

Globalization for Poverty Reduction-Why and How? *

Globalization is the defining theme of the present times. Never ever in history goods, services, people, information and ideas had been able to move so easily across the national frontiers. Globalization has its manifestations that can be understood keeping in view its different dimensions i.e. social, economic, political and environmental. Generally it is equated with economic globalization which is more visible in the form of creation of institutions and processes facilitating flow of money, goods, services and information with scant regard of national frontiers. It further manifests itself in increased harmonization of fiscal, monetary, labor and trade policies and the increasing role of international financial institutions and multinational corporations along with diminution of the role of state in national, regional and sub regional economic development.

Scientific and technological advancement and economic development has provided the decision makers of the world the requisite tools to eradicate absolute poverty, hunger and disease and to guarantee minimal level of living for all human beings dwelling on this globe. Yet Poverty amidst plenty is the biggest threat to international peace and social order in modern times. The world today is much more unequal as compared to the early decades of previous century. Information revolution with the opening of new and varied communication channels has made it extremely difficult for poor people to remain unaware and ill concerned of the depth of the deprivation. A hungry man is an angry man. The rise in global terrorism, syndicates of crime, and groups of angry young people organizing in the name of religion, ethnicity and ideology is a grim reminder of the fact that the world leaders need to do something to eradicate absolute poverty and extreme inequality. According to the World Development Report, 2003, (P ix) “The core development challenge is to ensure productive work and a much better quality of life for almost 3 billion poor people today earning less than \$2 per day and for the 2-3 billion people to be added to the world’s population over the next 30- 50 years”.

The phenomenon of globalization has evoked strongest emotions from the Globalists and anti Globalists. The Globalists find little or no problem arising due to increased integration of markets and view with extreme skepticism any opposition to globalization .The opposition to globalization comes from diverse groups like environmentalists, socialists, anarchists, or anti imperialists which view globalization as an instrument in the hands of imperialists, neo colonialists and big multinational corporations. There is an element of truth in both the schools of thought. It needs to be understood, however, that the alternative to globalization is seclusion and isolation which cannot be a rational choice for any country in the present times.

Increasingly it is being recognized that the technological aspect of globalization which is the engine of change has already transformed the world beyond recognition. There is a need to develop and encourage a more humane face of globalization. It will be illogical to expect from the developed countries to abdicate voluntarily their dominance over the global system and to invest their riches for the amelioration of the lot of the teeming poor in the third world countries. Global civil society can however play a facilitating role by provision of technical and advocacy help to the nations which are making conscious efforts to come out of poverty and underdevelopment. They can generate sufficient pressure on the governments of the

* *World Trade Review* March 16-31,2004 and available at the following address
<http://www.worldtradereview.com/news.asp?pType=N&iType=C&iID=79&siD=14&nID=14096>

developed countries to de link aid from political and economic opportunism. A conscious effort on the part of enlightened members of civil society in developed countries can encourage the flow of funds towards the countries adopting progressive social and economic policies.

Primary onus of responsibility, nevertheless, lies on the leadership of the developing countries to adopt policies and strategies that provide facilitating environment for globalization to occur in such a manner that the fruits reach a wider segment of society and the resultant development is sustainable.