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**THE CHALLENGE OF GLOBALISATION AND  
THE SHAPING OF NEW WORLD ORDER**

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## THE CHALLENGE OF GLOBALISATION AND THE SHAPING OF NEW WORLD ORDER

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The century alternation and millennium change is the beautiful moment for the people to recall the past and compare it with the present, and look forward to the future. As we look at the vicissitudes of the millennium and review the changes in a century, history can provide us with rich experience and enlightenment and reinforces our confidence in opening us a new century.

At the turn of the millennium, all major powers are adjusting their relations for mutual help so as to have a more favourable strategic status in the 21st century.

The international community is heatedly discussing the world's possible development ways in the 21st century. The Millennium World Peace Summit, held within the UN framework in September 2000, was a symbolic event in this sense.

There are many reasons why politics today is global. First, the revolution in transportation, communications and informatics has dramatically expanded trade and cultural connections. This has vastly increased interdependence. No longer is there absolute independence. And, neither can there be autarky even the last holdout, North Korea, has begun to emerge from its shell. Second, to regulate global contacts, nations have set themselves binding rules. The latest rules, and by far the most ambitious in history, are those of the World Trade Organisation which has set the ceding of a degree of national sovereignty as the price of doing business. Third, the spread of liberal democracy and the rise of the middle class across the world have

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resulted in a greater awareness of human rights issues and of the need for environmental protection. Finally, there is increased scrutiny.

At a time of globalisation, with the world growing closer through, among other things, new media and information technology, dialogue on values with the framework of international policies is increasingly important. International relations no longer consist of just bilateral relations between classic nation-states and groups of states (such as the European Union, ASEAN, NAFTA), but are becoming more closely interwoven with respective domestic policy discussions and situations.

Trade and economic activity is becoming increasingly important in international politics, and economic interdependence and globalisation have emerged as a major global trend. As a result, managing these processes in such a way as to ensure equitable development and avoid marginalisation of the weak and vulnerable has become a major challenge. The Asian financial crisis that spilled over to other parts of the world has made it evident that a major adaptation is needed in individual countries, regionally and globally to address the opportunities and the challenges associated with globalisation.

From the viewpoint of world politics, the essence of these changes concern, above all, globalisation. There is a growing rapprochement of countries and regions and there is greater interdependence. The problems, which until recently were regarded local or regional, now more frequently concern, directly or indirectly, the interests of all. It is apparent that the importance of predictability and controllability of international processes is growing dramatically in this situation.

### **Unipolarity**

The world today is undergoing rapid changes. The Cold War world order, under which the international community was polarised between the capitalist and communist poles, was dismantled with the disintegration of the USSR in 1991, an unexpected and immensely unsettling world event with which the world has not quite come to terms. With this, the ideological conflict between

capitalism and communism was over, and a unipolar system, with the United States at its apex, seems to have now emerged. In spite of denials, the US fancies itself as a global policymaker not as an impartial or just one but a corrupt and bullying one who invokes law on the basis of his whim and fancy. The emergence of that single power was heralded by the high-tech conventional war fought against Iraq in 1991.

However, the nature of power in the world is undergoing a change. During the Cold War, the concept of power was defined more or less in terms of military power. In the aftermath of the Cold War, the nature of power has shifted from military to economic strength. Now, the trend is to place weight on scientific and technological prowess, which serves as the basis for economic and military development.

The impact of such a change is great since it is accompanied by the movement of civilisation onto a new historical stage. Civilisation has developed through the stages of migratory, agrarian and industrial societies. Having graduated from industrial society, advanced nations are now moving into another stage; post-industrial society, often called information society. In an information society, technology and knowledge serve as the dominant source of power. The advanced developed nations of Europe and America, and such Asian nations as Japan, India, Korea, Taiwan, Hong Kong and Singapore are in the process of becoming information societies.

These complex structural changes are prompting changes in the world order. The direction and shape of this world order is determined by international dominance which, in turn, is determined by a combination of military, economic and science-technological power.

No single event in modern history has so radically transformed the world as the disintegration of the USSR. The rise of Pax-Americana, the emergence of IMF and World Bank as potent instruments shaping national economic policies, and the growth of a power disequilibrium in Asia are all the outcome of that solitary event.

As the ineffectiveness and deficiencies of communism have been

revealed, many countries are adopting free market economies. The success or failure of former communist states will depend on how rapidly and smoothly they dismantle their legacy and establish capitalism in its place.

As economic integration takes place, a process of political and social integration is also under way. Everywhere, the nation-states are facing a crisis of identity. Trading blocs have become more relevant to people than nation-states.

In other words, our world is transforming into a transnational society transcending national borders. And the revolutionary development in the field of transportation and communication has turned our world from "a space of the one-day-life" into "a space of simultaneous life."

The globalisation of economy led by the development of the multinational corporations, the growth of trade volume, the opening of labour markets, and the increase of cultural exchange is making the world a truly cross-cultural society which will in the long run make all the people of the world global citizens with perhaps one single unified society and culture.

### **Europe in a Changing World**

As various researchers have found, the globalisation of markets transcends the nation-states and pushes towards their replacement by supranational bodies.

Leaders such as Britain's Tony Blair have responded with a "Third Way," which seeks to place the nation-state firmly at the heart of globalisation. While a government's role may not be to intervene in the market, it can be in helping markets function properly and efficiently; and when there are social costs involved, to lend a hand. Understood this way, the nation-state is not retreating, just repositioning itself as an integral part of globalisation. But, while many European leaders have responded favourably to this new view, none has successfully shown how to translate it into policy. However, there is indeed a way.

On the other hand, we are witnessing a return to the nation-state.

In the numerous scenarios concerning the institutional evolution of the European Union at the Inter-governmental Conference of 1996, various ideas were expressed by the nation-states, concerning their social, economic, political and cultural particularities. The process of European integration and its development has so far been set in motion by nation-states believing in the concept of co-operation, security and stability.

The European Community a system of states and a structure of co-operation among sovereign and equivalent states started as a Common Market and today, after more than forty years, it aims at political integration, i.e., something higher, more advanced and superior.

The institutional system of the EU seeks to define a "common European interest" with the aid of various mechanisms. Today, the nation-states that have become smaller due to the globalisation of the economy, the startling development of commercial relations, and the emergence of the "society of information", cannot play a leading role by themselves and therefore seek to be incorporated in various projects of co-operation.

This process has turned Europe into a zone of peace, economic progress and social stability, after the human losses and devastations of the two World Wars during first part of this century. Today, no EU member sees a contradiction between its basic national interests and European integration. On the contrary, all of us are aware that our national interests in today's globalised world can only be served in a European context.

The process of enlargement of EU has started. Negotiations with the first six candidates Poland, Hungary, the Czech Republic, Slovenia, Estonia and Cyprus have begun and will hopefully be concluded soon.

Europe will have to face the political consequences of its new status. As an economic giant, Europe cannot afford to become a fortress. Power and influence imply greater responsibility. The emergence of Europe as one of the major global players might take

time, but already in the monetary and economic area Europe is now a force to reckon with. Europe certainly will become a solid pole in a new multipolar world. An open Europe will continue its proven and close partnership with the US and Canada, as it will continue to develop its relations with Russia and Ukraine. There can be no new divisions in Europe. Also, with Asian countries and regions there exists a close co-operation based upon a well-established contractual framework.

### **World History Moving Westward**

Globalisation is based on the belief that the collapse of socialism in the Soviet bloc was a triumph of Western ideology and its values. It was proclaimed as the end of an era in history.

Francis Fukuyama expected no further challenge to the West. He saw the world of the 21st century driven not by globalisation, i.e. economics and trade, but by religion, i.e. by civilisation. He saw these civilisational blocs evolving into political and trade blocs.

Toward the end of the Middle Ages, the powers of Southern Mediterranean Europe, led by the Italian city states, accumulated wealth by trading with the Middle-East and achieved cultural excellence during the Renaissance. By the 15th century, during the age of exploration, the centre of world history moved West, where the Atlantic nations of Spain, Portugal, the Netherlands, Britain and France thrived.

As the 20th century dawned, the centre moved westward again to the "New World".

The stature and influence of the United States increased as a result of World War I, which subsequently led to its status as a superpower by the end of World War II. By winning the Cold War, the United States has again emerged as the supreme power, becoming the centre of the world today. However, through excessive involvement in overseas affairs including the Korean and Vietnam wars, the United States has squandered its national power. Meanwhile, Asian nations are rising out of the ashes of war and are achieving

success in rebuilding their nations. Japan is at the head of this race, followed by a group of newly industrialised economies such as South Korea, Taiwan, Hong Kong and Singapore. A third up-and-coming group includes a number of ASEAN (Association of Southeast Asian Nations) states, China and Vietnam.

If we go by growth models, then Asia has a better claim for recognition, for example, China, South and Korea. Even India can claim to be a good model of mixed economy. It has a good record of being free from crises.

In the past 50 years, Asia has been the most dynamic economic region. And, it has been guided by its own experience, not by the US model. If Asia keeps up its growth, China will emerge by 2020 as the supreme economic power. The USA will be second and Japan third. The fourth will be India, followed by Indonesia, South Korea, Germany, Thailand, France and Brazil in that order. (World Bank estimate).

The United States is opposed to any change in the international status quo or a westward shift in the centre of world power. The objective of US world policy lies in retaining US supremacy. One of its strategies calls for an active promotion of the Asia-Pacific Economic Co-operation (APEC) grouping. On the other hand, to cope with the challenge posed by the EU, the United States formed the NAFTA regional trading bloc. It is also exerting its efforts to create and lead a Pacific regional grouping of East Asia and Pacific-Basin nations.

### **Risks and Uncertainties**

The destruction of the bipolar world is a major factor affecting international relations. For all practical purposes, we now live in a unipolar world in which the USA maintains the world order. But, as it plunges from one crisis to another, it is evident that the system it is trying to impose on the world is faulted. And what is more, the future of America is itself uncertain. More the reason, why it will try to impose its will on the rest of the world. Globalisation is a means to achieve this end.

However, International community is trying to keep pace with an ever more globalising world, because of the feeling that globalisation draws the nations together. It expands markets and opens the world.

But, globalisation has also compounded risks and uncertainties. One of the great challenges today is to manage and minimise these risks and uncertainties.

Western ideas of individualism, liberalism, constitutionalism, human rights, equality, liberty, the rule of law, democracy, free markets, the separation of church and state, often have little resonance in Islamic, Confucian, Japanese, Hindu, Buddhist or Orthodox cultures.

Western civilisation is both western and modern. Non-Western civilisations have attempted to become modern without becoming Western. Non-Western civilisations will continue to attempt to acquire the wealth, technology, skills, machines and weapons that are part of being modern. Their economic and military strength relative to the West will increase. Hence, the West will increasingly have to accommodate these Non-Western modern civilisations whose power structure endeavours to catch up with that of the West, but whose values and interests differ significantly from those of the West. This will require the West to develop a more profound understanding of the basic religious and philosophical assumptions underlying other civilisations, and the ways in which people in those civilisations see their interests.

The central axis of world politics in the future is likely to be in the conflict between the West and the rest of the world and the responses of Non-Western civilisations to Western power and values. The most prominent from of this co-operation is the Confucian-Islamic connection that has emerged to challenge Western interests, values and power.

Conflicts between civilisations will be the latest phase in the evolution of conflict in the modern world. The fundamental source of conflict in this new world will primarily not be ideological or economic. The great divisions among humankind and the dominating

source of conflict will be cultural. Nation-states will remain the most powerful actors in world affairs, but the principal conflict of global politics will occur between nations and groups of different civilisations.

Globalisation should contribute towards the creation of a world that offers equal opportunity and not any obliteration. This tendency of threatening diversity and unique cultural attainments through globalisation and the technological revolution we must guard against. Promotion of universalism must also not become a means to undermine the rich diversity of the human race, thought and civilisational accomplishments. There should be no attempt at a standardisation of global cultures and civilisations.

### **Dawn of the Asian Century**

The European age has ended. The centre of gravity in world affairs has shifted, Europe has to be seen as a peninsula at one end of the great Eurasian continent. The growth of the role of Asia in world affairs is to be correctly sensed. The trend was given a powerful impetus after the collapse of the two-bloc system. Besides, the economic successes of India and China and their ability to overcome the 1997-98 financial crisis, predetermined the growth of their importance in world economy and politics.

The logic of this new paradigm should be clearly understood by people who have been conditioned by five decades of Cold War logic. Today, none of the major actors in the international balance of power US, China, European Union, Russia and Japan will go out to claim an adversarial relationship with this order even as they compete and often strongly disagree on major issues. If in this new paradigm, India is to play a global role, it has to improve its relations with China, India and China have noted that important mark of the development of multi-polarisation is the continuous emergence of regional organisations and groups.

India is a potential balancer of power in Eurasia, a reservoir of talent for the US, a nation with no basic clash of national interests

with the US, ideologically on same wavelength as a democracy and an English-speaking nation. India, however, cannot be depended upon to toe the US line as happened in respect of the bombing of Kosovo or sanctions against Iraq. But, the nature of the new Indian diaspora in the US gives the US the confidence that India can be strategically managed to its advantage. This appears to be the new US strategy and consequent paradigm change.

India has been implementing economic liberalisation policies since 1991, and it repelled from the influences of the Southeast Asian economic and financial crisis. The present administration is now undertaking second generation economic reforms, and I wish to pay tributes to the Indian government's strong determination with regard to economic reform, and also to India's economic performance, symbolised by the remarkable development in the field of IT. As a result of unprecedented progress in information technology, access to and the availability of information increased, activities of civic societies gained momentum. Today, when mankind is faced with a number of trans-boundary, economic, social and environmental problems, culture of mutually beneficial co-operation has acquired an outstanding importance. The Indian culture is already a global diaspora. It already is in communication through new technologies around the world.

India and China are not state-nations, but civilisation-nations. The civilisation principle as the rallying factor is probably more important for India, because the dominant influence of the Han people in China is playing an exceptionally large role in terms of the unification of the country.

Today, most countries accept the new World Order and the supremacy of the US and, by extension, of the West, except China, and so far, India.

China has its own agenda. It seeks not just parity with the single super power, the US, and the restoration of a second pole, to prove that it can balance the power of the US as the Soviet Union had done in the past. There are signs of hegemonic interest as well.

The containment aspect vis-a-vis China comes through the policies of the concert of democracies, the relationship with Japan, India, Russia, Central Asian Republics at a not too distant future. It also involves increasing US military capabilities in the Pacific and Indian Oceans. Ideologically, democracy supported by IT and the globalisation process should also be powerful instrumentalities in containing Beijing. The US is also confident that the rhetoric on the desirability of a multipolar and polycentric world will not unite the other five Eurasian powers enough to pose a real challenge to her.

### Asian Values

In the 21st century, the international system is expected to go through three stages of development. In the first stage, the world will witness a continuation of the US led unipolar system. The United States is expected to maintain such supremacy through the first decade of the 21st century. Though transitional in nature, the current unipolarity is likely to continue for two or three decades. This stage actually began at the start of the 1990s, when the Soviet Union and its system began to disintegrate.

In the second stage, the world will witness a multipolar system where East and South Asia, Western Europe and North America will share international dominance and jointly manage the international system while maintaining a balance of power among the three regions.

Asia's independence is needed for Asians to prepare themselves for competing squarely with Europe and the Americas under a multipolar world order beginning in the 2020s. This second stage will cover two to three decades starting from around 2010.

In the third stage, Asia will establish superiority over other regions. In other words, apart from the Middle East where diversity is prominent, East Asia should unite and try to become the world's centre stage. It would be in this stage that Northeast Asia should merge with Southeast Asia to form an 'East Asia Community'.

Under a multipolar setup, competition among the continents and among regional communities will intensify. The task for East Asia would be to establish its superiority in this stage, which would continue through the middle decades of the next century.

When European industrial powers mounted expansionist, colonial offensives in Asia in past, movements advocating Pan-Asianism began in the latter half of the last century, prominent among its votaries were China's Sun Yat-sen and India's Jawaharlal Nehru. Japan's war-time drive for a "Greater East Asia Co-prosperity Sphere" could be considered one such Pan-Asianist concept.

Pan-Asianism is the concept that Asians should free themselves from the domination, pressure and influence of Europe and the United States, whose culture and interests they do not share, and should unite and co-operate so that together they can preserve their culture and interests. This is an advocacy of Asian self-determination, an "Asia for Asians" movement. The concept stresses the need for Asians to approach and solve Asian problems themselves. Such an idea can be described as a manifestation of Pan-Asianism.

But Asia's "common cultural bond" requires a different approach as a look at the Asian map confirms its cultural diversities. In the Indian subcontinent, India and Nepal have a mainly Hindu character and a strong minority exists in Indonesia (Bali), Malaysia (with Brunei), Indonesia, and Bangladesh are Islamic; Indonesia with its roughly 200 million inhabitants being the most populous Islamic state in the world. In the case of Buddhism, the situation is more complicated. It has a formative influence in Indochina, in Thailand and in Bhutan it is the state religion, and in Burma, Laos, Cambodia and Sri Lanka the majority religion. Other currents of Buddhism determine religious life in Tibet (Lamaism) and Mongolia. It is impossible to define the religious character of China, Japan and Korea in terms of majority and minority concepts. Consequently, it is much more difficult to define Asian values than European ones, since the discussion on values in each Asian country varies due to the heterogeneous religious background.

The Asian financial crisis was a tragedy that occurred because of globalisation. Not because globalisation is bad, but because many in Asia were insufficiently prepared for it. Nevertheless, there is a bright side too. It awakened many in Asia to the fact that they had been slow to adjust to the new rules. It also reminded us all that under the pressure of technological innovations and globalisation, the importance of our moral virtues had been overlooked.

#### **Asia: A More Active "Global Villager"**

Historically, contact between different people and cultures has stimulated creativity, introducing new concepts and ultimately enriching people. Thus empowered, people are less concerned that their cultural distinction may be washed away by the wave of globalisation and the standardisation. It inevitable brings in areas directly affected by market forces. In short, they become more willing to accept the further expansion of globalisation.

The belief among many Asian governments that they can selectively adopt what they feel to be 'good' aspects of globalisation, and sidestep inconvenient and 'bad' ones, will be difficult to sustain. The global accountability that comes with the benefits of globalisation ultimately will increase pressure by their citizens for domestic accountability.

When analysing the Asian financial crisis, most economists and mass media had attributed it to internal unhealthy economic factors like bubble economy, poor management and corruption in the concerned countries.

Riding on the wave of globalisation, international communities, developing countries in particular, should take precautions against the attack of a global financial turmoil.

The dollar crisis in the 1970s, Latin America's debts crisis in the 1980s, Mexico's financial crisis in the 1990s, and the ongoing Asian financial turmoil, all are the reflection of fragility and imperfection of the existing international financial system.



Even an economic superpower like Japan whose currency has been well internationalised cannot successfully control its macro-economy. For most developing countries whose financial capital and instruments cannot stand comparison with that of consortia and super international financial institutions, their currency problems are naturally more complicated. Since the Asian financial crisis erupted, each Asian currency devaluation has made the crisis more global.

Routine appreciation of India was aplenty for having remained an island of peace and escaped the impact of Asian crisis. There are seven solid reasons behind the relative economic stability in India in the face of the Asian crisis: strong macro-economy fundamentals, fiscal prudence and monetary discipline, deregulation of the system, a liberal policy on foreign investment, 'calibrated' steps towards capital account convertibility, firm control on the short-term foreign debt, and limited bank exposure to the speculative sectors like real estate and shares.

The new century is calling for a new international political and economic order. A global economy requires global co-ordination and co-operation; an informationisation "global village" requires that a new international political and economic order serve as "village rules and regulation" in the new century. Along with the in-depth development trend of political multi-polarisation and economic globalisation, expediting the establishment of a peaceful, stable, just and reasonable new international political and economic order has become an urgent question before the various countries around the world. This new international political and economic order should be an order which stands diametrically opposed to dominance and power politics, entails a fundamental change of the unjust and unreasonable international economic relations, reflects the general desire and common interests of the people of various countries, and represent the orientation of historical development and the demand for progress of the times.

## Globalisation and Third World

The 20th century will be remembered for its numerous socio-political and cultural upheavals. Many of the Third world countries have undergone sea changes.

All former colonised countries sprang up into a never-before type of consciousness of their own political destiny, and democracy is running high in every one of them. Confrontations of different political ideologies and blocs are gradually moving into a global free market economy.

Globalisation is creating the opportunities for those with assets, skills and crucially the education needed to operate increasingly competitive markets. Those without the landless, the urban poor and the illiterate are being left behind.

Many developing countries are still confronted with great difficulties in their economic development and the gap between the North and the South and the gulf between the rich and the poor are widening. On the one hand, it is the continued accumulation of wealth by developed countries in the North, and on the other, the aggravating poverty of developing countries in the South. The rich are getting richer, and the poor poorer. Not all countries have become beneficiaries of the development of modern science and technology and economic globalisation. Imbalance in world development is becoming more acute.

By sidetracking these ideals, the West has continued with its old attitude of "Social Darwinism". The latest Human Development report shows that 20 per cent of the people control 86 per cent of the world's GNP, 82 per cent of the export market and 68 per cent of the foreign direct investment. As against this, the bottom 20 per cent of the people are compelled to live with income of only \$1 a day and get a share of 1 per cent of the world GDP, 1 per cent of foreign direct investment.

We have heard a lot of debate recently about globalisation from both detractors and promoters. But we tend to hear very little from

one group of people affected by globalisation: those in developing countries who are running businesses and providing jobs – sometimes to thousands of workers, sometimes to just a few. All these people are part of the developing world's burgeoning market place. The businesses range from sophisticated, technology-driven operations to dirt-floor factories where dough is draped over bamboo rods to make noodles. Entrepreneurs of the developing world and many of the people they employ see globalisation as their way of salvation from poverty. According to the World Bank, at a time of unprecedented wealth for many countries, 2.8 billion people almost half the world's population live on less than two dollars a day. Of these, 1.2 billion people live on the very margins at less than dollar a day. Between 70 to 95 per cent of the labour force in developing countries work in agriculture and, in general, poverty rates tend to be higher in rural than urban areas. In India, where around 30 per cent population is below the poverty line, the average income of these is far below the global average. A significant percentage in this country has not even a dollar a day and as we all know, large number of Indians sleep in the open and live on charity, begging and scrounging. They have no place in society, no political forum, no voice and are helplessly exposed to exploitation by the unscrupulous. The women and girl children in this category are the worst victims.

The path is clear. It will not be enough if all that the governments have to do is stabilise, liberalise, sit back and wait for globalisation to deliver the poor from poverty. Although economic growth is self-evidently needed to raise the average incomes of the poor and reduce poverty, yet the rate by which growth is converted into poverty-reduction will matter vitally. This is a function of the distribution of income and opportunity. Available evidence indicates that current patterns of growth and globalisation are widening income disparities and therefore acting as a brake on poverty-reduction.

#### **Multi-Polarity vis-a-vis New International Order**

Today's world is experiencing profound and hopeful changes. The international situation is tending to be relaxed as a whole. The

effort to win peace, seek stability, promote co-operation and quest for development has become an irresistible historical trend. The demand of the people of all countries for treating each other on an equal footing and getting on with each other in friendship is growing stronger with each passing day. The relationship between big countries is undergoing profound re-adjustment, the tendency toward multi-polarisation of the world is developing. Such development conforms to the objective law of diversity of the world.

The position and influence of the vast number of developing countries is growing stronger. Factors in safeguarding peace are on the rise. The economic co-operation and cultural exchange among various countries has never been so extensive and profound as this are today.

Science and technology are achieving rapid progress. There has appeared the linking between the knowledge and economy. Fledgling industries have emerged one after another. The international market has expanded from day-to-day and production factors are flowing at an accelerated pace. Human civilisation and progress has burst out infinite creative power and is pushing the world into the new millennium.

In the world economic arena, the trend of globalisation is developing at an accelerated pace. Economic globalisation is like a 'rapier'. On the one hand, it can boost world economic development through cross-national-boundary capital flow, technological exchange and the rational allocation of production elements, bringing development opportunities for various countries. On the other hand, the developed countries, which grasp the main power to formulate international economic game regulations, are the greatest beneficiaries, but the majority of developing countries gain no benefits therefrom. Some of them are even being driven to the 'verge'. Economic globalisation has entailed unprecedented, intense international competition. Financial and economic risks have increased the gap between the rich and the poor has further widened, digital gulf has been deepened many times, contradiction between the North and the South has become ever-sharper.

In this connection, the trend toward multipolarisation is in the interest of world peace and stability, and multipolarity is better than mono-polarity. World affairs must not be dictated by one single country or a handful of countries. Many big powers, such as India, Russia, China and France subscribe to this perception.

All countries, big or small, rich or poor, strong or weak, are equal members in the big international community and should be respected, they assert. For instance, France has expressed the view that globalisation should not lead to world-wide uniformity, globalisation should not undermine poor countries and national identities or work against social justice.

India stands for a multi-polar world and has agreed that a single superpower should not be allowed to dominate the world and promote 'uniformity by the lowest common denominator', in an apparent allusion to the United States.

For Russia, the global multipolarisation will contribute to its endeavour to restore its major power status. Suspicious of the West, Russia probably needs India - and China - to create a multi-polar world.

In a sense, then, renewed emphasis on strengthening ties with China and India both are seen as states notching up impressive economic victories has been a natural concomitant of Russia's disappointment with the West after the environment became significantly uni-polar. Being large, nuclear-capable, states that are up on their feet in the economic sphere, China and India, in Russia's eyes, can help provide a ballast to the construction of a multi-polar reality.

Globalisation should not be understood as just an economic idea. It also means a whole series of other changes in the nature of governance, changes in the moral nature of the world community and changes in cultural communication. It also means changes at the level of everyday life and family. At its simplest, it is increased interdependence.

The US global strategic policy is aimed at sustaining its primacy as the sole superpower, ensuring that its citizens will enjoy one of the highest per capita income in the world and its position as the leader of technology in the international community. There are two options open to the US in regard to the strategy it needs to adopt for this purpose. The first would require a policy of engagement and containment vis-a-vis the US's nearest challenger, namely, China. The second would mean developing a Eurasian balance of power comprising China, Russia, Japan, the European Union and India, manipulated from the outside by the US. This model, which the British practised during the 19th century, would involve the US having friendlier relations with each of the major actors, than they would have among themselves. This strategy will ensure for the US primacy as the only global power, as well as the ability to draw the best talent from the rest of the world to contribute to its technological lead. There is widespread expectation that as the Chinese power grows, and it remains outside the mainstream international value system of democracy, a new bipolar rivalry may develop. On the other hand, the Eurasian balance of power will be a less confrontationalist and more advantageous strategy for the US. India would find it difficult to go along with the first strategy, as the preferred Indian strategy in a bipolar situation would be non-alignment. On the other hand, if the US is attempting to develop the second model then India would have no difficulty. In playing the game, India has to ensure that it gets the optimum advantages in economic and security terms.

### Epilogue

Over the past 100 years, people of all countries have waged unremitting struggle for human rights and basic freedom, winning brilliant achievements; they have eliminated the fascist demons who wreaked havoc over the vast land of Asia and Europe; they have smashed the shackles of colonialism that had lasted for several centuries. The vast number of Asian, African and Latin American countries have won national liberation and national independence. Socialism has turned from ideals into historical realities in some

countries and has continued its victorious advance after meeting with serious setbacks.

In the long process of history, the period of 100 years is only spindrift in a twinkling. In the 20th century, however, the material and spiritual wealth created by human kind far exceeds that of any previous age, bringing about tremendous economic and social development. It is regrettable that people have also experienced unprecedented suffering during this century, particularly suffering from the calamity resulted from the two world wars. However, world history has always been created and written by the people of the world. Therefore, justice invariably triumphs over evil, brightness over darkness and progress over backwardness.

Countries are now readjusting relations among themselves, centering on a series of major issues such as regional security, the economy and finance, and sustainable development.

In this context, changes and impact ensuing from the readjustment of relations among big countries have drawn extensive attention.

On the issue of economic globalisation, economic relations are an extremely important aspect of the current international relations.

Internal globalisation is the inevitable result of the worldwide flow and allocation of the essential factors of production and hence the trend of the times.

On the whole, this is conducive to international interchange and economic development.

However, for the vast number of developing countries, particularly those whose economic strength is still fairly fragile, economic globalisation not only brings opportunities, but also enormous risks and challenges.

Removing economic inequality, both between and within nations, and ensuring that development does not suffer for want of funds, are two of the challenges that we have to collectively meet in the new century.

In globalised economy, poverty eradication cannot be treated as exclusive responsibility of individual nations. Therefore, a new global strategy against poverty is called for.

Globalisation should become a positive force for the entire world population in solving its real problems-poverty, marginalisation and inequality. While some were participating in globalisation others were not, since a lack of freedom, education, health and - or nutrition prevented them from taking full advantage of its potential.

We believe that the central challenge we face today is to ensure that globalisation becomes a positive force for all the world's people. For, while globalisation offers great opportunities, at present its benefits are very unevenly shared, while its costs are unevenly distributed.

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