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**THE LIFE AND DEATH OF A VITUPERATIVE
ANTI-GLOBALIZATION MOVEMENT**

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1. Antagonists of Globalization

Many people from different walks of life and with diverse disciplinary and ideological backgrounds regard globalizations as a malevolent phenomenon. They regard globalization with deep-seated skepticism and hostility. Together they succeeded in launching a fairly successful anti-globalization movement. Evidence of trenchant and unyielding opposition to globalization is endemic. Its manifestation in diverse forms is widespread. When venerable scholars like Joseph Stiglitz, with priceless academic credibility, write critical books like *Globalization and Its Discontents*, they are avidly read by a large readership of academics, policy-makers and business decision-makers. Award-winning journalists like Naomi Klein write articles and books discrediting globalization, in particular the business practices of large business houses and transnational corporations (TNCs). Op-ed and editorial pages of major news dailies are filled with frequent criticism of different facets of globalization. The extreme views on globalization have attracted a great deal of attention, particularly in the popular media and economic and business press. The information age has provided the movement against globalization many more instruments to spread its disapproval of globalization than were available in the past.

The protagonists and antagonists hold viewpoints that are frequently diametrically opposite. So much so that they interpreted the gruesome terrorist attack of September 11 on the World Trade Center from two opposite angles and read in it vindication of their own respective positions. The antagonists were certain that it was a justification of their belief that global integration has widened the gap between the haves and the have-nots and created a great deal of resentment among a large number of people. Destruction of an icon of global business was a manifestation of this resentment. Conversely, the message that the protagonists drew was that the cure for such a large gap between the haves and the have-nots was more not less globalization, which could strengthen the economic base of the global economy, benefit the have-nots as well as spread the values of freedom and civil conduct worldwide.

The objective of this article is to delve into the anti-globalization movement. We trace its birth, delve into its proclivities and activities and the process of its gaining strength over the years. As globalization progressed, the concepts and mindset of the activists underwent a steady transformation. What they found acceptable and what they totally rejected went on changing over the years. These transformations and adjustments in their approach, attitude and outlook is the focus in this article. The activists were not lightly brushed aside by the international institutional and governmental establishments. The rationale behind this has been examined. Several influential non-governmental organizations (NGOs) are an ingrained part of the anti-globalization movement. They not only played a meaningful role but have also contributed to its strength. The antagonists have not always been correct; they made several conceptual mistakes. Towards the end, we try to see whether the present phase of globalization is in jeopardy of stalling or reversing because so many question it and disapprove of it.

1.1 Anti-globalism

The antagonists blame globalization for a litany of global economies problems, although they accept some of the assertions of its supporters. Although fundamentally they were passionately disinclined to support the policies of economic

neo-liberalism¹, numerous diverse causes also became associated with anti-globalism. Anti-globalists regarded majority of consequences of globalization as harmful. Downward pressure on wages and increasing unemployment in some manufacturing and services sectors were some of the principal grievances. In particular in their discontent they link concepts of capitalism and the behavior of large business firms. Anti-globalists have been completely averse to the policies of supranational institutions that are responsible for global economic governance. They are sure of the erroneous, if not downright ignorant, ways of these institutions. In addition, they believe that the activities of large business houses and the TNCs have expanded far too rapidly and that they have become economically too powerful for comfort. As TNCs politically superceded governments and garnered a disproportionate proportion of global resources, old nationalistic resentment began to be directed against them.

There is no gainsaying the fact that the on-going phase of globalization, a source of dynamic economic growth, created both winners and losers. It is often not an unambiguously and uniformly beneficial process, leading to win-win outcomes. It cannot be denied that notwithstanding the unprecedented benefits of globalization over the preceding three decades, some socio-economic groups suffered damaging economic and social consequences. Also, its benefits are glaringly asymmetrically distributed. Incongruously, benefits went asymmetrically to those at the higher end of income and wealth spectrum, whereas costs were largely borne by those at or close to the bottom. A large and conspicuous disparity has become obvious between the return to capital and rewards of labor. An ironic fact in this context is that globalization has been out of favor with large population groups in countries it has benefited most, namely the advanced and high-income industrial countries.

A seemingly unbridgeable chasm has been created between economic evidence and the popular gloomy and downbeat views on globalization. The principal reason for this difference in the two perspectives is that increased trans-border flows of goods and factors of production (including labor) can have adverse results when there are domestic market failures or regulatory weaknesses. Both of these are needed to be dealt with directly, with the help of appropriate domestic policy measures. They will indeed reduce the costs of globalization. If the appropriate policy measures are not adopted and implemented without vacillation, a danger of globalization backlash looms, which could stall, defer or reverse some forms of global economic integration. The ultimate effect would be undermining or loss of economic progress that has so far been achieved. Secondly, anti-globalism is also promoted by improved global communications and reach of television and broadcasting. While a beneficial phenomenon, it has a downside. It enhanced the global awareness of differences between the rich and the poor economies. The poor were less aware of this disparity in the past, albeit the differences did exist.

1.2. Change in the *Zeitgeist*

Public disposition in the late 1980s and early 1990s was changed by some of the negative consequences of globalization. Many of the grievances, espoused by the anti-globalization movement, were legitimate. A broad populist movement during the

¹ The term neo-liberal has been under dispute. It is used more by the opponents of neo-liberalism than by its supporters. I use it to convey that globalization necessitates the adoption of free-market policies.

decade of 1990s developed. As stated above, while essentially this was a movement against economic neo-liberalism, it was also a *mélange* of several cynical issues about which groups of people were disgruntled. For instance, protestors for protectionism, ecological, national, native culture, democracy and human rights related issues coalesced and became a part of the anti-globalization movement. Going by the number of articles and books produced on this theme, anti-globalization has also been a focus of a good deal of academic research. As alluded to above, several noted contemporary scholars, such as Joseph Stiglitz, Dani Rodrik, Francis Fukuyama, Samuel Huntington and Stephen Korbin have contributed seminal thoughts on these and related issues, although none can be regarded a part of the populist anti-globalization movement. Their analysis of the failings of globalization is of thought-provoking and academic nature. Antagonists of globalization believed that globalization tends to interpret and analyze the world in narrowly economic term. This majestic stand of economists was regarded as counter-productive and became a source of indignation for those who saw many flaws in the onward march of globalization.

The new public disposition of the 1990s was quite distinct from the earlier celebration of victory of the free-market forces that ushered in globalization. This change in the *zeitgeist* was manifested in the speeches and writings of influential global opinion leaders. Financial leaders like George Soros attacked great wealth, wanton money-making, irresponsible behavior of investors, and “unsound and unsustainable capitalist system”. Soros warned against the profit maximizing behavior which “ignores the demands of morality” (Soros, 2005; p. 123). Concern about the negative influences of globalization was publicly expressed by revered public opinion leaders like Pope John Paul II, who once was an ardent supporter of globalization.²

The allegation of asymmetric distribution of benefits of globalization is decidedly correct. Countries on the continent of Africa benefited relatively less from the favorable influences of globalization. A large majority failed to take advantage of the dynamic growth impulses provided by globalization. Consequently incidence of poverty rose in this region during the contemporary phase of globalization. The number of people living at or below \$1 a day, measured in PPP and inflation adjusted, doubled in Africa between 1981 and 2001, increased from 164 million to 313 million (Nissanke and Thorbecke, 2007). This poverty line was recently updated to \$1.25 a day in 2005 PPP (Ravallion, *et al*, 2008). There were many other countries that failed to globalize and join in this benign economic movement. One measure of their failure to globalize is their declining trade-to-GDP ratio. Almost fifty countries fall in the category of non-globalizers. Apparently this large group, with a population of some 2 billion, did not benefit from globalization. They were the by-standers of globalization. If anything, these economies became more marginalized. Collier (2007) identified a sub-group of economies which he referred to as the “trapped” countries. This sub-group of countries has been on a steady economic decline. Approximately 980 million people living in them and includes countries like Bolivia, Cambodia, Haiti, Laos, Myanmar, North Korea and Yemen. Over 70 percent of these bottom billion live in Africa. Stagnation and poverty is the common fate of the bottom billion.

² As Archbishop of Cracow in Poland, Pope John Paul II was a passionate supporter of globalization. But as the 1990s wore on the Pope became increasingly uneasy about “unbridled capitalism”. He traveled extensively and expressed his disapproval of globalization in his Apostolic Exhortations to the Catholic Church in different parts of the world.

2. Genesis of the Anti-Globalization Lobby

The anti-globalization lobby or movement was born at an early stage in the current wave of globalization. Its naissance took place around the late 1980s. During the decade of the 1990s, this movement had a highly visible presence. It began to wane after September 11, 2001 and the on-going (2007-09) global financial meltdown dealt a death blow to this movement (Section 7). In its beginning the movement was broad and simple in its anti-globalism. This was a period of declining influence of the organized labor in the industrial economies as well as popular nationalist movements in the developing economies. This decline was one of the basic impulses behind the emergence of the anti-globalization movement. Besides, this was also the period when China had rejected Maoism and turned to what it called “market socialism”, and the Former Soviet Union (FSU) and the East European economies that were rejecting Marxism and turning to embrace the market-economy system. The latter group of countries frequently appeared to be in total chaos, in a state of lawlessness. Anecdotal accounts of gangster capitalism in this set of economies frequently appeared in the international media. It contributed to a negative impression of contemporary capitalism.

Anti-globalization sentiments was subsequently buttressed by a spate of corruption, financial, accounting and sex scandals in Belgium, Britain, France, Italy and particularly the United States (US), during this period. The image of the US business and financial world suffered a serious blow because of corporate crimes—which went undetected and unpunished for a considerable length of time—in multi-billion dollar corporations like Enron and WorldCom. Many financially average families lost their life’s savings in these scandals. These major financial and corporate scandals sullied the image of the US, which was regarded as a pioneer of enterprising buccaneer capitalism. It engendered a high degree of public distrust of the governing as well as social elites, which found themselves on the defensive. As opposed to this, steady progress in China’s market-oriented reforms was admired by many. However, it was seen as an inhuman form of capitalism by some Western commentators. Its environmental and social side-effects were widely disapproved and it was believed that China’s rapid growth was coming at a high social cost (Das, 2008).

This mindset fed the anti-globalization movement, which grew in this ambiance of self-doubt, moral turpitude and consternation as well as general disorientation among the governments and ruling elites in the industrial countries.³ Reacting in a confused manner, the governments and elites supported the youthful idealism of the anti-globalization activists and tried to accommodate and incorporate them into quasi-governmental organizations. This rendered more strength to the anti-globalization lobby, making activists bolder than ever before in their disapproval of the process of globalization, forces of free market and liberal neoclassical economic percepts. They took the moral high ground, when the political leadership of the capitalist world struggled to save face.

³ The term industrial country has become a misnomer, because some of the emerging-market economies, like China, have become extensively industrialized. Contribution of industrial sector to their GDP is larger than that in the wealthy countries of the developed world, whose economies are overwhelmingly dominated by the services sector. These countries have become large exporters of manufactured products as well.

3. Success of the Anti-Globalization Movement

The anti-globalization movement was particularly opposed to the agendas and actions of supranational organizations of economic governance that are perceived to proliferate and advance the cause of globalism (Section 1.1). At the annual meetings and conferences organized by the United Nations (UN), the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO), the Group-of-Seven (G-7) summits and after 1994 G-8⁴ summits, participants, delegates and world leaders found themselves pilloried by vocal groups of activists and protesters. While they were the most visible targets of the anti-globalization lobby, they were only the tip of the iceberg. Small-scale local rallies were organized in as many as hundred cities in the world on the days marked for large demonstrations. Many of the activists were generally well-informed and most well-intentioned. However, the large groups of anti-globalization activists also contained closet anarchists, therefore, their peaceful protest marches frequently turned violent, fierce, and occasionally even vicious, which often caused an image problem for the anti-globalization movement.

Broadly speaking, while the summitters and conference participants of the largest industrial economies and the institutions of global economic governance were essentially committed to globalization, free-markets and liberalization of domestic economies, the anti-globalization activists promoted and demanded arresting globalization and straight-jacketing the market forces. The two sides had polar opposite view points. The antagonists trenchantly protested against what they regarded as the sell-off of the global commons. The success of these critics of globalization was greater than justified by their social weight. The social base of the anti-globalization lobby comprises the middle-classes, essentially in the industrial economies, and the NGOs, based in both developing and industrial countries. The principal reason for their more than expected success was that the anti-globalization sentiments of the protestors outside the ornate conference halls and their call to regulate the market forces *partly* reflected the premonitions and gut feelings of at least some of the summitters and conference participants inside those elegant halls. That being said, the anti-growth sentiments of the anti-globalization movement were the proposed alternative to globalization. They were not soundly premised. While considered, the zero-growth concept of economic development did not go very far. Growth is imperative of development and poverty alleviation. There are multiple paths to achieve growth, zero-growth need not be one of them. Rapid-growth

⁴ The members of the Group of Seven (G-7) are Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. Together this group of matured industrial economies accounts for about two-thirds of the world's economic output. The leaders of these largest industrialized democracies have met annually since 1975 to discuss major economic and political issues related to the global economy. The participants at the first meeting in Rambouillet, France in November 1975 were France, West Germany, Italy, Japan, the United Kingdom and the United States. Canada joined at the 1976 Dorado Beach, Puerto Rico Summit, what came to be known as the G-7. Ever since, the site of the yearly Summit of the leaders has rotated among the seven countries. The Group of Eight (G-8) comprises the G-7 nations plus Russia. Russia began to participate in a portion of the meetings at the 1994 G-7 Summit in Naples. Russia officially became the eighth member at the 1997 Denver, Colorado, "Summit of the Eight." While Russia is a G-8 member, it does not participate in financial and economic discussions, which continue to be conducted by the G-7. It is the smallest economy of the G-8. G-7 Finance Ministers meet four times a year to review developments in their economies and the global economy, and to develop common approaches on global economic and financial policy issues. The G-7 Central Bank Governors join the Finance Ministers at three of these meetings.

achievers like China and Chile had little in common. The same applies to the growth strategies adopted by Botswana and Singapore.

The simplicity with which the anti-globalization movement started, changed in the early 2000s, when it became subtle and discriminating. The anti-globalizers grew less broadly opposed to globalization in general. They no longer sought un-globalization or dismantling of global networks of economic and other linkages. The anti-globalizers began to differentiate between different kinds of globalization and accept some while reject others. For instance, there were those that were clearly and steadfastly against what they referred to as corporate globalization, while there were others who went all out for establishing global social justice. Thus, from a unified broadside against globalism, this movement turned into a branched opposition to different kinds of globalism. Those in the academic community who opposed globalization in the past, more recently attempted to stake out different models of globalization, while not rejecting the basic premise of globalism. Academic scholars began proposing changing emphasis of globalization as well as making use of policy compromises in implementing it.

The information and communication technology (ICT) helped make the anti-globalization movement stronger and the activism widespread. The anti-globalization movement relies heavily on electronic communication. E-mail and text messaging enabled activists to marshal large number of members and launch punchy campaigns, resulting in real time social action. The 2003 protest against the G-8 Summit in Genoa and 2006 protest in Prague against the Bank-Fund annual meeting were large in sheer accumulation of the number of activists. They seemed like a global movement with representatives from several European and North American countries and organizations, dressed appropriately to flaunt their national origins.

In the developing world, backlash against globalization has been strongest in Latin America. Their disenchantment with globalization is due to disappointing economic performance of the regional economies after 1990, when they adopted neo-liberal strategies to integrate with the global economy. They opened up their economies, particularly for capital inflows. In several of the Latin American economies, disastrous crises precipitated during the 1990s, culminating in serious recessions. Argentina, Ecuador and Mexico are some of the cases in point. These economies suffered from double-digit unemployment rates as well as serious economic contractions in their post crises periods. Bolivia and Venezuela also manifested strong anti-globalization sentiments, followed by political upheaval. The only exception was Chile, a small country of 16 million population, that liberalized its economy for trade and capital flows and embraced globalization with zest. Its average GDP growth rate between 1990 and 2004 was 5.6 percent, the highest in the region (Mishkin, 2006). For good reasons it is called the “only Asian economy of Latin America”.⁵

3.1 Anti-Globalization Movement in the Advanced Industrial Economies

After benefiting from globalization during the contemporary phase of globalization, and after convincing the developing economies of its large economic payoff and high value, the matured industrial countries were, and continue to be, in two minds about their commitment to globalization. How the distrust towards globalization was born in

⁵ See Chapter 1 in Mishkin (2006) for a detailed discussion on the disappointment of the Latin American countries with the current phase of globalization.

the industrial economies? The changing *zeitgeist* and that in the general public mindset was explained in the preceding section. Furthermore, as globalization progressed and new vigorous economies like China, India and the other emerging-market economies (EMEs)⁶ slowly come to the fore, they began influencing the *mise-en-scene* of the global economic stage. Consequently, global geo-economic—and therefore geo-political—balance of power underwent a subtle but certain transformation. *En masse* these large EMEs have begun to play the role of new engine of growth for the global economy (Nayyar, 2008; IMF, 2008). Thirldwell (2007; p.5) went so far as asserting that some opponents of globalization in the industrial economies were worried about it “creating powerful new competitors in the global markets, while others are spooked by the security implications of the consequent redistribution of economic power” in the world.

Some of the other evident causal factors that fired anti-globalization sentiment included the charge of rising income inequality and *pari passu* worsening Gini coefficient in the industrial economies. It was being squarely blamed on globalization. Also, expanding multilateral trade, including trade in services, with the large populous economies like China, India and the other low-wage EMEs resulted in short- and medium-term employment losses in the industrial economies. Layoffs in several large manufacturing and services sectors made eye-catching headlines in the newspapers and exacerbated anxiety against damaging influences of globalization. Employment growth in many large industrial economies, like Germany, was painfully slow. Workers in several categories of employment felt exposed to competition from these economies and they felt threatened. For these reasons, the anti-globalization movement grew far stronger and debates more heated in the industrialized world than those in the developing countries.

As alluded to earlier (Section 1), globalization has benefited many economies and some population groups in them did gained from it, but there were others that lost from its progress. Therefore, several constituencies came into being in the industrial

⁶ The term emerging-market economy (EME) was coined in 1981 by Antoine W. van Agtmael of the International Finance Corporation, the private sector arm of the World Bank. The developing countries in this category vary from small to large, even very large. They are regarded as emerging because they have adopted market-friendly economic reform programs, resulting in sounder macroeconomic policy structures. China is the largest and most important EME, along with several smaller economies like Tunisia. The common strand between these two economies is that both of them embarked on reform programs and consequently recorded rapid GDP growth. Both of them have liberalized their markets and are in the process of emerging onto the global economic stage. Sustained rapid clip GDP growth is the first indispensable characteristics of an EME. Many of them are in the process of making a transition from a command economy framework to an open market economy, building accountability within the system. The Russian Federation and the East European economies that were part of the Soviet bloc in the past fall under this category. Secondly, other than adoption of an economic reform program, an EME builds a transparent and efficient domestic capital market. Third, it reforms its exchange rate regime because a stable currency creates confidence in the economy and investors in the global capital markets regard it as fit for investment. Fourth, a crucial feature of an EME is its ability to integrate with the global capital markets and attract significant amount of foreign investment, both portfolio and direct. Growing investment—foreign and domestic—implies rising confidence level in the domestic economy. Global capital flows into an EME add volume to its stock market and long-term investment into its infrastructure. For the global investing community the EMEs present an opportunity to diversify their investment portfolios. Investing in the EME gradually became a standard practice among the global investors who wished to diversify, although they added some risk to their portfolios.

economies that proactively, often violently, opposed globalism. Rather than unearthing the sources of their economic problems in specific domestic policies, they blamed globalization in general for their plight. Consequently, politicians resorted to protectionist rhetoric and called for legislative action to protect the interest of their voters. Politicians are sensitive to globalization-related views of the voters for good reasons. In the 2006, in the Senate and House of Representatives elections in the US many incumbents were defeated by challengers who called for a new approach towards trade and globalization (Teixeira, 2007). This was contrary to what transpired in the 1970s and 1980s, when it was the developing economies that castigated the international economic order and called for what became known as a New International Economic Order. They fought for an equitable and fair international trade and financial regime. Tables were turned during the current period and the excoriation of globalism was coming from the countries that were the original conceptualizers, compelling supporters and engineers of contemporary globalization.

Antipathy towards globalization is not confined to lay persons, who form a strong anti-globalization constituency. Economic and financial media and international affairs journals were also full of well-intentioned writings on the sustainability of globalization as it was unfolding. Ironically, failures of globalization like the Asian crisis of 1997-98 or the sub-prime mortgage crisis of 2007-08 and credit crunch, did not fan the flames of the current anti-globalization movement, albeit financial globalization and its mismanagement were directly blamed for them. It was largely the celebrated successes of globalization that created adjustment strains in the industrial economies and ignited a widespread anti-globalization movement. To this must be added some noted economist and thoughtful analysts, who hold the view that globalization, a benevolent force of dynamic economic change, is being mismanaged because the supranational institutions of economic governance (the Bretton Woods twins and the WTO) and policy mandarins at national levels have only a superficial understanding of its intricate mechanics. The adherents to the anti-globalization movement regard them as arc villains and vent their rage against them.

That there has been a steady and monotonic upsurge in corporate profits over the past two decades cannot be denied. They were higher in 2007 than any time in the last half century. This implied that the benefits of globalization went asymmetrically to the owners of capital. Roach (2006; p. 1) called it “a veritable bonanza for the return to capital”. These trends provoked the ire of the antagonists, who grew certain that globalization is an instrument of immiserizing the poor economies, particularly the low-income groups in them. They are certain that it has had a detrimental impact over income inequality both within and between countries. They also blamed globalization for the job destruction (discussed in the following paragraph) in the industrial economies. Convinced that it is a villainous economic force, they contend that globalization threatens employment and living standards everywhere and that it is a means of thwarting social and economic progress.

Anti-corporate sentiment and activism became more intense due to elimination of good jobs by large brand-name multinational firms. Over the preceding three decades their focus shifted from manufacturing products and services to producing brands and strengthening brand image. TNCs focused their resources, energies and expertise focused into marketing. The production side of their enterprises gradually became dominated by offshore outsourcing. They went on refining this mode of

production, while paying a lot of attention to their brand image. Phil Knight, the CEO of Nike, succinctly put this new business philosophy as follows, “There is no value in making things any more. The value is added by careful research, by innovation and by marketing”.⁷ In accordance with this philosophy, many TNCs, like Nike and levis, moved their manufacturing operations from the high-wage industrial countries to manufacturing facilities throughout the world, and in the process strengthened brand promotion. They went on shutting down their domestic plants, laying off a large number of their existing labor force. As the innovative global production process caught up, in the advanced industrial countries, both manufacturing activity and labor force became highly devalued. With that Free trade zones (FTZs) and export promotion zones (EPZs) in the developing economies began to grow briskly. They manufactured goods strictly for exporting and become important tools for export-oriented growth. A large number of them exist in the East and Southeast Asia, Latin America and the lately in East European countries. In 2007, there were 3,700 FTZs and EPZs in 130 countries, employing 66 million workers (Engman, *et al*, 2007). China and more recently India and Russia also expanded their EPZs by adopting new EPZ legislation to respond to this trend in the global manufacturing and trade. A good number of developing economies, particularly the EMEs, became the new producers of manufactured and consumer goods. China grew into one of the largest exporters of these products. Rapid growth in the Chinese EPZs and of manufactured products, with a steady high-technology orientation, turned it into the second largest exporter in the world, after Germany, in 2007. Considering China exported only half the amount of manufactured goods the US did in 2001, this expansion of manufactured export was striking and impressive (Das, 2008). It is increasingly moving up the technology ladder and competing with the industrial economies in areas like ICT, aerospace, biotechnology and advanced electronics.

3.2 Some Misguided Beliefs

The rationale behind some of the criticism of globalization by the antagonists is simply incorrect. Often critics took to conceptually flawed arguments (Krugman and Obstfeld, 2009)⁸. In a caustic reaction, Mishkin (2006; p. 15) remarked, “Anti-globalizers have it completely wrong”. Many campaigners are poorly informed about the relevant economic annals, theoretical premise of the growth potential that global integration offers and valuable contributions it has made thus far. When groups of left-leaning do-gooders declare their rancorous anti-globalization sentiments, they do not realized that in the present economic setting, to be anti-globalization is to be anti-poor in the world, which is a morally indefensible position. Embracing global economic integration and thoughtfully implementing neo-liberal strategies in a proper sequential manner may well enable developing economies to reach their full potential. This in turn will help eradicate poverty. In today’s global economy, the main losers are not those who are exposed to globalization, but those who have been left out. A fierce backlash could put paid to many of the real welfare gains that globalization has achieved.

Anti-globalizers suspected the TNCs, many of which are gargantuan business entities and are economically and financially more powerful than many of the developing economies they operate in (Section 1), of wrong doings. Business ethics of many of their practices in the developing countries is questioned by the

⁷ Cited by Segerstrom (2005), p. 7.

⁸ See chapter 11, where globalization and anti-globalization movement are discussed.

antagonists. As these TNCs are answerable to no one but their shareholders, they get away with a lot of unethical corporate conduct. They were accused of living beyond the reach of the law. The antagonists contended that through their manufacturing facilities in the developing economies, which produce products for the affluent markets in the high-income industrial countries, the TNCs exploit labor by paying low wages and making them work long-hours under stressful conditions as well as the host country *per se* in different ways.⁹ These manufacturing facilities are regarded as nothing more than sources of high-profits for the big businesses and the TNCs. They have been accused of profits-first-people-last mentality. While some would believe that the TNC operations have been “transnationalizing” of global economy, but the antagonists perceived them as mere economic exploiters. Anti-globalizers unearthed cases of low wages and poor working conditions in numerous TNC manufacturing facilities around the globe and publicized them.

In the 1990s the anti-globalization movements attracted many adherents on university campuses in the high-income industrial countries, protesting against disturbing corporate practices of TNCs. Essentially due to these practices, anti-globalization movement took an anti-corporate turn. Indeed the anti-globalizers tended to amalgamate—mistakenly or deliberately—their anti-corporate concerns with globalization. While stressful working environment and sweatshop conditions cannot be justified by any stretch of imagination, if the workers are coming to work for the manufacturing facilities run by TNCs, these jobs must be valuable to them. Also, low-income economies are also the low-wage economies. There is a possibility that while wages are low, or very low, from the industrial-country norms, they are normal from the standards of the host developing countries where these manufacturing facilities are located. Lastly, to rectify corporate malpractices, it is the individual TNC or malpractice that needs to be attacked. A broadside on globalization will not cure them.

A false belief, in fact a consensus among anti-globalization activists, is that there has been a disturbing increase in world poverty during the present phase of globalization. Economists have devoted a lot of energy in measuring poverty trend. Not only the latter half of the twentieth century has proved to a period of unprecedented increase in global per capita income but also poverty alleviation during the present era of globalization was noteworthy. This issue has been seriously analyzed by several empirical studies and a large literature has accumulated on poverty and its measurement. These studies emphatically concluded that global poverty has been on a decline. Some of the influential studies include Bourguignon and Morrisson (2002), Sala-i-Martin (2006) and Chen and Ravallion (2007). The international reference line of poverty, that is, \$1 a-day, measured in PPP and inflation adjusted,¹⁰ shows a sharp decline in global poverty over the preceding three decades. The second internal poverty line of \$2 a-day confirms the same.

Globalization was blamed for slowing down job creation in the corporate world as well as for job destruction in the industrial economies (Section 3.1). While job creation in traditional jobs did slow down because of increasing trend of using part-timers and

⁹ A crystallizing event took place in 1996, when it was found out that the clothes sold in Wal-Mart with fanfare and chic advertising were tailored by exceedingly low paid workers in Honduras.

¹⁰ This international poverty line was recently updated to \$1.25 a day in 2005 PPP (Ravallion, *et al*, 2008).

freelancers, which facilitated in keeping the costs down in an intensely competitive business environment. Also, many services sectors jobs tended to be filled by part-time experts, who often work at two or more such jobs. However, one would be remiss to ignore the newly growing high-technology sectors that created a larger number of high-paying jobs. High-technology companies like Apple, Intel and Microsoft are known for not only creating large number of such jobs but also scores of young millionaires, because of lavish stock options made available to them. Many high technology firms have grown accustomed to a two-tier workforce. Around their core-groups or inner circles of permanent, full-time, highly-paid employees works an orbit of temporary workers. While those in the orbit do make high salaries, they do not have pension benefits or generous stock options. They are not even considered official employees.

Another flawed argument that is frequently given by antagonists is that espousing neo-liberal economic policies to globalize is wrong for the developing countries because such a strategy (say, lowering of tariff barriers) led country A to an economic doom. There is usually a cause and effect mix up here. Antagonists make an error of logic known as *post hoc ergo propter hoc*, meaning after it therefore due to it. External or domestic economic shocks always affect economic performance. If an economy is hit by one such shock soon after its adoption of economic reforms and liberalization, to an untrained eye the resulting recession appears to have been caused by economic liberalization or policy reforms. Also, most economies make a large number of policy choices spread over several economic dimensions, like fiscal or monetary policies, exchange rate or banking regulations, and so on. Their trade policy choice represents only one dimension. It would be erroneous to think that just because GDP growth rate dipped after an economy implemented trade policy reforms and opened up, the economy was wrong in liberalizing. It could well be that the wholesome impact of trade policy liberalization was annulled by bad policy choices on another dimension, or offset by policy errors in other areas. While there may be occasional cases, a recession in a developing economy need not be caused by liberalization to globalize.

4. Activists or Lobbyists?

Given the circumstances of the birth of the anti-globalization movement, the anti-globalization activists and protestors were treated more as lobbyists by heads of governments and supra-national institutions of global governance than as mere protesting mob. To be sure, there was a favorable side of these anti-globalization activists. In the backdrop of major scandals (Section 2) affecting a large number of ordinary people, many of their protests had drawn attention to government oversights and spurred timely and appropriate reforms. As noted in Section 3, with change in the mindset during the early years of the current decade, the anti-globalization activists did no longer have an entrenched antipathy towards globalization *per se* or global economic integration, but they took a strong view of government oversights, macroeconomic malfunctioning, financial malfeasance, corporate crimes and environmental degradation.

With the passage of time, the reaction of influential political leaders and heads of supranational institutions towards the stance taken by the anti-globalization lobby changed. They began to be treated with a degree of deference, even a trifle indulgence. Notwithstanding the fact that their demonstrations frequently turned

violent, these lobbyists were never summarily dismissed as ignorant anarchists and radical rebel rousers. Numerous instances are available to show that public leaders not only succumbed to their demands but also tended to agree to many of them. For instance, when the anti-globalization lobby demanded debt cancellation of the public debt of low-income developing countries in 1999 at the time of Cologne G-8 summit, Tony Blair proposed a debt-easing package. The Seattle Ministerial Conference of the WTO in 1999 was a high-water mark for the anti-globalization movement. During the Conference Bill Clinton cautioned the international trade negotiators and advised them not to ignore the “legitimate concerns of legitimate protestors” outside the conference hall. When the members of the anti-globalization movement were angrily protesting outside, Mike Moore, the Director General of the WTO, a former labor union leader, was saying in his address that he was of the same mind as many of the antagonists and that he agreed with their views on most issues.¹¹ The views of peaceful demonstrators were supported by Swedish authorities at the time of the Göteborg summit, when the heads of state of the European Union (EU) met at the European Council summit held in 2000.

James Wolfensohn, the two-term president of the World Bank, who had earned the reputation for being the plutocrat for the poor, routinely invited the representatives of protesters for serious discussions when they gathered outside in thousands at the time of the Bank-Fund annual meetings to protests against the “follies” of the ways of the IMF and the World Bank. Irish Rock star Bono of U-2 fame, who has a rare ability to build trust and empathy across an eclectic group of influential people, frequently attended the Bank-Fund annual meetings as a representative of the “civil society”. He is a generous philanthropist as well as a fund raiser for humanitarian causes. His viewpoint and position on development related issues is respectfully considered by the participants, many of whom unreservedly endorsed them. There is plenty of evidence available to show that the views of NGOs were not dismissed by the top political leaders and heads of the supranational institutions as thoughtless and shallow notions of non-serious and poorly informed people. During the Prague annual meeting of the IMF and the World Bank in 2006, Wolfensohn told an audience of finance ministers and central bankers, “Outside these walls, young people are demonstrating against globalization. I believe deeply that many of them are asking legitimate questions, and I embrace the commitment of a new generation to fight poverty.”

Rapid growth of the anti-globalization movement, particularly during the 1990s, was supported strongly by college and university students in the high-income industrial countries. Broadly speaking, globalization fell afoul of a younger generation, referred to as the generation X, the generation following the baby boomers, overwhelmingly dominates the anti-globalization activists and contributed to its strength. Idealists in this generation felt that capitalism as a system could never address the question of social justice. These are young people, born between 1965 and 1980, who are typically fairly well educated, under-employed, private and unpredictable. They were

¹¹ “If people, especially young people, say unemployment is too high, they are right. If unions want better wages and conditions for working people, they are right. If environmentalists say that growth must be sustainable—and not destroy planet’s ecological balance—they are right. When developing countries say that they are not getting fair access and economic justice, they too are absolutely right.” This excerpt comes from the opening address to NGOs at the *Seattle Symposium on International Trade*, on 29 December, 1999. It was published in the *Social Development Review*, 2000. Vol. 3, No. 4. pp. 88-106.

brought up on TV and PCs and are usually highly ICT savvy. They are regarded as less concerned about class, status and material wealth, but are more fitness, environment and socially conscious than the baby boomers. For them peace of mind is more important than leisure time. When they think they are right, Xers are not afraid of challenging authority. They are not anarchic but realistic and thinking people. Therefore, they recognize that it is usually unrealistic to directly confront issues, but better to get around them by lobbying and protesting. Identifying the downside of globalization and protesting against them came naturally to them. They regard globalization as capitalism run amuck. They accuse it for many of its social and economic limitations. Nothing upset them more than environmental degradation, for which they hold globalization responsible. Many of them are earnest and sincere about their causes.

5. Non-Governmental Organizations and Anti-Globalization Lobby

In general, NGOs include altruistic charitable “civil society” aid organizations, philanthropic groups, or voluntary policy-oriented citizens’ advocacy groups. In wider usage, the term NGO can be applied to any non-profit organization which is independent from government. NGOs are quasi-independent entities, which are value-based, task-driven and are organized at local, national and international levels. They are operated by like-minded people with common perspectives, interests and objectives. They are not directly affiliated with any national government but often have a significant impact on the social, economic and political activity of the country or region involved. Their presence and role has enlarged in the recent years. They are consulted by governments as well as international organizations. NGOs are generally respected for their strong grass-root links, field-based knowledge of economic development and the ability to innovate and adapt policies. They perform a variety of functions and carry citizens’ concerns to the governments, TNCs and supra-national bodies. They monitor policies and encourage participation essentially through provision of information.

Although the NGO sector has become increasingly professionalized over the last two decades, principles of altruism and voluntarism continues to be its strategic defining characteristics. The World Bank defines NGOs as “private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development” (Operational Directive 14.70). Their orientation is sometime economic and business, while on other occasions non-economic and non-business. They have high degree of interest in the developing economies and growth related issues, including globalization and its socio-economic impact. Some of the large international NGOs, like Oxfam, retain subject area experts and possess a significant stock of knowledge. Funded either by governments or charities, some of them also have deep purses. There are now tens of thousands of them in the world, operating in most countries. Aided by ICT-driven global networking, NGOs and their activities have expanded fast. They are highly media savvy. Especially, they make use of television in a skillful manner. Cognizant that their campaign could have an enormous impact when covered by modern mass media, NGOs paid a lot of energy and attention to using media and became increasingly powerful at local, national, and global levels.

5.1. NGOs and Supra-national Organizations

NGOs interested in influencing global economic policies and financial architecture take twin routes of direct public demonstrations and indirectly approaching the national representatives. The NGO-based class of experts, noted in the preceding paragraph, has worked its way into the UN system and other supra-national institutions. Many NGOs have become capable of having high quality dialogues with the supranational institutions, which has enabled them to have an impact over international agreements and supra-national institutions policy-making process. This became their mode of successfully influencing their globalization-related positions. NGOs played a pivotal role in their respective areas of operations. For instance, their impact on the formation of North American Free Trade Area (NAFTA), the Rio Earth Summit (or the United Nations conference on Environment and Development), on the Marrakesh Agreement establishing the WTO, and subsequent biennial Ministerial Conferences of the WTO, is widely acknowledged to be significant.

There are area and issue specific NGOs, for instance, the Berlin-based Transparency International is an NGO that maps global corruption and keep an eye on kleptocracy. Its data compilation capability and activities have expanded significantly over the preceding decade. Readership of its annual publication on corruption in different countries and the index of corruption grew at exponential rate. There are many others with significant expertise in their areas of focus, like environmentally sustainable development, human rights, or women in development, and the like. During the 1990s, NGOs began influencing the operations of the supra-national institutions in a meaningful manner. A United Nations (UN) Working Group report, published in July 1996, encouraged and accepted the role of NGOs in the UN system. The Economic and Social Council (ECOSOC) of the UN formalized the rules for NGO participation in the policy-making process in the UN system.

The World Bank is now officially committed to an open dialogue with the civil society organizations, that is, NGOs that are involved in the growth and development related issues, which includes globalization. The World Bank also dedicated a website for their activities. Following in its footsteps, the regional development banks set up full-fledged divisions to liaise with the civil society movement. The large industrial economies, those which are members of the G-8, also created NGOs in important functional areas. For instance, the G-8 created the Financial Action Task Force (FATF) in 1989 as an international regime against money laundering. The FATF set up practices and procedures that affected global banking supervision and regulation norms as well as enforcement guidelines. It coordinated international cooperation to prevent money laundering. The FATF practices were codified and have a strong support of institutions like the IMF and the World Bank. It is widely hoped that the NGOs will provide meaningful support in accelerating global policy convergence in different economic, financial, environmental and other areas.

5.2. NGOs and the Developing Economies

Several large and resourceful NGOs became self-appointed intermediaries between the industrial and developing economies. They perceived themselves as the representatives of the have-nots in the impoverished developing world. Paradoxically, this sometimes pitted them against the competing bodies in the developing economies, even developing country governments. Although their activism led to a great many constructive and positive results, not all was well with

the NGOs' developing country operations. There were instance of their clientele having strategic disagreement with them and the very poor people they were asserting to assist and save did not agree with the course of action taken or recommended by them. Often fundamental disagreements surfaced between those who benefited from their operations and the NGOs. One of the well publicized cases of differences in opinions was represented by the views of the local leaders who supported the resettlement and recreation packages that were devised for those affected by the Narmada Valley Project in India and the objections of the large NGOs to the project *per se*. Similarly, the National Authority in Palestine found that its functions as a state were often in competition with many European NGOs functioning in Palestine. The local leaders bitterly complained publicly.

Many NGOs played a proactive role in the globalization-anti-globalization debate. They are dead set against what they regard as "destructive" globalization. They compared some of the strategies that come under the rubric of globalization to "imperialism" and "feudalism". In the past, NGOs wholeheartedly supported the concept of Tobin Tax. This was a proposal by Nobel Laureate James Tobin to tax all speculative financial transactions. However, they soon shifted equally unreservedly to a general target of "democratizing the global financial institutions" (Wood, 2004).

Often NGOs gave an impression of having a bone to pick with globalism *per se* and the phenomenon of globalization. Not everybody concurs and supports this stand taken by the NGOs. Some large ones are not transparent regarding their financial operations and therefore have invited criticism. Cooper (2004; p. 45) blamed American and European NGOs for "their lack of transparency of funding operations and choice of issues and their tendency to speak on behalf of the world's poor without consulting them. Western NGOs and developing world's NGOs often hold diametrically opposed views on issues such as extension of WTO authority on global labor and environmental standards. Yet, largely due to better funding wealthy NGOs based in Europe or the US get most of the attention and often make their cases directly to intergovernmental organizations, bypassing national constitutional processes set up to facilitate compromise among diverse interests in pluralistic societies." Hindsight reveals that, disagreements apart, some of the globalization related causes picked up by them were indeed worthy.

5.3. NGOs and Transnational Corporations

It is widely acknowledged that NGOs frequently took a strong stand against the big business houses and TNC operations in the developing countries. They were absolutely convinced that the big businesses and TNCs' manufacturing operations in the developing economies represented the unseemly side of globalization. Therefore, TNCs became a prime target for the NGOs in their anti-globalization movement. While they may not always be right in this contention, NGOs are credited with influencing the behavior of the big businesses and TNCs, particularly their developing country operations. Levis, McDonalds, Monsanto, Nike, Shell and several others came under frequent pressure and often under heavy attack from them. Aware of the vulnerability of their image and brand name in the face of NGOs' protests, TNCs were not in a position to ignore their viewpoint. Anti-sweatshop activism of the NGOs found a vent in the opposition of some of the practices followed by TNCs in their manufacturing facilities located in the developing countries. Anti-corporate or anti-TNC protesters treated large business and TNCs as generic targets that signified

their multiple global ills. By protesting against them the anti-globalization movement was fighting global labor rights, environmental degradation, and other comparable policy objectives of global significance.

In their eagerness to appear as responsible actors in a globalized economic world big business houses and TNCs took several measures in response to NGOs protests. Their investment in corporate governance increased significantly. They were also made to develop Code of Conduct and Code of Practices to be followed by their developing country facilities. In their international operations, TNCs were made to put “people before profits”, as the slogan went. There were instances of TNCs donating technology to the host developing economy as charity. Thus viewed, NGOs did make a positive contribution to economic globalization.

Another encouraging result of NGO activism is that presently big businesses and TNCs organize sub-cultural events to demonstrate that their presence in the host developing economy is for improving peoples’ life not merely for making large profits. Positive results of this kind of self-regulation are truly praiseworthy. After the September 11 attack on the World Trade Center (Section 2), the environment changed and so did the manner of NGO protests against the TNCs. Direct attacks on them were mellowed. In general, intensity of protests against the corporate targets declined because NGO protestors wanted to distance themselves from any resemblance to the attackers of the World Trade Center.

6. Is Globalization in Jeopardy?

If many disillusioned people are averse to it and regard it as *bête-noir*, the contemporary wave of globalization could stall or even reverse. It happened not too long ago in the past, could it happen again? The most recent reversal of globalization occurred during the interwar period. That was an era known for disassembling the earlier phase of globalization. Its circumstances have been discussed by several analysts. There were two reasons that accelerated the inter-war deglobalization, first, the Great Depression and, second, those economies that were losers from the operations of the free world markets came under public pressure to protect their economies. An environment of trade wars was generated in a short time span. Is the current anti-globalization sentiment as critical as the one during the post-World War I period? Forces responsible for the setback to global integration during the 1930s included hostility among the erstwhile large and leading economic powers, increasing protectionist penchant, dominance of anti-liberal ideas, economic instability and economic rivalry.

A 2008 opinion poll, conducted in 34 countries, found that while there was general support for globalization (positive answer outnumbered the negative two to one) there was unease about some facets of globalization, in particular its pace of advancement. This discomfort was relatively higher in the advanced Group-of-Seven (G-7) countries. Of the 34,000 respondents, 50 percent considered economic globalization as moving too fast. This proportion was 57 percent in the G-7 countries. In the US, 58 percent of those polled believed that globalization is bad for the economy and only 28 percent were positive about its benefits. Majority (64 percent) of those polled in the G-7 countries also believed that gains and losses from

globalization were distributed unevenly.¹² People felt that benefits and burden of globalization were asymmetrically shared, therefore it was believed to be an unfair phenomenon. Also, rising unemployment among the low-skilled and unskilled laborers and problems faced by sunset industries in the G-7 countries due to the on-going globalization created similar political pressures. In addition, the Doha Round for multilateral trade negotiations (MTNs) progressed with difficulty before being suspended. This led to increased interest by the WTO member economies in regionalism. Bilateral trade agreements also proliferated. There was reasonable concern in some quarters that the political consensus supporting globalism may evaporate, causing a backlash.

For its advancement, globalization indispensably needs political support. Political argument supporting globalization is changing and has begun to be aligned with this public opinion. Presidential candidates in the US in their 2008 campaigns showed increasing skepticism about free trade. Nicolas Sarkozy favored what he called “community preferences”, implying that higher tariff barriers need to be slapped against imports from the non-EU economies. While his argument did not win many European enthusiasts, re-election of Silvio Berlusconi may change this environment. Although China is one-party state, government did seem anxious about some of the consequences of globalization and brisk growth. These include rural-urban income gap, high inflation and threatening levels of environmental degradation. Regional income disparities may increasingly make global capitalism touch sell in China. The BJP lost 2004 election in India, partly because of mistakes made in its globalization-related policies. Indian farmers and under-privileged classes found themselves economically stagnant, and saw themselves as the losers of globalization and heavily voted against the BJP. The “India Shining” campaign of the BJP fell flat with these large groups of voters. Rising world food prices were also blamed on globalization. Political leaders around the world have to come to grips with these pressures. Consensus that made adoption of neo-liberal strategies possible in the past significantly dwindled by the latter half of 2008 (Rachman, 2008). Unless corrective economy-specific policy measures are put in place, progress of further integration of the global economy may be retarded by escalation in political opposition.

As alluded to above, spiraling protectionism sentiment during the inter-war era did prove toxic for the previous wave of globalization. It was instrumental in disintegrating the global economy. The US economy, the largest during that period, adopted a protectionist posture, which culminated in the enactment of Hawley-Smoot Tariff Act of 1930. The strong US protectionist tendency encouraged other economies to do the same to retaliate. It advanced the break down of the erstwhile global integration. Global trade architecture has evolved considerably since then. After the eight rounds of multilateral trade negotiations (MTNs) under the sponsorship of the General Agreement on Tariffs and Trade (GATT), the trade and economic world of today is strikingly different (Das, 2007). A Hawley-Smoot Act like relapse to protectionism looks impossible. Besides, TNC operations and networked production have integrated the global economy far more at present than in the former

¹² This survey was conducted for the BBC World Service by the international polling firm GlobeScan, in collaboration with the Program on International Policy Attitude (PIPA) at the University of Maryland in January 2008. See “Widespread Unease about Economy and Globalization”. Available at <http://www.worldpublicopinion.org/pipa/articles/btglobalizationtradeera/446.php?lb=btgl&pnt=446&nid=&id=>. Washington DC. World Public Opinion. Posted on February 7, 2008.

era of globalization. Broadly spread out production networks entailing inter- and intra-firm production have produced intricately enmeshed relationships among business firms. These networks have elaborate horizontal, vertical and diagonal links. They form multidimensional lattices of production and economic activities. Transnational production networks operate at national, regional and global scales (Dicken, 2007). Most modern firms have global business interests. As they take a broad cosmopolitan perspective of their businesses, the managements of large firms generally do not collaborate with unions and ignore their protectionist demands. Developing economies, in particular the EMEs, have been endeavoring to attract foreign direct investment (FDI) and participate in regional and global production networks. In such an economic environment, traditional protectionist interest groups become irrelevant. With expansion of services sectors in most high-income economies and shrinking of manufacturing sector, proportion of labor-force adversely affected by the expansion of multilateral trade went down. Consumers became accustomed to imported products and regarded them as a means to improve their life style. These trends helped reduce the powers of the unions and unskilled workers, consequently protectionist pressures during the present phase of globalization are not as intense as they were in the past.

The groups who team up to protest against globalization existed during the earlier era of globalization also. They converged around two basic themes, namely, “radical socialism and racially-defined nationalism” (Wolf, 2005; p. 5). During that era, the antagonists demanded restrictions over the powers of the state over the economy and supremacy of the collective over the self-seeking individual. Conversely, the anti-liberal movements of the present period are not so narrowly based in terms of ideas. They decry institutions of economic governance and TNCs as well as band together against environmental degradation. As noted in section 1.1, these heterogeneous groups also include activists who spouse national, native culture, democracy and human rights related causes as well as anti-poverty and development lobbyists and left-leaning do-gooders. Drawing their encouragement from diverse and wide-ranging motives, these groups oppose globalization. They neither adhere to party politics nor have an alternative concept of running an economy. As noted above, the anti-globalization movement has lost the thrust and passion of the 1990s since the 9/11 attack (Section 7). Even if it had not, the various groups were “split in their objectives. (Although) part of what some protesters say—notably on the hypocrisy of advanced countries and the plight of the poor—is valid. But a political movement cannot beat something with nothing. A movement that offers only protest is unlikely to triumph” (Wolf, 2005; p. 6).

Some of the factors that played an important role during the deglobalization of the interwar period are not relevant and menacing for the contemporary wave of globalization. Besides, the economic policy repertoire of the contemporary period is far superior and can shield the losers of globalization better than during the earlier phase of globalization. Also, it is widely acknowledged that during the preceding three decades depth and scope of globalization has spread much more deeply and widely than that during the earlier phase. In addition, the egregious macroeconomic and monetary policy errors made during the interwar period are well known and widely recognized in the economic profession. Economic history of that period had provided the present policy makers with invaluable lessons. As regards the afflictions like the rising unemployment rate of low-skill and unskilled laborers in the advanced

industrial economies, economists and policy mandarins concur that the principal causal factor has been the skill-biased technological change. Factor price equalization through the expansion of trade, *a la* Heckscher-Ohlin theorem, did not have much to do with it. This implies that *prima facie* there is much less risk of a backlash of the kind that took place during the interwar period. A likely possibility could be of a partial backtracking or slowing down of the on-going globalization, which could be caused by “the leftward tilt of the body politic in the industrial world” (Roach, 2006; p. 2).

7. Waning of the Anti-Globalization Movement

The September 11 attack on the World Trade Center took the wind out of the sails of the anti-globalization movement. Holms (2008; p.5) called it a “dizzying setback” to the anti-globalization movement. It cooled off the fervor of the activists. Gathering to protest suddenly began to appear a much more sinister activity than before. Seattle-style shenanigans became anathema in an ambiance of injured patriotism. The activists woke up to the fact that there were larger threats and more important issues to protest against than Starbucks and Nike. The outrage and horror caused by the 9/11 attack made the anti-globalization movement look self-indulgent. In some countries, like the United Kingdom, where the May was devoted to anti-globalization parades, these rituals were called off. Attention of popular media switched to the much more sinister and threatening war on terror.

The Fund-Bank annual meetings began to attract much lesser number of protesters. The anti-Fund-Bank slogan of “Fifty Years is Enough” mellowed to a rather conciliatory requirement, asking for reforms of these institutions in lieu of their abolition. A consensus emerged regarding strategies of growth that need to be reviewed both at national and global levels. Homogenized or one-size-fits-all policies have increasingly been rejected. Likewise, the villainous properties of the WTO began to appear tolerable, indeed after some modification. The institutional acceptance of this was reflected in the Doha Development Agenda of 2001 (Das, 2005). A belief took hold that multilateral trade regime could be reshaped to serve the interests of the developing economies and the poor. In the September 2003 Cancún Ministerial Conference of the WTO, the developing economies joined hands as the Group-of-Twenty (G-20) for the first time. Although this Ministerial Conference failed to achieve its objectives, the developing economies succeeded in influencing the multilateral trade negotiation (MTN) process. As a group they could make their presence felt (Das, 2003).

The street theatre and protest marches of the anti-globalization activists weakened and slowed, but they continued at new places and occasions. For the n^{th} time, the members of the anti-globalization movement went into rampage at the sea-side resort town of Mar Del Plata, Argentina, in November 2005. This time the event was the Summit of the Americas. While some 10,000 anti-globalization demonstrators, much smaller number than before, marched peacefully in the morning, expressing their concerns by way of slogans and placard, but by the afternoon the tenor had changed. A few thousands of plucky activists became violent in protesting. They smashed shop windows and hurled Molotov cocktails and rocks at the local police force, who retaliated with tear gas and water cannons.

When the G-8 summit took place in Hokkaido's main city of Sapporo, in Japan, in July 2008, a little over a 1,000 demonstrators came from all over the world. Their campaign of the malcontents was understandably targeted at the rising global food prices and fuel prices, which were fast becoming menaces of universal proportion. However, the proceedings outside the adorned conference hall were more subdued and lackluster than inside, and were ignored by the visual news media (*The Economist*, 2008). Press coverage of the anti-globalization movement during this G-8 summit was conspicuous by its absence. The ultimate blow to the anti-globalization movement was delivered by the on-going (2007-09) global financial meltdown, credit crunch and the resulting recession. It is the most ominous economic crisis in seven decades. Few economies are able to escape its severe impact. The protesters were virtually nonexistent at the Group-of-Twenty (G-20) meeting in Washington DC in November 2008 and the World Economic Forum meeting in Davos in January 2009.

On the one hand the much needed political support for advancing neo-liberal policy structure and advancing globalization has recently been on a decline (Section 6), on the other the anti-globalization movement has not been as vigorous and violent. Although it has lost its primacy and the thrust it had during the 1990s, it was still going on in a restrained, subdued and muted manner. Activists had lost a good deal of their zeal and passion for the assortment of causes they were espoused to. The on-going recession has made the movement irrelevant. Rumors of the death of anti-globalization movement are not exaggerated.

8. Conclusions and Summary

Notwithstanding its successful outcomes in terms of income convergence of the global economies, many people of diverse background focused on some of the negative aspects of globalization and regard it as a malevolent phenomenon. Public disposition in the 1990s changed and the earlier celebration of victory of the free-market forces that had ushered in globalization and economic prosperity in many economies began to be perceived as a villainous force. A broad populist anti-globalization movement developed, which was noisy, raucous, sometimes violent, but in part successful and meaningful. The decade of 1990s is well known for it. The antagonists blame globalization for a litany of global economies malaise. In particular, in their discontent they linked behavior of large business firms and TNCs with the concept of anti-globalism. While fundamentally this was a movement against the policies of economic neo-liberalism, it was also a mélange of several cynical issues about which groups of people were disgruntled.

During the decade of the 1990s, the anti-globalization sentiment was buttressed by several global trends and incidents. It became strong towards the end of the decade. This article discusses the global events and trends which caused a great deal of embarrassment to the political and economic establishment. This mindset fed the anti-globalization movement, which grew in this ambiance of self-doubt, moral turpitude and consternation as well as general disorientation among the governments and ruling elites in the advanced industrial countries.

The anti-globalization movement was particularly opposed to the agendas and actions of supranational organizations of economic governance that are perceived to proliferate and advance the cause of globalism. In particular, it trenchantly protested against what they regarded as the sell-off of the global commons. Some of the other

evident causal factors that fired anti-globalization sentiment in the industrial countries included the charge of rising income inequality and *pari passu* worsening Gini coefficient in the industrial economies. The success of these critics of globalization was greater than justified by their social weight. The social base of the anti-globalization lobby comprises the middle-classes, essentially in the industrial economies and the NGOs, based in both developing and industrial countries. The general simplicity with which the anti-globalization movement started, changed in the early 2000s, when it became subtle and discriminating. The anti-globalizers grew less broadly opposed to globalization. They no longer sought un-globalization or dismantling of global networks of economic and other linkages. The anti-globalizers began to differentiate between different kinds of globalization and accept some while reject others.

Several developing economies have benefited from the onward march of economic globalization. Success of China, India and the other low-wage EMEs resulted in short- and medium-term employment losses in the industrial economies. This fanned anti-globalization sentiments. Rising trend in corporate profits in the industrial economies did the same effect. Globalization changed the *modus operandi* of the TNCs significantly. Over the preceding three decades their focus shifted from manufacturing products and services to producing brands and strengthening brand image. Anti-corporate sentiment and activism became more intense due to elimination of good jobs by large brand-name multinational firms.

Not everything was perfect with this movement; it was based on some misguided beliefs. The rationale behind some of the criticism of globalization by the antagonists was simply incorrect. Often critics took to conceptually flawed arguments. For instance, anti-globalization activists suspected the TNCs of wrong doings and declared that as a limitation of globalization.

Given the circumstances of the birth of the anti-globalization movement, the anti-globalization activists and protestors were treated more as lobbyists by heads of governments and supra-national institutions of global governance than as mere protesting mob, with anarchist notions. To be sure, there was a favorable side of these anti-globalization activists. This movement was supported by large and resourceful NGOs, which added to its strength. Several large NGOs played a proactive role in the globalization-anti-globalization debate. They were dead set against what they regard as “destructive” globalization. They even compared some of the strategies that come under the rubric of globalization to “imperialism” and “feudalism”. The September 11 attack on the World Trade Center took the wind out of the sails of the anti-globalization movement. It marked the waning of the Anti-Globalization Movement. The on-going global financial meltdown and recession dealt a death blow to the anti-globalization movement.

With so many disillusioned people averse to it and regard it as *bête-noir*, the contemporary wave of globalization could stall or even reverse. Popular opinion does not support it and is against its several aspects. Lately, political opinion has begun to turn against it. Consensus that made adoption of neo-liberal strategies possible in the past, significantly weakened by the latter half of 2008. Political leaders around the world have to come to grips with these pressures. Unless corrective economy-specific policy measures are put in place, progress of further integration of the global

economy may be retarded by escalation in political opposition. Although stalling or reversal of the present phase of globalization, like that of the previous era of globalization, does not seem likely, its advancement may indeed be slowed by political and populist pressures.

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