



Globalization and Social Development in West Asia: Historical Prospective

Sahar A.M. Al-Majali*

Introduction

Globalisation is fast emerging as the most talked about concept in national as well as international parlance. Some perceive it as a process that is beneficial, inevitable and irreversible while others regard it with hostility, even fear. Thus responses to globalisation have consequently been mixed. Undoubtedly, it has now become customary to assert that the term globalization means different things to different people, yet, however, there seems to be general agreement that the term refers to the observed process of increased international economic integration driven largely by technological advances in transport and communications. According to one opinion, the term means the ‘development of global financial markets, the growth of transnational corporations, and their increasing domination over national economies’.¹ For Stiglitz globalisation means the removal of barriers to free trade and the closer integration of national economies.² Albeit, globalisation is described as a multifaceted process that is best “understood in terms of simultaneous, complex related processes in the realms of economy, politics, culture, technology and so forth.”³ Viewed in a broad perspective, the notion of Globalisation entails two aspects of change: a quantitative dimension and a qualitative one. Quantitatively, Globalisation refers to an increase in trade, capital movements, investments and people across borders. Qualitatively, Globalisation represents changes in the way people and groups think and identify themselves, and changes in the way states, firms and other actors perceive and pursue their interests.

* Assistant Professor, Department of Basic Sciences, Princess Alia College, Al-Balqa Applied University, Amman, Jordan.

Perspectives on Globalisation

The notion of Globalisation entails three interconnected elements, which also imply quantitative and qualitative dimensions. These elements are: the expansion of markets; challenges to the state and institutions; and the rise of new social and political movements. These elements do not represent either alternative definitions or competing theories but reflect different aspects of Globalisation. The political and security related aspects of Globalisation have been discussed by the present author in another paper. This paper dwells on the economic perspectives of globalisation, with specific emphasis on social development vis-à-vis globalisation. Economic aspect of globalisation is personified by the expansion of markets in terms of the transformation of global economic activity. Technological change and governmental deregulation have made admissible the establishment of transnational networks in production, trade and finance—that is termed as ‘borderless world’ by Ohmae. In trade, Globalisation refers to the fact that the quantity and speed of goods and services traded across the globe has increased, and so too has the geographical expanse of participants, the strength and depth of institutions which facilitate trade, and the impact of trade on domestic economic arrangements. Many scholars have expressed their views with regard to economic aspects of Globalisation. Calvo Coressi has opined:

“[Globalization] is a term coined to describe a revolution of Copernican magnitude. This revolution stems from the impact of technology on space and time as experienced by human beings; it affects what men and women know and think about each other, how they do business with one another and what institutions they need to regulate their affairs. ... [It] has reached a critical phase. What was begun by the electric telegraph and the internal combustion engine [now] assumes a new significance, different not [only] in degree but in kind, when modern technology enabled people and ideas and knowledge, material and money to move from one place to another with astonishing speed, in unprecedented volume...”⁴

Similarly Kluver attempts to define globalisation as follows: “Globalization has been defined in various ways, but is most typically defined in reference to the interconnectedness of political entities, economic

relationships, or even computer networks. Globalisation refers primarily to the ways in which economic and industrial institutions (such as industries or corporations) interact in various locations throughout the world...”⁵ Ruud Lubbers, a Dutch academic, defines globalisation as a process in which geographic distance becomes a factor of diminishing importance in the establishment and maintenance of cross border economic, political and socio-cultural relations.⁶

Globalisation has transformed the life styles of people across the globe along with wielding tremendous influence on their culture and values. New means of communication like media, Internet, music, books, international ideas and values can all be disseminated at a global and essentially instantaneous manner. This is producing what some describe as a ‘global culture’. Common to all elements of Globalization is the reason that activities hitherto undertaken within national boundaries can be momentarily undertaken globally or regionally- to some extent ‘deterritorialised’. Globalisation denotes the “expanding scale, growing magnitude, speeding up and deepening impact of interregional flows and patterns of social interaction.”⁷ This delineation is not limited to the economic dimension as is for example the understanding of the term utilised by the ILO’s Task Force on the Country Studies debate.⁸ Hence, the Globalisation process, along with its economic dimension, entails a number of key non-economic forms of social interaction relating to culture and governance.

Globalisation opens up ample opportunities for pursuing development on an international scale but it is not progressing evenly. Some countries are getting integrated into the global economy at a more faster pace than others, while many still lag behind. Countries that have managed to integrate are enjoying faster rate of growth and reduced poverty. Outward-oriented policies brought dynamism and greater prosperity to much of East Asia, transforming it from one of the poorest areas of the world about four decades ago. A recent report of the World Bank, while providing a summary of the history, and economic effects, of globalization, *inter alia* notes that globalisation takes place through trade (measured relative to world income), migration (proxied by the number of immigrants to the United States), and capital flows (proxied by the stock of foreign capital in developing countries relative to their GDP). It has identified three waves of globalisation: 1870-1914, 1945-1980 and 1980 to the present. Central to all identified globalization waves was the reduction in transport costs.⁹ .

The third wave of globalization has witnessed a large number of developing countries integrating their economies into global markets, while others getting increasingly marginalised in the world economy thereby incurring huge decline in incomes and confronted with rising levels of poverty; and international migration and capital movements became substantial. Among the developing countries a group of 24 countries were identified as having a globalised during this third wave. The measure used to identify the countries that have globalised is the increase in the trade (exports+ imports) to GDP ratio over the period 1970-1997.¹⁰ Globalisation of a handful of countries and a larger chunk of developing countries having been 'left' out of the race for globalisation means the existence of wide economic inequalities at the global level. This fact is attested to by the statistics furnished by international financial agencies. The gap between the rich and poor nations of the world is widening. According to a UNDP publication, during the decade of 1990s, the number of people earning \$1 a day or less had remained static at 1.2 billion while the number earning less than \$2 a day increased from 2.55 billion to 2.8 billion people. The gap in incomes between the 20% of the richest and the poorest countries has grown from 30 to 1 in 1960 to 82 to 1 in 1995. By the late 1990s the fifth of the world's people living in the highest-income countries had:

- 86% of world GDP—the bottom fifth just 1%.
- 82% of world export markets—the bottom fifth just 1%.
- 68% of foreign direct investment—the bottom fifth just 1%.
- 74% of world telephone lines, today's basic means of communication—the bottom fifth just 1.5%.¹¹

This amply demonstrates that the benefits of globalisation thus far have been reaped only by a handful of countries while most of the developing countries are still at the receiving end, thereby reeling under the burden of poverty, debt, underdevelopment and want of adequate resources.

In their attempt to comprehend the contemporary social processes in the context of Globalisation, Dave and Price assert that the term 'Globalisation' describes the contradictory economic, political, and cultural processes of world capitalist integration. The current phase of globalisation is manifest by emergent transnational institutions, changing relations between

multinational corporations and sovereign nation-states, and the development of a global monoculture of consumption. In order to articulate the contradictory processes of globalisation, the authors propose a critical framework that explains globalisation as a dialectical relationship between and within the *suprastatal*, *statal*, and *intrastatal* sectors of the global system. They argue that dominant global processes are not an immutable feature of capitalism, but are contested by social actors across these three dimensions.¹²

Asian Scenario

Many countries of Asia, particularly those of the ASEAN nations, East Asia and South Asia have been quick enough to tailor their economic policies in accordance with requirements of the process of globalisation and these countries are not only progressing well but have been reaping the benefits of globalisation in terms of increased participation in international economy, augmentation in external trade and many of these countries have emerged as attractive destinations of the FDI over the years. Accordingly they are in a position to raise the living standards of their people, narrow the poverty gap, increase the literacy level of the people, and launch welfare schemes designed to benefit the deprived and under-privileged segments of the population. However, the Asian countries that have missed the bus of globalisation lag behind in terms of socio-economic progress. Such countries are battling with the perennial problems like unemployment, illiteracy, malnutrition and other wants in social sectors. China, South Korea, India, Singapore, Malaysia, Thailand etc are some of the prominent countries of Asia, which have made enormous strides in the realm of social development. These countries have devised many schemes designed to socially uplift the populace which at one stage was faced with neglect and deprivation. This is possible through availability of sufficient resources that have been made feasible because augmentation in country's revenues owing to diversification and augmentation in trade, large in-flow of the FDI and the resultant opulence.

Globalization and Social Development in West Asia: Historical Prospective

An appropriate comprehension of the phenomenon of Globalisation and its impact on social development in West Asia warrants a brief analysis of Islamic perspectives on Globalisation and the concomitant notions that

alternately influence the process of social developments in the region. Broadly speaking, West Asian perspectives on Globalisation are construed in terms of the relationship between Islam and globalisation, a relationship that has been open to much interpretation and acrimonious debate. Globalisation is perceived in most of the Muslim countries of West Asia in terms of Westernisation being imposed by the West, particularly the United States in the guise of Globalisation. On the other hand, some scholars in the West have tried to project Islam as being opposed to globalisation, basing their analogy on the age-old controversy between Islam and Westernisation.

The sheer terminology surrounding the debate has culminated in a considerable amount of confusion and misunderstanding that calls for a need to define these terms. Globalisation is the diffusion and exchange of people, goods, and ideas across the globe. Characteristically, it is directly associated with change, or alteration, modernity, and an increasingly interdependent relationship between different regions of the world. Globalisation aims at narrowing of the gaps and exchanging benefits in all aspects of life — economic, social, scientific, and political governance. In contrast, Westernisation does not consider such an understanding or building of such common ground to be worthwhile enterprises. Globalisation is a process in which ‘the whole world becomes like a small village, where the less developed communities can advance their capacities’ and that ‘tends to be a two-way street process, which makes it possible for each community to take as well as to give.’ Westernisation, on the other hand, tends to be a one-way street, meaning that one region attempts to dominate and control other regions in the name of globalisation. Moreover, while globalisation occurs through the free will of different communities, Westernization is characteristically imposed upon other regions. Islam is not anti-globalisation (or modernity, which is considered to be a by-product of globalisation) in its original sense, but Muslims do have a problem with Westernization.¹³

The Islamic countries are apprehensive of Western and for that matter American cultural hegemony over their traditional Islamic societies under the guise of globalisation. Between 1980 and 1991, the world trade in goods with cultural content almost tripled: from 67 billion dollars to 200 billion dollars. At the nucleus of the entertainment industry - film, music and television - there is a growing dominance of US products. World

Trade Organisation rules disallow countries to block imports on cultural grounds. It is argued that one of the consequences of globalisation will be the end of cultural diversity, and the triumph of a unipolar culture serving the needs of transnational corporations. American culture is seen to be dominated by monetary relationships and commercial values replacing traditional social relationships and family values.

Compatibility between the Western modernisation process and the social values of Islam has been a major problem in the Muslim countries of West Asia. Adoption of Western penal codes and family law created a serious problem for the Muslim society. However, a more serious problem is generated in the wake of adoption of certain controversial Western social values. Turkey managed the situation by divesting the Shariah, the religious courts, of their secular authority, resulting in the first real separation of church and state in an Islamic society. In addition, it opened the door to government control and led the latter to assume the prerogative of changing the social structure whenever its need and desires run counter to the tenets of Islam. Some militant groups in Turkey advocate a return to some degree of Islamic law. While not disinclined to modernisation and material progress, they are distracted by what they perceive as the Western social evils accompanying the process of modernisation.

In a recent working paper, Islam has been characterised as being negatively associated “with attitudes that are conducive to growth” and on the basis of analysis of the World Values Survey data, the authors assert that among adherents to the world’s major religions, Muslims are the most “antimarket.”¹⁴ This assumption seems to entail some surface plausibility on the basis of the fact that Muslims around the world often reside in poor countries and Islam is associated with distinct practices such as the prohibition on *riba* (the charging of interest) or the injunction to observe *zakat* (the paying of alms), which could serve as the causal links between theological belief and economic performance. Yet attempts to rigorously assess the impact of these unique practices suggest that they have little, if any, impact on the accumulation and allocation of capital.¹⁵

Broadly speaking, it is not Islam that explains the relative underperformance of the countries of West Asia but the weakness of the region’s linkages to the world economy. Import tariffs average over 20 percent; most of the larger countries in the region are not members of the

World Trade Organization (WTO), the region's share of world exports has fallen steadily, and the region as a whole attracts paltry foreign direct investment (FDI). It is almost impossible to imagine the region generating the rapid employment growth necessary to absorb new entrants to the labour force without a big expansion of international trade.¹⁶

While investigating the impact of globalization on the Arab region, A.A.G Ali takes into consideration three measures of globalisation, as recommended by the World Bank, to comprehend the process of globalization as increased international economic integration. These measures inter alia are: the rate of increase of trade/GDP ratio; the ratio of the stock of foreign direct investment to GDP; and the number of immigrants to the US. The emerging trends show that the Arab region, including West Asia, has been left out of the process of globalization. Besides, the Arab region boasts a fairly high degree of income inequality. The author contends that the poor segments of Arab population stand to benefit from trade induced economic growth by about 50 percent of the increase in per capita income. There also exists preliminary evidence of a direct causal link between globalization as measured by FDI/GDP ratio and immigration to the USA in such a way that FDI increases inequality while immigration reduces it. Increased trade participation does not seem to affect inequality.¹⁷

Key to social development is sound economic base of the country so that it can allocate sufficient funds for the social welfare activities of the people particularly those deprived and less privileged segments of the population. However, the social development sector seems to be neglected in most of the countries of West Asia particularly in view of the fact that a substantial part of the official budget of almost most the countries of West Asian countries is expended on the defence in the wake of impending threat from Israel. The United Nations Development Programme's (UNDP) Arab Human Development Reports (AHDR) for 2002 and 2003 have pointed out low income illiteracy, and mounting unemployment as major problems confronting the Arab countries in general, including West Asia. According to the AHDR document, the combined GDP of the 22 Arab countries is less than that of Spain. Literacy rate in these countries is comparatively low, particularly among women. There are about 65 million adult Arabs who are illiterate, and two-thirds of them are women. The scenario presents a bleak picture because by 2010 over 50 million young

people would join the labour market and 2020 their number will be doubled while job opportunities fall too short to accommodate the growing labour force. Given the current rate of unemployment, regional unemployment is likely to reach 25 million by 2010.

In the wake of these statistical data, the problem of social development seems to have become very acute. Education, health, recreation facilities, nutrition and other welfare measures can not be implemented for lack of sufficient funds. Besides, high rate of illiteracy among women is one of the main impediments in the onward march towards social development. A literate woman is expected to bring up her family consciously in terms of health, nutrition, culture, and nourishment, inculcate religious and ethical values among children. Thus, there is a need for the countries of West Asia to lay emphasis on economic reforms in order to tackle the problem of unemployment and raise the living standards of the people. The movement towards social development can gather momentum only when there are adequate resources available to implement them.

Conclusion

The benefits of globalisation have failed to reach most of the countries of West Asia, not because of historical factors or adverse impact of the process of globalisation but mainly due to the negligence on the part of the countries concerned. This in turn has affected the pace of social development in those countries. The perennial problems like illiteracy, lack of enthusiasm for globalisation, misapprehensions about the adverse impact of globalisation/Westernisation on the socio-economic fabric of the Arab society and lack of proper strategy to tackle the priority problems have resulted in the deprivation of these countries from the fruits of globalisation in the form of increased inflow of foreign direct investment (FDI), augmentation in external trade and diversification of the national economic base. The shrinking incomes, growing burden the national exchequer due to defence requirements and other regional factors affecting the economic progress have cumulatively claimed the social sector and deprived it of direly needed resources to uplift the living standard of the populace. What is required is at the current juncture is the serious thinking by the policy makers to revamp the internal priorities and perceive the global trends that are favourable to their respective national interests so that trade is boosted and congenial atmosphere is generated to attract FDI. The social

sector forms the spine of nation and its negligence is next to neglecting the nation's defence. In this context one is reminded of General Douglas MacArthur's prophetic words: "We have had our last chance. If we will not devise some greater and more equitable system, our Armageddon will be at our door. The problem ... involves a spiritual recrudescence, an improvement of human character that will synchronize with our almost matchless advances in science, art, literature, and all material and cultural developments of the past two thousand years. It must be of the spirit if we are to save the flesh."¹⁸

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