countries, not only all countries in deficit but also countries with a surplus. When I say all countries in deficit, I really mean all countries, including countries, such as the US, with a reserve currency. The IMF should also get the authority to oversee private financial institutions, such as transnational banks. The latter authority could be carried out by the IMF in conjunction with some regional authorities, for instance an Asian monetary authority and the European Central Bank. They should get a mandate to give prescriptions to national monetary authorities that should include rules and procedures regarding the surveillance by these authorities of private banks and other financial institutions in their countries. These would be two major changes in the present international monetary system. Will this be possible? The present international crisis seems to make governments aware of the need for reform. That is both true for the US and for European countries. We may also

head for a new reserve currency. Governments seem to be more willing to accept a function for the Special drawing Rights of the IMF. I would prefer such a global currency over and an individual key currency, such as the dollar. In combination with a greater role for some major key currencies with a regional function, such as the Euro and the Yuan this could lead to more stability. However, overcoming the economic crisis might take more time than overcoming the financial crisis. The consequences of the international financial uncertainties for the real economy are dramatic. Lending has gone down, investments stagnate, and unemployment is rising, not only in the former industrialized countries but also, for example, in India and China. In both countries presently already more than twenty million labourers working on the basis of informal contracts have been laid off. Their fate is highly uncertain. Going back to the countryside will not help them finding a job. We will have to carry out rather drastic policy reforms in all countries as well as in the world economy as a whole. I hope that the feeling of urgency will not fade and that policy makers will be able to withstand the lobbying by the financial elite to restore business as usual.

A Participant

I have heard your talk with very great interest. It is a very brilliant talk. I would like to know that capitalism encourages consumerism and consumerism leads to more problems of pollution and more problems of sustainable development. How do you see this conflict being bridged, consumerism and sustainable development?

Prof. Jan Pronk

Economic growth leads to more welfare for people, but when people are being seduced to spend their income in particular on material consumption goods and that these goods should soon be replaced as by others which look nicer, this results in waste, in non sustainable production and consumption patterns and in

neglecting a demand for education, health, culture and care. Such a commercial manipulation of consumers results also in a neglect of environmental concerns, in waste and depletion of scarce resources and in large emissions of greenhouse gasses into the atmosphere. I am in favour of economic growth, I am in favour of progress, I am in favour of development, but I am concerned about dominant preferences concerning the composition of welfare and the character of growth. People belonging to the middle class seek an identity as consumers. They try to maintain a consumer life style and to keep up with their colleagues and friends and to distinguish themselves by sticking to particular brands. They are being told that they need something new, as soon as possible, and to make debts in order to finance luxury material consumption goods. Children are being bombarded with commercial advertisements on Internet and TV. The media, as channels for information and communication, have themselves become part of the commercial system. They are being used to preach a commercial gospel, transmitting values in line with the interests of profit seeking private enterprise. Commercial interests seek influence in schools and universities, where young people are being taught knowledge as well as values. Public education, public broadcasting of radio and television, quality newspapers making a distinction between facts and views, they all are losing ground to commerce. We will have to change that. We need public value based channels of communication as a countervailing power to irresponsible private commercial interests.

A Participant

You made a very interesting point about overseeing private capital markets in the new order of things which you visualise. Could you elaborate on that because that will make a fundamental difference for developing countries as we see it?

Prof. Jan Pronk

In my speech I argued against policies which mainly facilitate

the workings of the global financial markets. That has been the case, influenced by bank lobbies. Policy makers should base their decisions on views regarding the public interest. That implies the establishment of some public institutions and also enterprises and also some public regulation of markets. I agree with the massive financial support that is being given by governments to private banks, in order to keep these banks going. This is not done by governments in order to save the banks, but to restore confidence amongst the general public and thus to save the financial system. The provision of such governmental support takes place under conditions, such as restrictions to market behaviour and ceilings to bonuses. Sometimes a temporary governmental takeover of a private bank in difficulties is the only way out. However, I am not in favour of a permanent nationalisation of banks. Governmental bureaucrats do not have all the required expertise. Moreover, there should be a healthy distinction between the public and private interests. However, I could imagine the establishment of a limited number of some medium size public banks and insurance companies, operating on the same markets as private financial institutions. These public companies could function as a cadre of reference, a yardstick for companies in the private sector, a countervailing power based on trust.

In addition to this, governmental regulation of private banks and financial enterprises should restrict their freedom of action. Licenses should be differentiated and not be given too easily and the performance of the license holders should be scrutinized. Scrutiny should be strict and meaningful. After all, clients base their confidence in the system on the expectation of good governance. Pure savings banks would have to stay away from risky trading in not transparent financial constructions such as derivatives. Banks should keep strict minimum ratios between the volume of their own assets and the volume of their lending. Lending to private consumers should be kept within limits. I am, of course, not referring to microfinance to poor people,

without collateral, because I consider this a general interest that warrants public subsidies. However, lending to middle class people for consumption purposes and housing should be subjected to a ceiling based on a reasonable capacity to repay.

A Participant

A consensus seems to be emerging around the world that Bretton woods institutions, specially the World Bank and the IMF, have erred and they require restructuring and reform. I think that is quite given but my specific question is, is it an incremental reform which will do or it is altogether an overhauling and setting up of new institutions. I have a particular reason for asking this question because these institutions which are supposed to be watchdogs of the world economy and especially advising individual states were formed at a time which is no longer relevant at the moment. The circumstances are different, the situations are different, and the economics and analysis is different. What is your reaction to this?

Prof. Jan Pronk

We need fundamental reform. Whether this fundamental reform should be incremental or overhauling is a semantic question. It is a matter of both substance as well as timing and sequencing. The proposals which I have referred to in my earlier answers, if implemented, would imply a fundamental reform, overhauling the present system. This would include setting up new institutions. However, not everything can be done at the same time. Implementation of a reformed Bretton Woods system could take place step by step. You could start by introducing a voting system in IMF and World Bank that would be more in accordance with present day's economic relations in the world. Thereafter decisions regarding the mandate could be made, followed by decisions concerning the introduction of a different key currency. The present international financial and economic crisis would provide a unique opportunity, comparable with the situation

toward the end of World War II. However, at that time there were less independent nation states. You need to get a new world consensus between all countries. This is much more difficult between 192 countries than between only some dozens. Do we have a chance? The deeper the crisis, the greater the chance that countries will be willing to accept a fundamental reform in their own interest. But the timing and sequencing require wisdom. We should begin fast, in order not to lose momentum. Some major new principles should be agreed upon soon, binding also the private sector and without allowing individual nations to withdraw. Details and implementation procedures could be worked out later. So, it is both an overhaul and an incremental approach. .

A Participant

You told that the new world system is very long and tedious, that is what, the only solution to present conflicts. I would like to know from you what will be the shape of this new world system. Globalization is only confined to economics and financial matters. So far as political systems, they are inside the country boundaries, they are not beyond the country boundaries and the UN system particularly deals with social and economic council probably has to take a lead but it has reached some limitations.

Prof. Jan Pronk

I would like to draw your attention to the report of the Ramphal/Carlsson Commission, a sequel to the Brandt Commission. In the 1990s the commission published a report on the future of the United Nations, with the title *Our Global Neighbourhood*. Although we are now fifteen years further, many recommendations are still valid. The report contains recommendations with regard to the Security Council, making this body more representative, gradually doing away with veto power constructions. I cannot go into details, but in my view the proposals are both fundamental and feasible. The report also

has advocated the establishment of an Economic Security Council, dealing with questions of global social, economic and environmental security. In that Council Ministers of Finance, Economic Affairs, Agriculture, Energy or the Environment could take similar decisions as their colleagues of Foreign Affairs in the present Security Council. The establishment of such an Economic Security Council - or of a second chamber in the Security Council - would be better than simply continuing with ECOSOC, because this is a talk shop rather than a body which lends itself to serious decision taking in order to address urgent matters. It would also be preferable to an enlargement of the Group of Eight superpowers with some other countries, because this group is not bound to principles contained in the Charter of the United Nations or to other fundamental treaties and charters negotiated within the UN, including those on human rights.

The report also makes a plea for bringing back the UN to the peoples rather than their governments only. The principle of national sovereignty has to be kept, without doubt. Individual nation states have to be supported, with development aid and with help for capacity building. This was not only necessary in the period following decolonisation, but also today, in order to help poor and vulnerable countries to cope with the consequences of globalization. However, within some individual nations there are minorities which do not necessarily consider themselves represented by the regime that rules their country. Sometimes this is due to the awkward way in which during the colonial period national frontiers had been drawn, through homelands of peoples that presently find themselves divided as citizens of different states. Sometimes this leads to the oppression of minorities, violence, human rights abuse or domestic strife. The Ramphal/Carlsson report has advocated a right of appeal for such groups, directly to the United Nations – so, not through the channels of the respective governments – and a duty of the UN to respond, to answer such an appeal by putting the problem on

its agenda. This would help restoring the confidence of peoples and minority groups in the system of the United Nations.

These reforms will take a long time. Please do not wait. Do not only blame globalization or its present form. You may be right blaming the outside world, but many things can be done at home. Some developing countries, accustomed to always putting the blame on others, have shied away from supporting their own underclass with the means that still remained available to them. In addition to worldwide reform the main issue at the moment is investing in the world's underclass, nation by nation. Don't let the underclass drift away. Also here in India there are hundreds of millions of people living below a decent level of living below two dollars a day or even much less. In the world as a whole we are off track in meeting the so called Millennium Development Goals. Everybody is particularly concerned about poverty in Africa. However, there is much poverty in Southern Asia as well, including India. This is not only due to circumstances beyond your control. It is also the result of your own choices, your own policies and the setting of priorities by your own middle class. In the West India is being seen as a state which does not need development assistance anymore, as a country which enjoyed high rates of economic of growth, as a model of democracy, as a state based on the rule of law, as a country beyond the need for further capacity building. To a certain affect this view also results from the image of India which you have created yourself. You are a proud nation and you have achieved a lot. But you still have major problems and many of those will have to be dealt with by yourself, in the absence of foreign support and also without international reform. For no country whatsoever either of these is an excuse for not doing at home what is has to be done.

A participant

Thank you Prof. Pronk. Can I push you on that? What you just said deal with it. Why should we and how will we? What is your

vision of the political process or economic process that will lead you away from these two big issues which you mentioned which is careless discounting and calculated default? And if you are unwilling to engage with what maybe the Indian issue, what is your own vision of the European issue that will take Europe away from calculated default or that will take Europe away from careless discounting. What is the process? I myself feel increasingly uncomfortable as you advocate global oversight because historically just as you mentioned the experience of most of our nations with global governance as the experience of our underprivileged with national governance has been extremely mixed to be polite. And therefore in trusting any global entity with any kinds of coercive powers which would be essential, let us say when you spoke about something that approximated the responsibility to protect, then it becomes very difficult. So how do we square these two circles at the national level and the international level? What are your thoughts on that process in taking that process forward, how do you see the path not the end state.

Prof. Jan Pronk

Not everything has to be done at the world level. What can be done at the national level should be done there. However, there are a number of global problems which cannot be left to national authorities alone. Climate change is one of them. This is true for big countries, such as the US, as well as small countries, such as the Maldives. Moreover, many countries do bear the consequences of CO₂ emissions from elsewhere. These consequences can be dramatic, such as sea level rise endangering coastlands, desertification threatening people's livelihoods, water scarcity endangering pastures and farm-lands, temperature rise threatening traditional agriculture, food security and people's health. So, each country has a responsibility to curb emissions, starting with the countries which historically have contributed most to the present accumulation of CO₂ in the atmosphere. This

applies in particular to the countries of Europe and to the US. We have not done enough. We only took a first step. Rich countries will have to be urged and pushed to do curb their emissions much further. Developing countries can help the West doing so by saying, for instance, “we will take part in a joint effort to curb global emissions, provided that you meet the Kyoto targets and that you accept far more ambitious targets for a following period” So, negotiate, put pressure on Western countries, bargain, but make also clear that you are willing to take a responsibility yourself. True, climate change results from the accumulated volume of greenhouse gasses in the atmosphere – the stock – rather than from the annual emissions, the flow. True also, countries like India, China, South Africa and Brazil have not contributed much to this accumulated volume. True, moreover, these countries deserve a right to develop themselves, no less than the traditional industrialized countries. True, finally, present per capita emissions of CO₂ from these countries are much lower than those of the rich countries. All this may be seen as a reason to further exonerate these countries from an obligation to reduce emissions, like had been agreed in the Kyoto Protocol. However, it cannot be denied that even small per capita emissions from these four fast developing populous countries in a decade or so will add substantively to the stock of CO₂ in the atmosphere. Moreover, the population of these and other developing countries – present and future generations – will bear the brunt of the consequences of climate change. So, take a share, but negotiate and press rich countries to live up to their responsibilities.

Climate change is just one example. There are other issues as well that should be dealt with globally. The financial and economic crisis is one of them. Non-proliferation of nuclear arms is another. Sharing access to outer space or sharing benefits from the Commons, such as the deep oceans and the Arctic would also fall in this category. So would the fight against global

terrorism. The same holds for the need to deal with global diseases. But global approaches do not imply the transfer of all authority to coercive worldwide institutions. Political negotiations between countries remain the basis of a common approach. But these negotiations will be more equitable and more effective, and the results will be more operational, if the talks take place in the framework of institutions such as the UN, based on international law, embodying a global consensus about values, rights and responsibilities.

I understand that you are uncomfortable as I advocate some form of global oversight. However, I hope that I have made clear that such an oversight would also apply to the behaviour and policies of the West. I am advocating that the West would step backwards. Backwards in the use of its voting power, its economic power and its political power, backwards also in its claim on scarce resources such as fossil fuels and arable land.

However, I have also argued that all of us, the West and the rest, will have to step backwards in order to make room for future generations. They should be allowed human rights equal to us. Principles based, equitable global institutions can help guaranteeing those rights.

A Participant

My question is regarding globalization. Is it possible to link something, regionalisation which is also catching up because if EU is expanded, because of EU expansion, it was a regional perspective that is spreading across the world and probably what you see the regionalism as a course of sustainable development and also whether the regionalism will lead to some conflicts in future?

Prof. Jan Pronk

I am very much in favour of regionalism. I regret that during the

Asian economic crisis of 1997 Asian countries were told by the IMF not to push for the establishment of an Asian Monetary Fund. That was wrong. I wish you had pushed through. The idea is worth another try. I am also in favour of strong and enlarged European Union. I would like the European Central Bank getting more powers. I welcome the emergence of regional cooperation between developing countries, in Asia, Africa and in Latin America, or across the continents, such as is the case with the BRIC countries.

However, regionalisation is not the ultimate answer to global problems. Use regional cooperation to deal with regional problems and to negotiate as regions in a global framework.

There has been a lot of injustice in the international order. There still is. The past was unfair. Colonisation was unfair. Climate change is unfair. But throughout all countries and regions the divide between the world's middle class and the global underclass is unfair as well. So, negotiate, but not only to represent interests of people, wherever, who are reasonably well off. Negotiate also to serve the interests of the poor and those of the yet unborn. Do not negotiate unfairly by saying "no result is better than any result." A deadlock in negotiations often results in a complete paralysis. Such a paralysis, an eternal stalemate, is never serving the interests of the very poor and the yet unborn, because business as usual will legitimize ongoing neglect by default and more careless discounting of the welfare of future people.

RIS Discussion Papers

Available at http://www.ris.org.in/risdiscussion_papers.html

- DP#154-2009 *Trade Facilitation, Information Technology and SMEs: Emerging Evidences from India* by Sachin Chaturvedi
- DP#153-2009 *Climate Change, Technology Transfer and Intellectual Property Rights* by K. Ravi Srinivas
- DP#152-2009 *The Limited Promise of Agricultural Trade Liberalization* by Timothy A. Wise
- DP#151-2009 *Who Uses the Patent System in Developing Countries? A Study of Patent Propensities in Argentina, 1992-2001* by Andrés López and Eugenia Orlicki
- DP#150-2009 *Policies for Industrial Learning in China and Mexico* by Kevin P. Gallagher and M. Shafaeddin
- DP#149-2009 *Eradicating Poverty in India: Lessons from Experiments in Empowerment* by Beena Pandey
- DP#148-2009 *India's Outward Foreign Direct Investments in Steel Industry in a Chinese Comparative Perspective* by Nagesh Kumar and Alka Chadha
- DP#147-2009 *India's Role in East Asia: Lessons from Cultural and Historical Linkages* by Ellen L. Frost
- DP#146-2008 *Livestock Industrialization, Trade and Social-Health-Environment Impacts in Developing Countries : A Case of Indian Poultry Sector* by Rajesh Mehta, Clare A. Narrod and Marites M. Tiongco
- DP#145-2008 *South-South and Triangular Cooperation in Asia-Pacific: Towards a New Paradigm in Development Cooperation* by Nagesh Kumar
- DP#144-2008 *Exchange Rate Pass-through in India's Exports to Developed and Emerging Markets* by Sushanta Mallick and Helena Marques
- DP#143-2008 *Changing Economic Power* by Manmohan Agarwal
- DP#142-2008 *Transportation Cost and Trade Competitiveness: Empirical Evidence from India* by Prabir De and Bhisma Rout
- DP#141-2008 *Re-Discovering the Role of Developing Countries in the GATT before the Doha Round* by Faizel Ismail

- DP#140-2008 *Internationalization of Indian Enterprises: Patterns, Strategies, Ownership Advantages and Implications* by Nagesh Kumar
- DP#139-2008 *Emerging Patterns in Architecture for Management of Economic Assistance and Development Cooperation: Implications and Challenges for India* by Sachin Chaturvedi
- DP#138-2008 *Rise of BICS and the World Economy Implications of India's Recent Expansion on Developing Countries* by S.K. Mohanty
- DP#137-2008 *Emerging Countries as Sources of Investment and Appropriate Technology: Case Study of India* by Sachin Chaturvedi
- DP#136-2008 *Potential of Asian Economic Integration: A Perspective from the Strategy of Japanese Enterprises* by Tetsuji Kawamura
- DP#135-2008 *East Asian Infrastructure Development in a Comparative Global Perspective: An Analysis of RIS Infrastructure Index* by Nagesh Kumar and Prabir De
- DP#134-2008 *India-Africa Economic Partnership: Trends and Prospects* by S. K. Mohanty and Sachin Chaturvedi
- DP#133-2008 *Towards An Asian "Bretton Woods" for Restructuring of the Regional Financial Architecture* by Ramgopal Agarwala
- DP#132-2008 *The WTO's Doha Negotiations: An Assessment* by Bhagirath Lal Das
- DP#131-2007 *Regional Cooperation and Integration Prospects in Asia* by Rajat Nag
- DP#130-2007 *Deepening India-Bangladesh Economic Cooperation: Challenges and Opportunities* by Prabir De and Biswa N. Bhattacharyay
- DP#129-2007 *Intellectual Property Regime, Indigenous Knowledge System and Access and Benefit Sharing: Drawing Lessons from Kani Case* by Sachin Chaturvedi
- DP#128-2007 *WTO and Trade in Electronically Delivered Software (EDS): Emerging Challenges and Policy Options - An Indian Perspective* by Sachin Chaturvedi and S. K. Mohanty
- DP#127-2007 *Economy: Recent Evolution and New Perspectives for South-South Cooperation* by Maria Lúcia L.M. Pádua Lima
- DP#126-2007 *Welfare Gains from Regional Economic Integration in Asia: ASEAN+3 or EAS* by S.K. Mohanty and Sanjib Pohit

- DP#140-2008 *Internationalization of Indian Enterprises: Patterns, Strategies, Ownership Advantages and Implications* by Nagesh Kumar
- DP#139-2008 *Emerging Patterns in Architecture for Management of Economic Assistance and Development Cooperation: Implications and Challenges for India* by Sachin Chaturvedi
- DP#138-2008 *Rise of BICS and the World Economy Implications of India's Recent Expansion on Developing Countries* by S.K. Mohanty
- DP#137-2008 *Emerging Countries as Sources of Investment and Appropriate Technology: Case Study of India* by Sachin Chaturvedi
- DP#136-2008 *Potential of Asian Economic Integration: A Perspective from the Strategy of Japanese Enterprises* by Tetsuji Kawamura
- DP#135-2008 *East Asian Infrastructure Development in a Comparative Global Perspective: An Analysis of RIS Infrastructure Index* by Nagesh Kumar and Prabir De
- DP#134-2008 *India-Africa Economic Partnership: Trends and Prospects* by S. K. Mohanty and Sachin Chaturvedi
- DP#133-2008 *Towards An Asian "Bretton Woods" for Restructuring of the Regional Financial Architecture* by Ramgopal Agarwala
- DP#132-2008 *The WTO's Doha Negotiations: An Assessment* by Bhagirath Lal Das
- DP#131-2007 *Regional Cooperation and Integration Prospects in Asia* by Rajat Nag
- DP#130-2007 *Deepening India-Bangladesh Economic Cooperation: Challenges and Opportunities* by Prabir De and Biswa N. Bhattacharyay
- DP#129-2007 *Intellectual Property Regime, Indigenous Knowledge System and Access and Benefit Sharing: Drawing Lessons from Kani Case* by Sachin Chaturvedi
- DP#128-2007 *WTO and Trade in Electronically Delivered Software (EDS): Emerging Challenges and Policy Options - An Indian Perspective* by Sachin Chaturvedi and S. K. Mohanty
- DP#127-2007 *Economy: Recent Evolution and New Perspectives for South-South Cooperation* by Maria Lúcia L.M. Pádua Lima
- DP#126-2007 *Welfare Gains from Regional Economic Integration in Asia: ASEAN+3 or EAS* by S.K. Mohanty and Sanjib Pohit