

We must ensure globalisation benefits all mankind, including the Third World

By FW de Klerk

The following is an edited version of a speech that F W de Klerk delivered at Charles University in Prague on September 11, 2009.

Future historians will regard globalisation as one of the most significant developments in human evolution. Nevertheless, globalisation has many critics. There have been vociferous anti-globalisation demonstrations at virtually every G8 meeting during the past decade. It is seen by its critics as a sinister process that enables First World governments and multinationals to exploit developing countries and to despoil our environment.

Cheap imports from Third World countries are often viewed by workers in developed economies as a threat to their employment and wage levels.

One of the greatest challenges presented by globalisation will be to ensure that it benefits all mankind - including the Third World. Another will be to manage it in an environmentally sustainable manner.

Globalisation is helping to close the gap between the First and Third Worlds. The past 50 years have witnessed the greatest advances made by human beings in the vast sweep of our history. During this period, literally billions of people have escaped from poverty and have achieved decent standards of living, education and wellbeing.

The UN Human Development Index (HDI) is perhaps the best way to measure this progress. It is a composite of per capita income; life expectation at birth, and education. It tells us broadly how prosperous, healthy and educated people are.

During the 30 years between 1975 and 2005, China's HDI improved from .53 to .77, and India's from .42 to .62 - on a scale where 1 represents the highest development. This means that for almost a third of the world's population, life has improved by more than 45 percent during the past 33 years.

The same is true of a great swathe of humanity from Egypt to the Philippines.

Globalisation has provided much of the motive power for this improvement in the human condition. Global trade - driven by new technologies and lower tariffs - increased from \$1.6 trillion (R12.1 trillion) in 1970 to more than \$10 trillion in 2005.

All this has been translated into more jobs and higher wages for workers all over the former Third World. Life has also been immeasurably improved by new technologies, better medicines and health care, and better food. Two billion people now have cellphones and hundreds of millions in the developing countries have access to the internet.

Asia is beginning to move back toward the dominant position that it held in the global economy before the 19th century. In 1820 it produced 58 percent of the planetary product. By 1950 - when most of Asia was seen as being part of the Third World - its share had declined to only 18 percent. It is now 38 percent and is expected to increase to 52 percent by 2030. What this means is simply that within a couple of decades a great and growing majority of the world's population will have joined the First World.

Unfortunately, this is not true of all parts of the Third World. Improvement in the HDI has been much slower in Africa than in Asia and Latin America. In some populous countries like the Democratic Republic of the Congo, it has actually declined over the last 33 years. The bottom 20 countries on the HDI are all in Africa - and African countries comprise 38 of the bottom 50.

Between 1960 and 2000, the HDI in the developing world as a whole increased from 0.260 to 0.655. However, in Sub-Saharan Africa it increased only from 0.2 to 0.486.

These are dry statistics, but they represent very real human deprivation in the form of grinding poverty, disease and ignorance. This is where the Third World continues to exist - and it is here where the world's attention and assistance will increasingly have to be focused.

The challenge for the world - and most notably for Africa itself - is to address the root causes of the vicious cycle of poverty, conflict and poor governance in some parts of their continent. There is a great deal that the international community can do to make the economic playing fields more even.

Steps should be taken to increase Africa's diminishing share in global trade - which declined from two percent in 1980 to one percent in 1999. Although First World nations are quick to give lip service to the need to help develop African economies, they are often ruthless when their own interests are adversely affected.

The tariffs that they impose on agricultural imports from Africa are four to seven times higher than the tariffs they impose on manufactured exports. The developed countries continue to subsidise their farmers to the tune of US\$ 280 billion per annum. By so doing they make it difficult for Africans to compete in the one area where they might have a competitive advantage.

The international community should also encourage African countries to implement the goals that they have set for themselves in Nepad - the New Partnership for Africa's Development. These include steps "to consolidate democracy and sound economic management on the continent". Specifically, African countries have pledged themselves to promote peace and stability, democracy, sound economic management and people-centred development. They have also promised that they will hold each other accountable in terms of achieving these goals.

Globalisation is here to stay - despite the setback presented by the current financial crisis. It has also created enormous potential for economic growth and human development throughout the world. Our challenge is to ensure that all humanity benefits fairly from the advantages that it offers. Most importantly, we must meet this challenge in an environmentally sustainable manner.

I look forward to a new era in our globalising world when there will no longer be such enormous divisions between the rich and the poor, between the developed and the undeveloped, and between the free and the unfree. I look forward to a time when there will no longer be a Third World.

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