

**SYMPOSIUM
ON
PERSPECTIVES ON GLOBALISATION**

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Perspectives on Globalisation

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Abstract: The level of public and political debate on the subject of globalisation has grown considerably in recent years. However, as the term enters popular vocabulary, terms such as pro- or anti-globalisation obscure the issues at hand. This paper seeks to engage in a meaningful way with the subject, with particular emphasis on policy advocacy and issues of economic justice. Firstly, the dimensions and interpretations of globalisation are examined. Having provided a framework for analysis, Ireland's stance on globalisation is investigated from an international development perspective. Finally, the mechanisms for improving global governance are addressed. Challenges and opportunities are identified in an effort to support a type of globalisation which works to reduce exclusion and inequality.

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1. INTRODUCTION

"We have learned that we cannot live alone, at peace; that our own wellbeing is dependent on the wellbeing of other nations, far away ... we have learned to be citizens of the world, members of the human community"

(President Franklin Roosevelt, fourth inaugural address, 1945).

These words are as relevant today as they were over a half a century ago. Yet one must wonder to what extent the lessons of history, emphasised by Roosevelt, have been learned in a world which, although increasingly interdependent and globalised, remains extremely polarised.

The level of public and political debate on the subject of globalisation has grown considerably. Indeed the term has only been in popular vocabulary for a few years. Much of the debate has been sterile, with the use of the terms pro- or anti-globalisation providing an unhelpful and often misguided framework, thwarting efforts at meaningful dialogue on this subject. In this paper, the perspective being given is naturally one which comes from where I am situated, namely working on policy advocacy with an international development agency and taking a particular focus on issues of economic justice.

Section two explores some of the many dimensions and interpretations of globalisation. Section three looks at Ireland's stance on globalisation from an international development perspective. Section four discusses going global, that is to say looking at mechanisms for improving global governance in the context of globalisation. Section five looks at some of the challenges and opportunities for promoting good governance at global and local levels so as to support a type of globalisation which works to reduce exclusion and inequality. The final section presents some concluding remarks on the issues discussed in the paper.

2. THE MANY FACES OF GLOBALISATION

Globalisation is neither novel nor new. Amaryta Sen¹ has pointed out that making globalisation synonymous with western imperialism is unhelpful. For a start, Sen argues, it predates imperialism. In the millennium to the year 1000, the spread of knowledge and technology was from East to West. The most common meaning given to globalisation is that it refers to increased levels of integration or interdependence among countries, for instance in relation to trade, capital, technology and communications.

For Sen, the real challenges associated with globalisation do not lie in globalisation *per se*, but relate to inequality, be this due to disparities in affluence or in political, social and economic power, though the two are invariably linked. At the same time, globalisation does not imply that national government policies to address inequalities in access to productive resources such as land, credit and infrastructure are any less important. However, the direction and impact of national level policies are effected by the global context in which they occur.

If one asks people what they understand by globalisation, some will take an economic perspective and say that it is epitomised by the growing power of TNCs. Indeed, intra-company trade accounts for two thirds of all trade, along with an increasing share of trade in global income. Oxfam International² highlighted that it is unhelpful that much of the current debate about trade is dominated by “ritualistic exchanges between two camps: the ‘globaphiles’ and the ‘globaphobes’”. It is true that as exports account for a greater share of national and global incomes, trade policy is a vital component of any national development or poverty reduction strategy. Hence, it is not surprising that the *Report of the Ireland Aid Review*

Committee states that “it is important that the WTO facilitates the emergence of an international trading system which gives the poorest countries genuine opportunities for market access and participation in international trade” (3.15). This report lists a number of trade issues of concern to developing countries, including market access and agreement on intellectual property rights. It is estimated that if sub-Saharan Africa is to reach the international development goal of halving poverty by 2015, it will need to grow by an average of 7 per cent per annum. Achieving this rate of economic expansion will require domestic savings, investment and ODA flows, as well as an enabling trade environment which provides opportunities for this region to grow.

Sen has also argued that harnessing the potential benefits of globalisation, especially for the deprived, requires a good deal of institutional rethinking and policy re-examination, including a bigger role for the UN. To a certain extent this is occurring, with the international financial institutions (IFIs) identifying poverty reduction as their principal goal. Yet at another level, the IFIs face major criticisms by those who see aspects of their debt and adjustment policies as contributing to an expansion, rather than a reduction, in poverty.

The UN High Commissioner for Human Rights, Mary Robinson, in her address to the second World Social Forum in Porto Alegre in January 2002, recognised the need to use positive language in the discourse around globalisation.³ Many at the Forum, which was attended by 60,000 people representing 4,900 organisations from 119 countries, spoke in terms of a movement for alternative globalisation – echoing the Commissioner’s call for an ethical globalisation. Many activists at the Forum were keen to point out that they are not anti-globalisation but anti-globalised capitalism.

Indeed, development NGOs, who have been some of the strongest proponents of multilateralism (including strengthening the policy development and monitoring role of the UN, itself a key dimension of an equitable process of globalisation), have sometimes been unfairly labelled as being anti-globalisation. Yet another aspect of globalisation; however one views it, is that increasingly states, international agencies and TNCs cannot escape the surveillance of global civil society movements, as evidenced by protests at recent G8, EU and IFI meetings. Thus, international policy issues are seen as being more and more relevant to national policy debates.

In March 2002, just two months after the second World Social Forum, the UN, World Trade Organisation (WTO), International Monetary Fund (IMF) and World Bank convened the first ever international conference on the theme “Financing for Development”. The conference objective was to contribute towards “*achieving a fully inclusive and equitable globalisation*”. At the conference, governments stated in the consensus text, arising from the preparatory process for the event, that “*we commit ourselves to promoting national and global economic systems based on the principles of justice, equity, democracy, participation, transparency, accountability*

and inclusion". However, the gap from such an ideal system, one which would be enlightened rather than based on narrow self-interest, remains large.

Before examining some specific challenges and opportunities associated with globalisation, it is important to recall that our world is also experiencing increasing fragmentation or polarisation. While one billion people will have access to the Internet by 2005, half the world's population have never made a phone call. Increased investment flows to developing countries are also a dimension of globalisation, but these flows have been focussed on a limited number of developing economies. At the start of the 1990s, ODA and direct foreign investment flows to developing countries were on a par. By the end of the decade, the latter outstripped the former by a factor of nearly five to one (\$240 billion versus \$56.6 billion), although such investment is focused on a limited number of countries. While the EU is in the process of expanding to new members, other states have broken up; a huge gap continues to exist between rich and poor and certain parts of the world are not seen to have much geo-political significance. In recent times, Rwanda provides a stark example of where the international community failed to act in our fragmented world in order to prevent or stop genocide.

Therefore, it is important to distinguish between those countries leading the globalisation process, in terms of trade and investment relationships for instance, and those countries which are lagging behind, and whose interface with globalisation is more in terms of dealing with the collateral impacts of others' policies or economic performance. For instance, the World Bank predicted, in the aftermath of September 11th, that the worst hit area would be Africa. In addition to the possible increases in poverty for 2 to 3 million people as a result of lower growth and incomes, a further 2 million people may be condemned to living below \$1 a day due to the effects of falling commodity prices.

3. IRELAND AND GLOBALISATION – ADVANCING THE AGENDA FOR INTERNATIONAL DEVELOPMENT?

Ireland knows more than most the impacts of economic globalisation. The integration of Ireland within the world economy has been accompanied by major changes in the composition of national income, with agriculture now only accounting for 4 per cent of GDP (a figure that underestimates the political weight of the agricultural sector). Services now accounts for 58 per cent of national incomes. High technology industry has also seen significant growth. Nine of the top ten pharmaceuticals companies are located in Ireland and an indigenous chemicals and pharmaceuticals sector has emerged. In the year 2000, Ireland overtook the US as the world's largest exporter of software. Direct Foreign Investment rose from \$3 billion in 1995 to \$20.5 billion in 1999 and the share of exports in GNP over the same period rose from 75.8 to 89.2 per cent, with exports as a whole growing by 18.9 per cent each year over this period.

Not surprisingly, Ireland was recently ranked number one in an index of globalisation, the results of which were reproduced in the Financial Times.⁴ However, the factors which make up this ranking are mixed, thus recognising the multifaceted nature of globalisation. For example, one criterion used, which shows Ireland's commitment to global peace and security, is that it is one of eleven states which directly contribute to more than half of the UN's active peacekeeping missions.⁵

Regionalisation across Europe, through the Common Market and subsequently the EU, has helped Ireland to grow and develop over time. Since 1973, Ireland has received cumulative net transfers from the EU of more than \$23 billion. Over the period 1989 to 1999, GNP has grown by 3-4 per cent more than it would have without EU redistribution. Former Taoiseach Dr Garrett Fitzgerald⁶ has pointed out that EU structural funds accounted for 10 per cent of growth over the previous decade, and that the single market accounted for three times more growth than the structural funds.⁷

While Ireland has exhibited what the OECD in 1999 termed a "*stunning economic performance*", in the 5-year period from 1994 it has encountered various problems in managing that growth. This has happened, for example, in relation to the environmental impact of growth and in relation to the gap between rich and poor. Ireland accounts for 10 per cent of environmental complaints at an EU level, even though it accounts for just 1 per cent of the EU population. Indeed, as Ireland has failed to meet the standards required by the EC drinking water directive, EC legal proceedings are now underway.

The Irish experience of globalisation is being closely watched by many developing countries. Even the label, "Celtic Tiger", shows cognisance of the lessons and experiences of the earlier generation of East Asian Tigers. Economist Dani Rodrik has argued that it is often neglected that these Asian Tigers, the most successful globalisers of an earlier era, had to abide by few international constraints and pay few of the costs of integration during their critical growth formation periods. Their export-oriented trade policies were combined with subsidies, domestic content requirements and restrictions on capital flows. These policy routes are not generally an option for cash strapped indebted nations, or are precluded by global trade rules. Drawing on his analysis, Rodrik concludes that "*the strategic use of international trade and capital flows (both key aspects of economic globalisation) is part of a development strategy – it does not substitute for it*".

It is impossible to talk about Ireland, globalisation and international development without examining Ireland's role within the global institutions of which it is a part, as well as the external relations policies of the EU which it helps to shape. In relation to these structures, a key challenge lies in making duty-bearers in these institutions accountable for their policies. This entails ensuring that national representatives to these bodies are accountable to their respective parliaments and civil societies. Although it is the world's largest aid and trade bloc, the EU did not

have a specific overall policy on development co-operation until the year 2000. The scope for members of the European Parliament to influence key areas impacting on development, such as agriculture and trade policy, is very limited. So how could it, let alone its citizens, effectively monitor its actions to address issues of global development?

Aside from the EU, other international structures, which civil society groups in Ireland are engaging with and lobbying the Irish government on, include the IMF and World Bank. The publication by the Department of Finance of an annual report on Ireland's participation in the IFIs, now in its third edition, is a step in the right direction. Prior to the Fourth WTO Ministerial in Doha, which took place in November 2001, a request has been made to the Minister for Labour, Trade and Consumer Affairs for an annual report on Ireland's policy stance on issues of trade and development. The Minister responded positively to this in discussions. Such a report could also include information on the representations/submissions received by the government on trade policy issues, whether these are from TNCs, farmers' groups, trade unions, development NGOs or others. Such reporting mechanisms are not only required in Ireland. Oxfam International have recommended that the WTO's Trade Policy Reviews should provide information on the quality and extent of consultation with civil society on trade policy issues, and that developing-country governments should present annual reports to their parliaments on their activities at the WTO and their implications for poverty reduction.

Parliamentarians, whether in Ireland or elsewhere, often lack sufficient information with which to exercise some control or influence over their governments' policy stances at multilateral fora. To date, the US Congress appears to be the most active national parliamentary body in terms of monitoring its government's policy in international fora, as well as in dealing with legislation and funding in relation to these bodies. While the World Bank now has a Parliamentarians' Network (with over a 1,000 members), there is some concern as to how independent this body is. Nonetheless, the Network is, at least, exploring various way of increasing the Bank's accountability to national parliaments. Another suggestion made, in terms of increasing the accountability of international bodies such as the IFIs, is for the establishment of a complaints procedure, in cases where the policies or programmes put in place by these institutions are alleged to have violated human rights standards. One particular mechanism to increase accountability in relation to international debt policies, which is currently being explored under various guises, is the creation of an independent arbitration mechanism to deal with sovereign debt.

4. GOING GLOBAL – GOVERNANCE AND GLOBALISATION

Drawing on the experience of Trócaire⁸, it is clear that good global governance and ethical globalisation requires an active global citizenry. It requires global solidarity and alliance building between civil society organisations. Increasingly, Irish NGOs are becoming global in their outreach and are members of international alliances,

such as CIDSE and *Caritas* in the case of Trócaire, the Oxfam International family in the case of Oxfam and *Approdev* in the case of Christian Aid. All this is part of a wider recognition that international alliances are essential in contributing towards global solutions to poverty and injustice.

Equally important is the emergence of civil society groups in developing countries, calling on their governments, and the international institutions of which they are part, to put in place policies which tackle rather than exacerbate poverty. For example, in Honduras, Trócaire's partners are calling for civil society to have a greater stake, alongside national and local government, in managing the resources freed up under debt relief programmes. In Uganda, active civil society monitoring and improved systems of public expenditure management means that over 90 per cent of primary education spending approved by the Ministry of Finance reaches its intended beneficiaries, as distinct from only 2 per cent a decade ago. Ireland's experience of social partnership makes it well placed to support such initiatives in its development co-operation programmes, as well as to encourage developing country partner governments to take a broad view of what constitutes civil society. Yet the harsh reality in many developing countries is that governments see civil society as akin to the political opposition.

At the same time, good governance at a national level involves institution building at the level of the government. Governance is about how governments relate to, and have the capacity to relate to, their respective civil societies and vice versa. Advocating a rights-based approach to policy formation at an international level, while ignoring domestic institutional constraints to such policy formulation, is to look at only one side of the coin.

Good global governance will require new and reformed structures of global governance. A number of areas for reform are evident, even if such reform is very unlikely to take place in the immediate future; examples include an end of the veto by permanent members at the UN Security Council and reform of the voting shares within the IFIs. At present, Africa only accounts for 2 per cent of voting shares at the IFIs, despite being the region where IFI policies and finance are most influential. One means by which Africa's voice might be enhanced at the IFIs would be to strengthen the links between the IFIs and the UN. The IFIs are associated members of the UN family but, in reality, the potential role of the UN as the key forum for international development policy formulation has not been fulfilled.

However, developing countries are becoming more organised within global fora. At the fourth WTO Ministerial Conference in November 2001, for instance, sub-Saharan African voices were more evident. While their policy impact is still limited, this is a sign of hope for global reform. Yet it is important to note that the term "developing country" masks a wide range of country categories e.g. the Least Developed Countries (LLDCs), small island/landlocked states, the G20, middle income countries, large economies (e.g. India and China), the African Caribbean and Pacific (ACP) group and countries in transition, and so on.

At the same time, developing countries face capacity constraints to participating in existing global structures. This is partly being addressed by increased donor funding for capacity building in relation to trade negotiations and trade policy formulation, but the amounts being allocated to this are paltry compared with what is required.⁹ Earlier this year, the EC funded the establishment of an ACP permanent delegation to Geneva, home of the WTO. However, eleven of the thirty least developed country members of the WTO have no delegate in Geneva and nine other developing countries have no delegates.

This lack of adequate capacity to examine the full consequences of trade policy proposals, and to strategise around ensuring that trade policy promotes rather than hinders development, was also evident during the Uruguay Round which preceded the establishment of the WTO. For instance, as Oxfam International has reported:

“during the Uruguay Round of world trade talks, European and American negotiators reduced the debate on agricultural trade liberalisation to a form of alchemy. Having agreed in principle to reduce subsidies, they then proceeded to change the definition of a subsidy to allow them to continue on a business as usual basis” (Oxfam International, 2002).

The results are not surprising. Total OECD agricultural subsidies exceed the combined income of the 1.2 billion people living below the dollar a day poverty line. Far from being able to compete on a level global playing field, developing country farmers are being asked to compete with the treasuries of the world’s wealthiest nations. Not surprisingly, the comparative advantage of developing countries in many areas of agricultural trade has been undermined.

Moving beyond trade, good global governance requires that mechanisms be in place to support investment in global public goods. Mindful of the importance of ensuring adequate investment in global public goods, Ireland should press for greater international commitment towards tackling the HIV/AIDS crisis, which is widely agreed to be the world’s single biggest development challenge. Moreover, given that tackling HIV/AIDS is a key crosscutting issue for Ireland Aid, the government’s official aid programme, and central to its overarching objective of poverty reduction, full debt cancellation for low-income heavily indebted countries battling with the HIV/AIDS crisis would seem to be essential.

Global good governance also requires effective regulation of TNCs. Often TNCs seem to operate as an overclass which is not accountable to international regulatory bodies in the way states are. Oxfam have recommended the establishment of an Anti-Trust Investigation Agency to prevent monopoly abuses. Too often, it is assumed that globalisation is fostering more competitive business practices while, in reality, the trend is towards the concentration of market power among a few corporations. At the same time, even though TNCs do have significant market power, there are checks and balances on this as alternative forms of investment are

gaining ground. For instance, in the USA social or ethical funds account for 13 per cent of all assets and are worth over \$2 trillion, a growth of 45 per cent over the period 1997-9.

As Ireland proceeds to reach the 0.7 ODA to GNP ratio and moves towards the “moral high ground” attached to this, it will be important that significant investments continue to be made in public education on development issues across all sectors of society. Such education provides the public with information on life in developing countries, explores the causes of poverty and injustice and fosters action to address these concerns. In terms of the State’s foreign policy, development education promotes an active citizenry with a critical understanding of and interest in Ireland and the wider EU’s stance in international relations as these effect developing countries. Moreover, significant progress in support of international development and ethical globalisation will only happen when societies in both developed and developing countries, along with political leaders and key decision-takers therein, believe that structural change to tackle global inequalities is necessary.

5. MEETING THE CHALLENGES AND OPPORTUNITIES PRESENTED BY GLOBALISATION

Over time, Ireland’s economic and political relations with developing countries have grown more complex and diverse. Human rights and human security have been emphasised by successive governments as the hallmarks of Ireland’s foreign policy. However, the challenges of promoting human rights and human security are coming much closer to home with the increased numbers of asylum seekers, albeit from a tiny base, coming to Ireland. The displacement of millions of people from their homes is a global phenomenon, given that the total number of refugees and displaced persons worldwide is over fifty million. How governments respond to this relatively new phenomenon is a litmus test of their commitment to ensuring that international human rights standards are fully respected.

This section outlines a number of policy interventions through which the Irish government can promote a more inclusive process of globalisation and one which contributes to tackling poverty and inequality.

5.1 Overseas Development Assistance

The World Bank's *African Development Indicators 2002* report reveals that official development aid to countries in sub-Saharan Africa had fallen to US\$12 billion at the end of 1999, down from US\$17.2 billion in 1990. This happened despite huge levels of poverty and the humanitarian catastrophe wrought by AIDS. Between 1994 and 1999 aid per capita in Africa fell from US\$34 to US\$20. The low priority given to Africa is especially evident at an EU level, where no sub-Saharan African country is among the top ten recipients of EU aid.

The commitment by the Irish government, supported by all political parties, to reach the 0.7 aid-to-GNP target set by the UN, while attracting much praise, has also drawn attention to the dangers and risks in expanding aid expenditure. What if the benefits are siphoned away through corruption, a phenomenon which affects developed as well as developing countries? The answer to this lies in supporting governance as an element within development strategies. One might strengthen public expenditure review mechanisms or the office the auditor general in country; one might support civil society movements which serve as a bulwark against despotism. In assessing critiques of global aid policies, it is important to listen to the comments of Nobel Laureate Joe Stiglitz, who, while recognising that much international aid has gone to countries without reasonably good policy environments, notes that such so-called assistance was as often dictated by political concerns as by a push for development. Hence Stiglitz points out that such

*“failures should not be chalked up against development assistance: rather they should be treated for what they are – money spent, whether wisely or not, to pursue political objectives”.*¹⁰

5.2 Debt, structural adjustment and the IFIs

Paul Volcker, the Chair of the US Federal Reserve, has drawn attention to the failure of global institutions to manage relations between countries in a manner that meets the basic criteria for fairness:

*“When the IMF consults with a poor and weak country, the country gets in line. When it consults with a big and strong country, the IMF gets in line. When big countries are in conflict the IMF gets out of the line of fire”.*¹¹

His statement captures the deficiencies in decision-making on issues of external debt and the financing of development in the world’s poorest countries. Sixteen heavily indebted countries will spend more on debt than on the health of their citizens, and ten will spend more on debt than on primary education and health combined. In sub-Saharan Africa four out of ten primary school age children are not in education, while the continent is being devastated by the impact of HIV/AIDS. Hence, any prospects of taking advantage of greater global trading opportunities are severely limited. Instead of a country’s debt sustainability being measured primarily in relation to its export revenues, it should be determined in relation to a country’s human development needs and its capacity to finance the expenditures to meet these needs.

Recognising that debt and structural adjustment policies have contributed to increasing levels of poverty, human deprivation and instability in many developing countries, Ireland should use its voice at the IFIs to press for the cancellation of unpayable debts. Furthermore, Ireland should press for the setting up of an

independent debt arbitration mechanism to ensure that the peoples of debtor nations never again have to solely carry the costs of irresponsible lending. Interestingly, at the 2002 World Social Forum, one speaker referred to the impact of the debt burden and the policies enforced around this as a form of “*economic terrorism*”.

The global movement for change is growing. The international Jubilee campaign has long highlighted the deficit in global governance which left the debt issue in the hands creditors, who naturally have their own vested interests. Furthermore, Nobel Laureate for Economics Robert Mundell has pointed out that “*blame for the debt crisis does not rest with developing countries alone – half the blame rests with unstable international monetary arrangements dominated by the lending countries*”.¹² The limited debt reduction delivered by creditors reinforces the need for such a process, although there are a number of proposals on what form this might take in practice. Ireland’s Minister for Finance has stated that the HIPC initiative, in its current form, may not provide many of the eligible countries with a permanent exit from unsustainable debt. Some important elements should underpin an independent debt arbitration mechanism. It should be open to all developing countries, be comprehensive in terms of dealing with all creditors (multilateral, bilateral and commercial) and protect resources for social sectors and for economic development. It should also only consider loans that were legitimately contracted and give a hearing to civil society groups within the debtor country.

5.3 *Trade and food security*

One of the most contentious areas of debate in relation to globalisation surrounds the role of the WTO and the benefits and costs of trade liberalisation. In much of the discussion about trade liberalisation, commentators fail to draw attention to the fact that average import tariffs in developing countries have fallen significantly. In sub-Saharan Africa, for instance, they have fallen by a half, while in Latin America and East Asia they have dropped by two thirds. In many cases, such reductions have resulted from conditionalities imposed by the IFIs, particularly the IMF, for which these countries (with their weak negotiating capacity) have received no credits at the WTO. At the same time, barriers to trade between developing countries exceed those between developing and developed countries; this is of particular concern given that 80 per cent of the growth in demand for agricultural products will be in developing countries.

Globalisation has heightened the need for universal norms and ground rules governing trade, not least for the sake of the weakest countries. International law, like domestic law, is supposed to protect the weak against the strong. In addition, the ability to compete in the global market is increasingly seen as vital for developing countries struggling to achieve the economic growth required for development and poverty reduction. Therefore, one of the key challenges is to develop a fair, rules-based system for international trade.

New Zealand is the only developed country which provides total free access for all least developed country exports to its markets. The EU has the highest protective barriers against exports from developing countries and comes out worst in Oxfam's Double Standards index, a measure based on ten criteria which compares the extent of protectionist policies employed by the richest and most powerful trading nations against exports from developing countries. Last year, the EU approved the EBA (Everything but Arms) initiative which provides for free market access for all products (except arms). However, exporters of the three most sensitive exports – rice, sugar and bananas – will only gain total free access on a staggered basis, with the process being completed by 2009. Yet even with these caveats, the impact of this greater access for Mozambican sugar suppliers to the EU is the creation of 8,000 new jobs over the past year. Instead of such limitations on market access, the EU, US and the other major trading economies should grant immediate and total free access for all exports from least developed countries and this should be extended to all low income countries by 2005.

One means by which trade policy and food security objectives might be linked would be to introduce a development box of measures into the WTO's Agreement on Agriculture. This proposal had the strong backing of a number of developing countries, known as the "Friends of the Development Box", at the WTO Ministerial in Doha. The development box would take the form of a package of enhanced special and differential measures, including domestic support and broader measures which developing countries could use to promote food security and rural livelihoods. In order for the development box to be used solely as a food and livelihoods security tool, developing country governments would be required to direct protection and support towards small farmers and a list of staple food crops.¹³ Domestic agribusinesses would not be allowed to garner any of the benefits. In addition, other trade policy reforms are required. The dumping of subsidised exports on developing country markets should be ended, an issue now included in the negotiations agenda arising out of the Doha WTO Ministerial. Furthermore, reform of the TRIPs agreement is needed to ensure that it does not undermine farmers rights, their access to seeds and the protection of biological resources and their diversity, on which food security depends.

5.4 Scaling up: promoting policy coherence from national to international levels.

The Monterrey consensus paper of the Financing for Development Conference recognised that *"there is an urgent need to enhance coherence, governance and the consistency of international, monetary, financial and trading system"*. It links this to strengthening the UN's leadership role in promoting development. At the same time, the paper notes that there is a need for national-level co-ordination among ministries and other bodies in order to achieve the Millennium Development Goals. Under paragraph 70 of the consensus paper, governments have made a commitment to promote *"domestic policy coherence through the continued engagement of our ministries of development, finance, trade and foreign affairs as well as our central banks"*.

The *Report of the Ireland Aid Review Committee* (2002) highlights the need for coherence between the policies pursued by the government in the area of development co-operation, and all other aspects of Irish foreign policy. It makes explicit reference to the positions adopted by the Irish government in negotiations on issues such as trade, debt relief, agriculture and environmental co-operation. Indeed, the Department of Finance's second *Annual Report on Ireland's Participation in the World Bank and IMF* (p. 20) draws attention to the importance of enhancing feedback mechanisms between Ireland Aid activities in its priority-aid countries and Ireland's policy stance at the IFIs. Moreover, the *Report of the Ireland Aid Review Committee* also recommends that Ireland Aid establish a Policy Unit whose main focus might be on policy coherence. Alongside this, NGOs such as Trócaire have argued that provision should be made for the publication of and presentation to the Oireachtas of an annual report on policy coherence with respect to the overarching objective of Ireland Aid and poverty reduction, including those measures taken by the government to tackle areas of policy incoherence.

6. CONCLUSION

While the context and scale of challenges facing countries as a result of globalisation vary considerably, the human rights to which all are entitled by virtue of their common humanity, and which are enshrined in international law, do not, nor do our responsibilities to build a more just world. The year 2002 will see yet more international conferences, including the World Food Summit Five Years Later and the World Summit on Sustainable Development. Ireland will participate in all of these processes. There will be many speeches, various declarations and some action plans. Yet, as the UN High Commissioner for Human Rights Mary Robinson has emphasised, one key challenge remains: to implement existing promises. At the World Social Forum, the Commissioner spoke of the need to make globalisation a vehicle for human development and equality, with the first priority being poverty eradication. She also pointed out that our task is to turn our vision of ethical globalisation into a programme for action.

Such a programme of action will need to be as multifaceted as the process of globalisation. In Monterrey, world leaders made a commitment to negotiating and finalising a UN Convention against Corruption in all its aspects, including the question of repatriation of funds illicitly acquired to their countries of origin, something which could have major implications for debtor nations in Africa. Leaders also sought stronger co-operation to eliminate money laundering – a public bad which is part of the process of financial globalisation – as well as for the establishment of a UN Convention against Transnational Organised Crime. Much will depend on the resources put into such regulatory bodies and the buy-in by governments. In our globalising world, state sovereignty is being increasingly challenged, but not without states putting up a fight, as illustrated by the US's continuing refusal to ratify the Rome Treaty for the establishment of an international

criminal court. The court will come into effect in any case on July 1st 2002 but without universal support its effectiveness will be limited.

As this paper has attempted to show, globalisation is complex. It defies easy definitions or simplistic interpretations; it can work for the poor or against the poor. In the conclusion of its Trade Report, Oxfam International notes

“just as in any national economy, economic integration in the global economy can be a source of shared prosperity and poverty reduction, or a course of increasing inequality and exclusion. Managed well, the international trading system can lift millions out of poverty. Managed badly it will leave whole economies even more marginalised. At present trade is badly managed, both at the global level and, in many countries, at the national level. Continuing on the current path is not an option. But a retreat into isolationism would deprive the poor of the opportunities offered by trade. It would counteract a powerful force for poverty reduction. That is why we need a new world trade order, grounded in new approaches to rights and responsibilities and in a commitment to make globalisation work for the poor”.

In all of these analyses, it may become all too easy to accept individual governments' claims that they are often powerless in the face of globalisation. However, such a perspective serves to undermine democracy. A recent survey reported in the *Economist* magazine revealed that those countries with very open trade policies (one measure of globalisation) also have high levels of taxation as a percentage of GNP, for example Sweden and Norway. The same countries have high levels of human development and are among the minority of rich countries whose development aid budgets have reached, and indeed exceeded, the UN 0.7 target. Perhaps ethical globalisation may, after all, begin at home.

Endnotes

1. Speaking at Annual World Bank Conference on Development Economics, Paris, June 2000. See Michael O'Brien and Maura Leen, "Conference Review" in *Trócaire Development Review*, 2000.
2. Oxfam International Report, 2002. *Rigged Rules and Double Standards: Trade, Globalisation and the Fight against Poverty*, Oxfam International
3. "Globalising Human Dignity: the Challenges for a Rights-Based Approach", seminar delivered by United Nations High Commissioner for Human Rights, Mary Robinson, January 2002.
4. See *Financial Times*, 9 January, 2002.
5. In January 2002, Minister of State Liz O'Donnell TD announced that Ireland had become a top 15 donor to 3 key UN development and humanitarian agencies.
6. Speaking at the Irish Economic Association's autumn conference in 1998.
7. See Dr. Kieran Kennedy, 2000. "The Role of the EU in Ireland's Transformation" in R. MacSharry, P. White and J. O'Malley, *The Making of the Celtic Tiger – The Inside Story of Ireland's Economic Boom*, Dublin: Mercier Press.
8. Trócaire is an international development agency, founded in 1973, which is working with partners in over 50 countries in Asia, Africa and Latin America on a shared agenda of tackling poverty and promoting respect for human rights.
9. Oxfam International recommends an expansion of funding for this area to \$250 million as opposed to current level of \$6.5 million per annum.
10. See Joe Stiglitz, "Overseas Aid is Money Well Spent", *Financial Times*, April 15, 2002
11. P. Volcker and T. Gyohten, 1992. *Changing Fortunes: The World's Money and the Threat to American Leadership*, New York: Times Books.
Quoted in Oxfam International Report, 2002. *Rigged Rules and Double Standards: Trade, Globalisation and the Fight against Poverty*, Oxfam International.
12. See Michael O'Brien and Maura Leen, 2000. "Conference Review" in *Trócaire Development Review*, pp. 148-156
13. There are different variants of the development box. Some argue that a "negative list" of staples, exempt from Agreement on Agriculture reduction commitments, would be sufficient. Others have suggested that a "positive list" approach is needed, with all but exported food staples being exempted from reduction commitments. For a discussion on the development box, see D. Green and S. Pridardarshi, 2001. *Proposal for a Development Box in the WTO Agreement on Agriculture*, London and Geneva: CAFOD and South Centre; A. Kwa, 2002. *Development Box: Can it Adequately Address the Agricultural Crisis in Developing Countries?*, Focus on Global South, Geneva.

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DISCUSSION

Dr. Roy Johnston: I would be interested to see a comparative analysis of the performance of “free trade areas” as part of the globalisation process. The concept, I understand, originated with Shannon and, in the Irish case, led to the location of some relatively high-technology firms in the country. Significant numbers of Irish engineers, and perhaps even some scientists, gained experience in such companies, in some cases subsequently branching out themselves as entrepreneurs. This contributed to the process which led to NIHE Limerick and eventually Limerick University, with its associated Innovation Centre and Technology Park.

I wonder whether this process has been repeated in other locations where free trade areas have been established? I suspect that there is a threshold level of education for the type of people recruited, above which positive skill and experience transfer takes place. International comparison should show this up, as well as highlighting the role of the “brain drain” process. The loss of educated people to better jobs abroad dominated the Irish scene in the 1940s and 1950s and it would appear that the Shannon model in the Irish case helped to stem this loss of talent.