



IAS 100

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Effects of Globalization on Indian Society



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GLOBALIZATION AND ITS IMPACT ON INDIAN SOCIETIES

Globalization has become a key word in today's world. And the world of today is very different from what it was ten years ago, even from what it was yesterday. Today, development happens overnight. One of the countries that has been focused on during the past decades is India. India, the diverse country with deep rooted traditions, a deep rooted culture and religion that lives alongside one of the fastest growing economies in the world.

India is an ancient state but a modern civilisation. Interesting is the fact that this ancient state has "survived" during the process of globalisation. Especially India's diverse and deeply rooted culture which has always been and still is influenced by a lot of different religions, languages and traditions. Additionally, in connection with globalisation, the western values seem to have gained acceptance in India.

If we look at one of the many definitions of globalisation which is free trade and free mobility of goods, it is evident that globalisation has changed India. India's market has changed from being a seller's market into being a consumer's market. Concerning the economic matters, undoubtedly, India has gone through a rapid change during the past decades this is a continuing process. These definitions of globalization do not consider the economy but also the issue of culture which is the focus point. "Globalization is a term that tries to capture the rapid social change that is occurring simultaneously across a number of dimensions, including the economy, politics, communications and culture.

"Critics of globalization contend that, even if increased trade promotes material prosperity, it comes with a high spiritual and cultural cost, running roughshod over the world's distinctive cultures and threatening to turn the globe into one big, tawdry strip mall."

Socialization of people for improving business and financial activities across the globe can be referred as globalization. It is not a new phenomenon as people kept searching new places and avenues to increase their business activities as evident by explorations of Vasco da Gama,

Columbus and East India Company. Bitter experiences from East India Companies & British rule make Indians little bit cautious for adventures of globalization. This has been the root cause for delay in liberalization in India. In the initial sense of the term, globalization refers to the spread of new forms of non-territorial social activity. To make the term more clear, Globalization has been defined as the process of rapid integration of countries happening through greater foreign trade and foreign investment.

In essence, it refers to increased possibilities for action between and among people in situations irrespective of geographical considerations as per the definition of social theorists. Developed countries have been trying to pursue developing countries to liberalize the trade and allow more flexibility in business policies to provide equal opportunities to multinational firms in their domestic market. International Monetary Fund (IMF) and World Bank has helped them in this endeavour.

Liberalization began to hold its foot on barren lands of developing countries like India by means of reduction in excise duties on electronic goods in a fixed time frame. Indian government did the same and liberalized the trade and investment due to the pressure from World Trade Organization. Import duties were cut down phase-wise to allow MNCs operate in India on equality basis. As a result globalization has brought to India new technologies, new products and also the economic opportunities. Despite bureaucracy, lack of infra-structure, and an ambiguous policy framework that adversely impact MNCs operating in India, yet they are looking at India in a big way, and are making huge investments to set up R&D centres in the country. India has made a lead over other growing economies for IT, business processing, and R&D investments.

There has been both positive and negative impact of globalization on social and cultural values in India. There is no denying of the fact that globalization has brought cheers to people's life by opening new vistas of employment. It has also made

inroads in the cultural heritage of this country.

Due to economic liberalization and globalization, the world has become a "global village". There is increasing interaction between people of different countries. As a result food habits, dress habits, lifestyle and views are being internationalized. The influence of globalization on such aspects are analyzed under the following heads:

IMPACT ON RELIGION

India is the birth place of Dharmic religions such as Hinduism, Buddhism, Jainism and Sikhism. Dharmic religions, also known as Indian religions, are a major form of world religions next to the Abrahamic ones. India is one of the most religiously diverse nations in the world, with some of the most deeply religious societies and cultures. Religion still plays a central and definitive role in the life of most of its people. Despite the strong role of religion in Indian life, atheism and agnostics also have visible influence along with a self-ascribed tolerance to other faiths.

Along with Christian religion came the rest of British or Western culture, thought and customs and the gradual end of traditional ways of life. Thus our traditional religions and cultures were gradually subverted or eliminated. The new Indian converts to Christianity were encouraged not only to give up their religion but their culture, which often had religious or spiritual implications as well. A good Indian Christian convert would dress like an Englishman and emulate English manners in all things. Thus in India the Hindus who converted to Christianity were encouraged to think, behave and live like Englishmen.

IMPACT ON TRADITIONAL STRUCTURE OF SOCIETY

The traditional Indian culture is defined by relatively strict social hierarchy. From an early age, children are reminded of their roles and places in society. Several differences such as religion divide culture. However, far more powerful division is the traditional Hindu bifurcation into non-polluting and polluting occupations. Strict social taboos have governed these groups for thousands of years. Among developing countries, India has low levels of occupational and geographic mobility. People choose same occupations as their parents and rarely move geographically in the society.

IMPACT ON FAMILY

India for ages has had a prevailing tradition of the joint family system. Arranged marriages have the tradition in Indian society for centuries. Overwhelming majority of Indians have their marriages planned by their parents and other respected family members, with the consent of the bride and groom. Although women and men are equal before the law and the trend towards gender equality has been noticeable, women and men still occupy distinct functions in Indian society. Woman's role in the society is often to perform household works and pro bono community work.

IMPACT ON FESTIVALS

India, being a multi-cultural and multi-religious society, celebrates holidays and festivals of various religions. The 3 National holidays in India, are the Independence Day, the Republic Day and the Gandhi Jayanti, Popular religious festivals include the festivals of Diwali, Durga puja, Holi, Rakshabandhan, Dussehra, Ramzaan, etc.

IMPACT ON CLOTHING

Traditional Indian clothing for women are the saris and also Ghaghra Cholis. For men, traditional clothes are the Dhoti, Kurta. In southern India men wear long, white sheets of cloth called dhoti with shirts. Women wear a sari draped over a simple or fancy blouse. This is worn by young ladies and woman. Little girls wear a pavada. Traditionally, the red bindi (or sindhur) was worn only by the married Hindu women, but now it has become a part of women's fashion. Indo-western clothing, the fusion of Western and Sub continental fashion is in trend nowadays.

IMPACT ON PERFORMING ARTS

Music

The music of India includes multiple varieties of religious, folk, popular, pop, and classical music. India's classical music includes two distinct styles, Carnatic and Hindustani music. It remains instrumental to the religious inspiration, cultural expression and pure entertainment. Indian dance too has diverse folk and classical forms. Bharatanatyam, kathak, kathakali mohiniattam, kuchipudi, odissi are popular dance forms in India. Kalarippayattu or Kalari for short is considered

one of the world's oldest martial art. There have been many great practitioners of Indian martial arts including Bodhidharma who supposedly brought Indian martial arts to China.

Impact:

- ❖ Indian Classical music has gained worldwide recognition.
- ❖ Western music is becoming very popular in our country.
- ❖ Fusing Indian music along with western music is encouraged among musicians.
- ❖ More Indian dance shows are held globally.
- ❖ The number of foreigners who are eager to learn Bharatanatyam is rising.
- ❖ Western dance forms such as Jazz, Hip hop, Salsa, Balley have become popular among Indian youngsters.

IMPACT ON AGRICULTURE

Globalization does not have any positive impact on agriculture. On the contrary, it has few detrimental effects as government is always willing to import food grains, sugar, etc. whenever there is a price increase of these commodities. Government never thinks to pay more to farmers so that they produce more food grains but resorts to imports. On the other hand, subsidies are declining so cost of production is increasing. Even farms producing fertilizers have to suffer due to imports. There are also threats like introduction of GM crops, herbicide resistant crops, etc.

IMPACT OF GLOBALISATION ON INDIAN BUSINESS CULTURE

The Indian economy had been booming for the past few years. The country held great promise for the future. Liberalized foreign policies had unleashed the entrepreneurial spirit of its people and many multi-national firms, attracted by the dusty plains of Deccan, had already set up big offices throughout the nation.

The foreign culture can have both positive and negative influence on people and business firms. New ways of thinking and working may develop leading to higher efficiency. A few examples of impact of foreign culture on business practices are given below:

- ❖ Indian companies adopting international accounting standards.

- ❖ Just-in-time and other more efficient techniques of inventory control.
- ❖ Flexitime and new practices of human resource management.
- ❖ Social responsibility and business ethics ideas.
- ❖ Improvement in corporate governance practices.
- ❖ Customer relationship management practices.
- ❖ Inflow of foreign funds.
- ❖ Healthy competition with foreign products.

The business sector in India is highly promising in the present scenario. The impact of globalization has changed the business procedure in India in terms of psychology, methodology, technology, mindset work culture, etc. Newer challenges, newer opportunities are day-by-day in front of Indian industries, which are profitable and prospective.

The fundamental scope of doing business in India is lying with its people. The huge population of India has created a large unsaturated market of consumers. This is one of the reasons why global companies are very much interested in doing business in India. In the post globalization era this scope has increased immensely for global multinational companies as Government of India has also played a very crucial and supportive role in this respect through liberalized policies and legislative structure.

Let us glance through a few situations that have arisen in India post liberalization:

- ❖ Shifting of Agriculture workers to industry sector.
- ❖ Urbanization-People are shifting from rural to urban areas.
- ❖ Opening up of trade market-export import boom.
- ❖ Big open saturated market for products.
- ❖ A growing market for high quality and low price product.
- ❖ Gradual increase of organized retail chains.
- ❖ Growing number of Mergers and Acquisitions.
- ❖ Lucid license policies for overseas Multinational Corporation.
- ❖ High growth rate is showing economic prosperity in India.
- ❖ Indian Market leaders going global.

But there are certain negative impacts occurred aftermath the globalization impact in India, which are as follows -

- ❖ Unequal distribution of wealth disparity in income.
- ❖ Rapid privatization, government driven public sector units are on sale.
- ❖ Uneven growth in respect of different sectors.
- ❖ Extreme mechanization is reducing demand for manual labour.
- ❖ Both employee and consumer exploitation are on the rise by private sector.

Overwhelming impact of globalization can be observed on the Indian culture. Every educated Indian seems to believe that nothing in Hindu India, past or present, is to be approved unless recognized and recommended by an appropriate authority in the West. There is an all-pervading presence of a positive, if not worshipful, attitude towards everything in western society and culture, past as well as present in the name of progress, reason and science. Nothing from the West is to be rejected unless it has first been weighed and found wanting by a Western evaluation.

"Swami Vivekananda foresaw the dangers of Globalization as early as in 1893 when he spoke at the Parliament of World Religions in Chicago. To quote his soul-stirring words: 'Shall India die? Then, from the world all spirituality will be extinct, all sweet-souled sympathy for religion will be extinct, all ideality will be extinct; and in its place will reign the duality of lust and luxury as the male and female deities, with money as its priest, fraud, force, and competition its ceremonies, and human soul its sacrifice. Such a thing can never be'."

Precisely such a terrible thing is taking place in India today on account of the inexorable and immutable process of Globalization. In the end we can say that, every step of movement towards economic, political and cultural modernization, taken by the state in India, is responded to by the people with an enhanced sense of self-consciousness and awareness of identity. Cultural modernization, sponsored by the forces of globalization, is resented if it encroaches upon or does not promote the core cultural values of society, its language, social practices and styles of life. The vigour of the renewed sense of self-awareness generated among the members of the local cultures and communities is such as to succeed in making adaptive reconciliation with the forces of globalization. The linkages both visible and invisible, defining the cultural interdependence among communities and regions in India which have existed historically, reinforce instead of threatening the national

identity. These bonds seem to become stronger as India encounters the forces of modernization and globalization.

Globalization has had far reaching consequences to both the people living in India and the economy in general. Defining what is meant by globalization is important in the assessment of its advantages and disadvantages to India. This is particularly crucial since the exclusion of those who clearly support the phenomenon in its present form, that is, those who believe that globalization has many advantages and that these advantages will automatically be felt by the poor, also hold various and divergent views concerning this process. People, who are opposed to globalization or those concerned with its possible detrimental impacts on employment and poverty, constitute a wide political spectrum.

It has been opposed from the perspective of economic and cultural nationalism by the extreme Right. The Liberals on the other hand are concerned about the loss of national sovereignty since globalization minimizes the effectiveness of the government to intervene in the regulation of labour and capital, eradicate poverty, among other things. There are numerous meanings attached to the term globalization. These largely depend on the context and the individual who is making reference to the term. Even though there is no definite meaning or definition of the term currently, there are some definitions that are worth mentioning.

The process of globalization encompasses the opening up of world trade, the establishment of advanced communication methods, financial market internalization, increased importance of multinational companies, the migration of populations, increased mobility of people, goods, ideas, capital, pollution, data, diseases and infections. The term not only refers to the integration of global economies through unrestricted trade and financial flows but also exchanges in knowledge and technology. Globalization also includes unrestricted movement of labour between countries. Within the context of India, globalization means that the economy is being opened up to direct foreign investment by making facilities available to the foreign companies so that they may invest in various sectors of economic activities in India, clearing of obstacles and constraints to the entry of multinational companies in India, allowing collaboration between Indian and foreign companies and also encouraging the Indian

companies to take part in foreign ventures.

This increased integration of societies and economies around the world has raised much concern and praise at the same time. The phenomenon has affected the Indian society in both positive and negative ways. Among the positive aspects of globalization are the rapid growth and the reduction of poverty in India. However, it has also generated significant opposition internationally over concerns that it has resulted in increased inequality and the degradation of environment. Globalization in India can be traced back to when it opened up its economy during the nineteen nineties following a major financial crisis.

More particularly, India took the first step to globalization when its currency was devalued against other major international currencies by 18-29 per cent. The Indian economy was dragged to near defaulting on loans by the crisis which resulted in a slew of domestic and sector policy measures. This was to some degree prompted by the demands of the multilateral organizations and the immediate needs of the country. The new policy regime pushed for an open and more market oriented economy that had far reaching impacts, both positive and negative.

There are numerous implications of globalization on the national economy. The phenomenon has intensified competition and interdependence between economies in the global market. In India, the economic reforms have resulted in the overall economic growth. The growth in the Gross Domestic Product has improved the global position of India. The direction of growth has also been shifted within the sectors. Initially, the primary sector generated a large percentage of the GDP.

Due to globalization, the service sector is now the main driver of Indian economy. The overall rate of growth of India's economy is one of the major advantages of globalization in India owing to the fact that during the 1970s, its rate of growth was as low as 3 per cent. Countries like Mexico, Brazil, Korea and Indonesia had their GDP doubling that of India. Even though the 1980s saw India's growth rate doubling, it was still lower than that of Indonesia, China and Korea. As such, India's position in the global arena has been improving from the time that it became part of the globalized world. With the increase in the rate of growth that it experienced with the liberalization of its economy, it moved to the fourth place. Foreign direct investment has also increased due to globalization in India.

There are also other sectors that have experienced growth owing to globalization apart from the above mentioned area. These include India's imports and exports. As such, globalization has resulted in fiscal consolidation, growth in foreign exchange reserve, increased foreign investment and to a considerable extent, control of inflation. All these have helped the speeding up of growth of Indian economy. Globalization has seen an increase in the number of fortune companies in India. The implication is that there are more employment opportunities than before. This also means that the standards of living have been raised with more wealthy people being created due to the numerous opportunities that exist within the country. The liberalization of trade which consequently led to flexibilities in business policies to allow for equal opportunities for multinational companies has therefore resulted in desirable impacts for the overall Indian economy. New technologies and products have been introduced in India and this has created new opportunities. The multinational companies have made big investments and set up research and development centres which have brought about positive impacts in the lives of Indian people.

As a result, India is among the leading countries in information technology, business processing and research and development investments. Globalization has also had positive impacts on the social and cultural realm. By opening new opportunities for employment, globalization has improved both economic and social life of individuals. The standard of living has been raised and more Indians can now enjoy the luxuries that were not known to them before. The perceptions of ordinary Indians have also been changed through increased cultural interaction through mediums. Indian companies are now gaining more recognition in the global arena than before. Products from other parts of the world are also finding their way into the Indian market with more people being in a position to purchase them owing to improved economic conditions. More Indians can also access goods from other parts of the world owing to reduced prices. Generally, globalization has improved the economic life of Indians due to more job opportunities as people are no longer worried about government jobs; there are numerous multinational companies that pay more attractive salaries than the government. As such, Indians have gained more from globalization in ways that are beneficial to both the state and the individuals within the state.

ADVERSE IMPACT OF GLOBALIZATION ON INDIAN ECONOMY AND SOCIETY

As much as there have been numerous economic gains attached to globalization in India, there are also disadvantages. The rapid growth of industries due to globalization has not brought about benefits for everyone. There are various sectors that this growth has further aggravated the conditions of particular groups within the Indian society. Globalization has brought about rapid growth in the informal sector which has resulted in undesirable impacts on the working population. As much as it has led to the creation of jobs for many individuals, globalization is also contributing to the suffering of people within the informal sector.

It is important to note that the informal sector is deliberately not included in the labor legislation. For instance, informal workers are not subject to the 1948 Factories Act which covers the general working conditions, working hours, safety and health, prohibition of child labor, basic amenities among other things.

With globalization finding its way into India, it is clear that its consequences have been undesirable for workers in the informal sector. Globalization has resulted in poor health, deplorable working conditions and bondage. Employers have been able to impose working conditions that are extremely hazardous due to chronic insecurity among worker. For instance, the construction industry which is the second largest employer in Indian has not taken into consideration the working conditions of its employers. The employers are not concerned about the hazards involved. The proportion of fatal accidents is very high with some of the causes of serious injuries and deaths being crushes under collapsing structures, electrocution, and being buried under mud . As such, the plight of workers under globalization has been miserable.

The fish processing industry also expresses the grave consequences of globalization. The migrant women who work in this industry are subjected deplorable work conditions. They are virtually captives, forced to work in unhygienic conditions for long hours deprived of minimum wages, and subjected to various kinds of coercion including being sexually harassed. The negative impact of globalization is also felt in the Indian agricultural sector. A great number of laborers in this sector come from the 'Scheduled Castes and Tribes'. In other words, they are from communities that are most exploited economically and oppressed socially

under the caste system. The plight of this population has been worsened by globalization owing to the need to increase production to meet the growing demand from the global markets. As such, globalization has resulted in increased poverty and difficulties among particular populations in the Indian society.

It has led to forced labour since employers are using crude methods to enforce bondage on the workers. All this is done with the aim of increasing production while at the same time cutting costs. Human beings have been turned into machines simply because of the need to increase profits and be competitive in the global market. This form of 'slavery' is especially rampant in the rural regions even though not exclusive to it. The export production has also seen an increase in child labour since liberalization.

More children have been forced to work in industries even though it is clear that children are not supposed to work. It is only in India where children are forced to work for long hours and under deplorable conditions even though there are legislations that are meant to protect children from any form of labour. From the above mentioned cases, it is clear that as much as globalization has resulted in economic gains for India, the people who work in the industries are wallowing in extreme poverty apart from being subjected to deplorable working conditions. As such, it may be argued that globalization has only resulted in gains for the rich industrialists and multinationals while the bulk of the population is languishing in poverty. What it has done is to increase the gap between the rich and the poor to levels that cannot be imagined.

From this perspective, globalization has worsened the conditions of individuals who are at the bottom of the social ladder. On a broader perspective, globalization has led to low-income groups being increasingly undernourished due to the failure not only to create more jobs but also to improve the working conditions for this population.

IMPACT ON ENVIRONMENT

Apart from these impacts on particular groups, globalization has also contributed to the destruction of the environment through pollution and clearing of vegetation cover. With the construction of companies, the emissions from manufacturing plants are contributing to environmental pollution which further affects the health of many indivi-

duals. The construction also destroys the vegetation cover which is important in the very survival of both humans and other animals.

Globalization has had both desirable and undesirable consequences for India. These consequences have been felt from the general economy to more specific conditions of life for the individual. As mentioned, globalization has resulted in the growth of Indian economy which in turn has improved the lives of many people. It has also created many employment opportunities.

However, it has also widened the gap between the rich and the poor apart from resulting in more oppression for those at the bottom of the social ladder. However, it may be said that globalization is inevitable in the twenty first century despite these disadvantages considering the advances in information technology which has led to more integration between nations. Various ills such as inequality that it has created are also some of its inevitable consequences which results from the competitive environment and the need to increase production so as to meet the growing global demand. As such, it has created both winners and loser in India with losers being workers in the informal sector.

IMPACT OF GLOBALIZATION ON INDIAN DIASPORA

Apart from initiating a number of changes in many areas, globalisation has had a positive impact on the Indian Diaspora across the globe. Indian Diaspora had not only become strong but it triggered a flow of funds back home in various capacities such as angel investors for business sector or in the real estate or for that matter as philanthropists. This was not the case only with India, but most of the developing countries that had opened up the economic front. globalisation basically encompassed the areas of economics, culture, politics and sociology. On the economic front globalisation had seen huge capital flow and labour force transcending geographical boundaries. Migration of labour, considering both highly skilled and lesser-skilled labour force, made a huge positive impact on the economy of India. The IT/ITES boom in India was mainly due to globalization. Migrants have become agents of development. The total remittance transfer from developed to developing nations in 2010 has been 300 billion USD and India accounts for Rs. 55 billion alone, which was the highest. On the cultural side globalisation had seen

the free flow of ideas and technology, and digital media played a great role.

IMPACT OF GLOBALIZATION ON RURAL POOR

In villages, farmers are not much aware of global economic system. Most of the food crops are converted into cash crops. Sugarcane farmers are getting advance loan from banks and MNCs. They used to supply hybrid seedlings, fertilizers and highly advanced equipments. This equipment utility reduced the human labour force. Hence the rural people are shifting from place to place for want of labour for their livelihood. Natural manure is replaced by synthetic fertilizers. As there is a shift from food crops to export crops, the prices of food items went on high, and the poor people couldn't buy from their meagre income. Similar trend continued for clothing, housing, transportation, health, etc. So people were forced to consume less of even basic necessities.

More than one fourth of the World's poor live in India. India's economic liberalization in the early 1990s resulted in high rates of growth, whether it reduced the numbers of poor or benefit only increasingly wealthy urban elite is a question. Because of growing inequality, consumption by the poor couldn't rise as fast as average consumption and poverty reduction was only about two-thirds of what it would have been had the distribution and consumption remained unchanged. The gap between rural and urban areas widened because of the vast differences in the levels of literacy, availability of living facilities such as water, drainage, housing, power, lighting, food and transport etc.

CULTURE PROLIFERATION DUE TO GLOBALIZATION

Globalization diluted the native cultures, more than diluting the culture, it led to culture proliferation. The interaction of cultures has given birth to sub-cultures. On the political front that globalisation did bridge the gaps between countries as international organisation such as WTO, ILO and World Bank had a much larger role to play. "It has set a stage for negotiations for important issues such as climate and food security. Globalisation played a major role in changing the social fabric of the world, especially that of the middle class. Globalization had not only changed

the consumption pattern but also had a positive impact on the economic development and did help in fostering democratic ideas. Globalization has made countries to realize that nations can no longer be cocooned in their own cultural or economic nests but invariably be part of the larger picture which takes into account the competencies, interests and the dependencies of economies worldwide. The zeal of globalization has even forced Governments to be tuned to the merits of a Global economy. The winds of globalization have been speeded up in this era of an Information Society and the increasing usage of Information and Communication Technologies (ICT). Greater awareness of markets and knowledge of Capital resources have opened up the floodgates of International competition and trade. The world today is a closer place due to these technologies which are indirectly fostering Globalization. But again for those citizens who do not have adequate literacy levels, the digital divide is proving to be further detrimental to their progress.

CRITICAL ANALYSIS

Although we may not have yet reached "the end of history," globalisation has brought us closer to "the end of geography" as we have known it. The compression of time and space triggered by the Third Industrial Revolution -roughly, since 1980 - has changed our interactions with the international environment. For many, globalization - the intensified cross-border exchange of goods, services, capital, technology, ideas, information, legal systems, and people - is both desirable and irreversible, having underwritten a rising standard of living throughout the world. Others recoil from globalisation as they feel it is the soft underbelly of corporate imperialism that plunders and profiteers on the back of rampant consumerism.

Globalisation is not uncontrolled. The movement of people remains tightly restricted. The flow of capital is highly asymmetrical. Over the last two decades, overseas development assistance from the rich to poor countries has totalled \$50-80 billion per year. In the same period, every year, \$500-800 billion of illegal funds have been sent from the poor to rich countries. That is, for every one dollar of aid money over the table, the West gets back \$10 under the table and, for good measure, lectures the rest on corruption.

The benefits and costs of linking and delinking are unequally distributed. Industrialised countries are mutually interdependent; developing countries

are largely independent in economic relations with one another; and are highly dependent on industrialised countries. Brazil, China and India are starting to change this equation.

There is a growing divergence in income levels between countries and peoples, with widening inequality among and within nations. Assets and incomes are more concentrated. Wage shares have fallen. Profit shares have risen. Capital mobility alongside labour immobility has reduced the bargaining power of organised labour.

The deepening of poverty and inequality - prosperity for a few countries and people, marginalisation and exclusion for the many - has implications for social and political stability among and within states. The rapid growth of global markets has not seen the parallel development of social and economic institutions to ensure balanced, inclusive and sustainable growth. Labour rights have been less sedulously protected than capital and property rights, and global rules on trade and finance are inequitable. This has asymmetric effects on rich and poor countries.

Even before the global financial crisis (GFC), many developing countries were worried that globalisation would impinge adversely on economic sovereignty, cultural integrity and social stability. "Interdependence" among unequals translates into the dependence of some on international markets that function under the dominance of others. The GFC confirmed that absent effective regulatory institutions, markets, states and civil society can be overwhelmed by rampant transnational forces.

Globalisation has also let loose the forces of "uncivil society" and accelerated the transnational flows of terrorism, human and drug trafficking, organised crime, piracy, and pandemic diseases. The growth of these transnational networks threatens state institutions and civil society in many countries.

For developing countries, lowering all barriers to the tides of the global economy may end up drowning much of local production. Raising barriers that are too high may be counterproductive, if not futile. Countries that find the golden middle, like Chile and Singapore, tend to thrive, channelling the enormous opportunities offered by an expanding world economy for the benefit of their citizens. Those that do not, like many in Central and Western Africa, are marginalised and left behind.

Finding the right, if difficult, balance between

openness and regulation requires keeping a watchful eye on trans-border crimes that thrive in the interstices of the national and the international. Illicit trade, accounting for 10 per cent of global economic product according to some estimates, could be growing at seven times the rate of growth of legal trade.

The growth in transnational flows has not been matched by an equivalent growth in global governance mechanisms to regulate them. And yet the very nature of the structure of globalised networks, which intertwine global actors and interests, ensures that no single power is able to maintain its position within the newly emerging global disorder without making compromises with other global players.

In Africa, home to 36 of the world's 50 least developed countries, state weakness often has opened the door to transnational crime and terrorism. Pathologies that are particularly prevalent across Africa: illegal exploitation of natural resources, terrorism, the drug trade, illegal migration and human trafficking, gun running, and money laundering. According to some, Guinea Bissau has already become the world's first narco-state.

One response to global governance gaps that have made these illegal activities possible has been regional governance. The transfer of state functions to supranational forms of regional governance could enhance the capacity of individual states to combat uncivil society. The sharing of expertise, institutions, policy tools, personnel and other resources can go a long way in stemming the tide of unwanted activities.

Human trafficking is among the darkest sides of globalisation, turning human beings into commodities bought and sold in the international marketplace. Women and children are among the most exposed to it. NGOs from all continents attempt to cope with this nefarious activity and report on those involved in it.

Southern Africa has witnessed the rise of elaborate transnational crime organisations. The illegal trafficking in narcotics, mineral resources, ivory, counterfeit products and stolen property is thriving. International crime syndicates exploit government weaknesses to make huge profits. Illegal migration and money laundering rob the state of valuable human and material resources, in a region that desperately needs them.

A different kind of challenge is posed by insurgencies that thrive as a result of the inequalities created by globalisation. The "development dichotomy" explains why dramatic national-level progress in India has gone hand in hand with an ever greater gap between the prosperity of urban, middle-class Indians and the squalor still seen in many of its 600,000 villages where most Indians live. Uprooted from ancestral lands and unable to adapt to the demands of a modern economy, **"aboriginal populations (Adivasis) often see revolutionary redemption as the only way out of their predicament."**

Sri Lanka's Tamil Tigers, on the other hand, might well have been one of the most globalised terrorist movements anywhere. Part of the reason for their considerable, if ultimately transient, success was the effective way they relied on the Sri Lankan Tamil diaspora both to obtain resources and to marshal political support for their cause.

Jihadists have excelled at using modern IT and telecom technology to promote their cause and foster their objectives, building on the link between the drug trade and terrorism pioneered by the CIA in Southeast Asia, Central America and Afghanistan. Jihadis have perfected into an art form the international transfer of funds in ways that are essentially untraceable, by relying on ancient mechanisms that replicate the old-fashioned way Osama bin Laden gets his information - through pieces of paper brought to him by hand by loyal messengers - which was one reason he remained at large. It remains to be seen whether the GFC has brought to an end globalisation as we have known it for three decades. But there is little doubt that the "dark side" of globalisation is here to stay.

However the outright rejection of globalisation and a retreat into autarky is neither practical nor desirable: who wants to be the next Myanmar or North Korea? As one wag has put it, opposing globalisation is like opposing the sun coming up every morning, and about as fruitful. Equally, though, who wants to be the next Iceland, Greece or Ireland? The notion that endless liberalisation, deregulation and relaxation of capital and all border controls (except labour) will assure perpetual self-sustaining growth and prosperity has proven to be delusional. The three Baltic nations that embarked on this course (Estonia, Latvia and Lithuania) - to which, for good measure, they added the flat tax - all had double-digit negative growth in 2009.