Globalization and State: an overview

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Introduction

Globalization has different meanings to different people. Some analysts prefer to use the more specific term “international economic integration” thereby focusing on the economic and financial aspects. On the other hand, globalization has reached into political, social and cultural dimensions. Modern States need to deal with all dimensions.

Globalization involves complex iterative processes that internationalize domestic policy-making and subject foreign policies to growing domestic pressures. Nation States have learned to share some sovereignty with regional and global institutions and at the same time open their economies to regional and global dimensions. Today, “national competitiveness” needs to be seen in a wider context. While technological change and economic integration have pushed the “State” in the direction of greater conformity and adoption of global standards and behaviours, social and political forces within nation States have pulled in the direction of asserting the State’s role and power in protecting the interests and livelihood of its less privileged citizens. Consequently, the extent and pace of globalization are much more evident in some areas, notably trade, finance and communications, than in others.

For the purpose of understanding globalization in a historical perspective, it must be noted that the process of globalization, specifically the worldwide extension of established trading patterns, has generally become longer, slower and, to some extent, cyclic. The first wave of globalization towards integrating economies, which started over a century ago, was dominated by autocratic empires and colonial powers. It culminated just before the outbreak of the First World War in 1914. Between 1914 and 1945 a combination of wars and economic nationalism (which was sustained until very recently in many countries) reversed a century’s progress in integrating economies. Since the end of the Second World War, although international trade has grown faster than output, the share of trade in the gross domestic product (GDP) of Organisation for Economic Cooperation and Development (OECD) countries only returned to the 1913 levels by around 1970 and the share of trade in GDP of the United States of America by the late 1980s. For many Latin American and African countries, trade still constitutes a low proportion of GDP. Many aspects of today’s global markets like syndicated lending, emerging markets, and debate over free trade are not contemporary creations, but existed in similar, if not identical, forms long ago. The current globalization movement, aided by Governments of many developed countries and led by private sector enterprises, reveals unprecedented levels of international trade and
exchange, married to unparalleled technological innovations, fuelled by levels of consumer demand never previously known and carrying a potential for growth and prosperity transcending any that the world has ever recorded. However, the impact on human development and human security, as distinct from economic growth, has varied considerably depending upon how government institutions are structured, upon how they mobilize themselves and upon the nature of government policies developed in response to globalization. For many developing countries, which lack strong governance institutions, and the technology and the skills base to harness globalization, the impact has thus far been primarily negative. While globalization has brought capital, technology and new market potential to some developing countries and to some groups within those countries, the benefits have been accompanied by financial uncertainty, economic crisis, weakened State structures, loss of government autonomy and a disturbing concentration of wealth, all of which have exacerbated poverty, inequality and social instability.

The present overview is arranged under the following sections: key components/processes of globalization; impact of globalization on society: the private sector, civil society, the State, role of the State in responding to globalization processes; globalization and the new international order: role of global and regional institutions; awareness and preparedness of national forces for globalization; and concluding observations.

I. Key components/processes of globalization

A. Internationalization of trade, finance and investment

The most visible effects of globalization are in the economic sphere — the expansion of international trade and foreign direct investment (FDI) including the reduction of barriers and an opening of national economies to trade, capital flows and information exchange. This remarkable integration and expansion of the world economy, boosted by liberalization both at the international level and within national economies, are associated with substantial increases in capital flows, particularly FDI spearheaded by multinational corporations, in the production of goods and services for the world market. In addition, declining transport and transaction costs, profound advances in communications, information processing and information exchange, further boost the integration of goods and capital markets. Finished goods, capital finance and skilled labour cross borders in search of markets at dizzying speeds.

B. Rapid advance of technology

Globalization of technologies has enabled inexpensive, instantaneous communication and massive diffusion of information affecting styles of politics, culture and social organization. The globalization of technology has contributed not only to the explosive growth of information exchange via the Internet, but also to the expansion of education and awareness of and about the world in general. Information, which was the monopoly of the few, is becoming accessible to wider and more diverse audiences. The increasingly lower cost of information technology can lead to service delivery improvements in a wide range of areas throughout the world. The relative ease of accessing information has increased citizens’ ability to share views, to become aware of their rights, to make their demands known and to increase their influence generally. As a consequence, citizens are joining together to demand better treatment, improved level of services and higher standards of behaviour from their Governments.

C. Dissemination of political paradigms

Furthermore, globalization is being used to promote certain values, behaviours and standards in a number of key areas: political, socio-economic, environmental and that of security systems. A wide variety of values and systems of democracy, such as citizens exercising their basic political right of electing their own Governments, are increasingly becoming the global standards in the political arena. While acknowledging the variations and imperfections (for example, corrupt electoral systems, ineffective rule of law) in various democratic arrangements around the globe, one notes that few countries propose an alternative to political governance based on citizens’ choice. Recent experience shows that countries that suppress democratic systems draw severe criticism and often sanctions from the international community. The
peace settlement in countries engaged in civil war generally includes arrangements for elections and the introduction of democratic governance.

**D. Emergence of new social movements with both local and transnational influence**

International and regional organizations based on shared interests rather than on geopolitical similarities have emerged in the late twentieth century. Powerful international non-governmental organization networks advocate on a wide range of public policies (for example, landmines and acquired immunodeficiency syndrome (AIDS)), and influence sectoral issues (for example, international crime prevention). Increasingly autonomous local governments enter into agreements representing government/private partnerships such as city-to-city relationships or joint economic investment programmes. Governments sometimes welcome these influential networks but can also act to discourage such alliances.

**E. Standardization of the world’s security systems**

Within the United Nations system, the Security Council was established to deal with threats to peace and security in the world. For over half a century, world leaders have been using the Council to make peace, keep peace and enforce peace agreements following both internal conflicts within countries and conflicts between countries. Considerable experience has been obtained in peacemaking activities through the United Nations, and some standardization has been reached in process and logistic areas. On the other hand, there is little accord on basic questions of defining threats to peace, of deciding when to intervene, of agreeing on the mode and strength of intervention and, indeed, of working out methods of preventative diplomacy. In general, the United Nations has engaged in ad hoc actions when sufficient global support developed. Besides the United Nations system, other modalities, such as multilateral forces organized by individual Member States, have been successful. Also, regional security mechanisms, such as the North Atlantic Treaty Organization (NATO) and the Economic Community of West African States (ECOWAS), have had some success.

Along with peace efforts, essential progress has been made in establishing a venue for dealing with crimes against humanity. In 1999-2000, the agreement to establish an international court of criminal justice (the Rome Statute of the International Criminal Court) is being ratified by States Members of the United Nations. Violence, and suppression and denial of human rights, including those of children, and especially of child soldiers, are increasingly being monitored by global non-governmental organizations whose purpose appears to be achieving agreement on international standards of behaviour among human beings. International pressures on Governments to respect human rights as enunciated in the Universal Declaration of Human Rights are increasing. Global standards of human rights articulated in the Universal Declaration of Human Rights and other covenants are being implemented through national legislation and policies under the watchful eyes of various international, regional and national governmental and non-governmental organizations.

**F. Internationalization of cross-border problems**

Global concerns, such as degradation of air, water and environment, international trade in illicit drugs and arms, mushrooming of corruption and the violation of human rights, transcend borders and demand supranational responses. Transnational institutions now play a vital role in these and other areas that were previously the domain of individual Governments. Intergovernmental institutions have helped to forge widespread commitment to agreed-upon objectives, such as the aspirations set out by the various United Nations global conferences. These conferences have encouraged the development of new national governmental and intergovernmental machinery. Such bodies have been instrumental in promoting the advancement of women; regulating international activities; ensuring compliance with human rights standards; and coordinating the actions of the international community towards progress in poverty eradication and sustainable development.
G. Formidable shifts of power from sovereign States to technologically advanced global elites and private multinational interests

Driven by modern technology, transportation, telecommunications, education and economic liberalization, globalization has the potential to transform the way in which organizations and people operate, cooperate and interface. Specifically, elites from all countries can be said to share some “globalized” values. On the other hand, disadvantaged groups within societies, and some societies as a whole, especially in developing countries, are excluded from the fruits of globalization. These excluded citizens cannot reap the benefits of the advanced information age and accelerated world trade. The more globalized States are transforming their decision-making processes so as to render them inclusive, participatory and democratic. On the other hand, for marginalized countries, globalization may contribute to a further shift of power and decision-making away from those concerned with national well-being and into the hands of unaccountable elites.

II. Impact of globalization on society: the private sector civil society and the State

Globalization dynamically interacts with some national-level trends and key institutions. For example, the State and its Government as the basic political unit create and enforce basic standards for individuals and business. Private business as the basic economic organization generates jobs and civil society provides people with the space in which to express their needs and interests.

A. The private sector

Globalization is largely private sector-driven. It represents a shift in the locus of decision-making not only from the nation State to transnational actors but also from national Governments to the private sector. Economic liberalization includes financial sector deregulation, foreign exchange decontrol and freedom of trade, and goes hand-in-hand with globalization. Globalization presents entrepreneurs and corporations with unlimited opportunities to participate in economic activities in national, regional and global contexts. The opening up of economic opportunities allows the movement of foreign capital, technology and management, largely from transnational corporations to host country entrepreneurs and corporations. As national economies open up, mergers between businesses from different countries and outright purchases or investment in the equity of businesses in one country by owners from other countries are becoming more and more common. This involvement puts private sector organizations at centre stage, and also requires them to meet certain levels of performance in terms of the quality, standards and timeliness of their business activity. This competitive market pressure upon business leaders, executives and workers, especially in developing countries, urges high standards of organization, training and discipline if they are to run their operations successfully. In some countries, there is lacking a full understanding and appreciation of these business imperatives by the other key sectors in society including government regulatory and financial agencies, labour organizations, media and training institutions. In many developing countries, an enabling framework does not exist. Instead, policy instability, inconsistent or inadequate implementation of policies, lack of support from political parties and leaders for private sector businesses, poor law-and-order situations and inadequate physical infrastructures discourage emerging private sector businesses in developing countries.

B. Civil society

Broadly speaking, civil society covers all organizations and groups not specifically governmental or income-generating. Civil society organizations can be characterized as a network of groups organized around special interests such as advocacy and offering services to the poor and disadvantaged (credit, health, education, training, housing, legal protection and so forth); providing support to the victims of human rights abuses and preventing future abuses; protecting environment and natural resources from all kinds of pollution and degradations; and promoting the interests of labour. Popularly known as non-governmental organizations or NGOs these groups include all local and externally financed private charitable, social service, developmental and professional organizations. Their prominence has risen in the post-war period as
development activities expanded in scope and authorities looked for independent initiatives. The number and the developmental role of national non-governmental organizations have expanded exponentially in many countries. These non-governmental organizations are increasingly involved in development initiatives alongside donors and private business groups. In the United States, there are over 2 million such groups. In the decade since communism collapsed, the Russian Federation has witnessed the formation of 65,000 independent organizations dealing with a full range of issues. In Bangladesh, there are about 10,000 non-governmental organizations at work.

Global non-governmental organizations are also expanding in number and scope. Four decades ago, there were fewer than 1,000 non-governmental organizations operating in about three countries. Now at the beginning of the twenty-first century, the United Nations reports almost 30,000 non-governmental organizations operating internationally. The demise of communism, apartheid and military dictatorships unleashed citizen empowerment, and technological advances enabled non-governmental organizations to operate effectively on the international stage. These non-governmental organizations, often in partnership with local and/or international organizations, are energetic and outspoken in voicing peoples’ concerns in the world today. International non-governmental organizations work to aggregate global values and interests like the protection of human rights.

Some non-governmental organizations work to protect the interests of national groups affected by global forces (for example, there have been recent protests by non-governmental organizations at the Third Ministerial Conference of the World Trade Organization held in Seattle, Washington, United States, and demonstrations against big projects, such as irrigation, financed by many transnational corporations). Non-governmental organizations as representatives of civil society are being increasingly invited to many global forums such as United Nations conferences and meetings and the recent World Economic Forum held in Davos, Switzerland.

As policy-making and implementation processes are becoming more open, if not also transparent and accountable, with the rise of democracy in some countries, non-governmental organizations are becoming actively involved in policy dialogues. Because the presence of non-governmental organizations is creating considerable pressure on existing policy systems, government officials are changing their orientations, structures and processes of work. Sometimes non-governmental organizations compete against each other and may not be as transparent and accountable as they expect other public and private agencies to become. There is an urgent need to sort out mechanisms for non-governmental organization participation in national and global policy dialogues.

C. The State

Globalization impacts heavily on the State — its policies, institutions and functionaries. Major disruptions occur for many individuals and groups; and as the State is no longer the sole authority for protecting and promoting the interests of the poor and disadvantaged, other social, economic and political institutions are beginning to take responsibility for dealing with some of those disruptions in society. The impact of globalization on the individual State varies with the extent of economic integration that each State has so far achieved and the degree of its exposure to the process of globalization. Generally, countries, such as OECD members, that are more integrated within the global economy have less difficulties in further internationalizing their domestic decision-making. They are relatively well prepared for adopting a global orientation, and global standards and practices, and for sustaining an improved physical infrastructure. Above all, these countries are committed to preserving and maintaining sociopolitical stability and legal frameworks that will facilitate global operations and activities. Countries transitioning to globalization may face short-term problems, like the significant loss of jobs as businesses move out and the lowering of income for some groups of workers as foreign products and services compete with higher-priced local products and services. Some transition countries, like Mexico, Brazil, Argentina, the Republic of Korea, Singapore, Thailand and Malaysia, are becoming slowly integrated with global economic and other standards. They are gaining significant experience in internationalizing their domestic policy-making, in building capacities for dealing with the demands of globalization, in improving their physical infrastructure and in making significant efforts to build institutions and capacities to represent social sectors. However, most of the developing countries are in the early stage of
integration with the world economy and they are seeking ways to attract and retain capital and technology. Many of them are handicapped by involvement in civil war or natural disasters; others are handicapped owing to inadequate physical facilities and limited trained human resources; still others have not made the commitment to understanding their domestic policies and practices in a global context. Whether owing to severe defensive nationalistic commitments or to regional imbalances, those countries cannot design the effective transition to a globalized world. Often beset by young demographics and exposed to global information blowout, some of these Governments face increasing pressure to open up their society by improving and expanding their global contacts.

III. Role of the State in responding to globalization processes

Nation States vary enormously in scale, but both the smallest and the largest face a narrowing of options resulting from globalization. As the globalization process unfolds, a larger State may seem to be more resilient and less vulnerable to disruption. Early in the transition to globalization, a State has to analyse the consequences of increasing contact with the global economy. Building necessary physical infrastructures, legal frameworks and governance processes can attract foreign capital and technology. Government and political leaders, as well as technical and managerial executives, may have to reorient their processes of policy-making in order to make them responsive to shifts in global forces. After initiating global integration, a Government will be committed to making its policies and actions more compatible with globalization’s needs. This commitment involves basically competing for greater market shares in the global economy, making alliances and partners with like-minded globally oriented States and promoting and sustaining systems, rules and standards for operation in respect of globalized expectations of economic, financial and social practices.

Although States cede authority over some aspects of economic and financial governance, there are areas within which national Governments retain substantial degrees of discretion. While pooling sovereignty to create institutions and processes to maintain a globalized environment, many Governments maintain immigration controls to a significant degree for both economic and social reasons. Such controls can adversely affect some countries where Governments may facilitate the export of labour for their development purposes. Despite liberalization of trade and capital movement, some Governments adopt protectionist policies to respond to powerful coalitions of workers and national businesses, notably in agriculture, steel and textiles. Other countries continue to restrict capital movements, thereby constraining inward investment.

Although labour standards and social policy seem to be national matters, there is increasing pressure to globalize these policies through harmonization of international standards. Similarly, in public spending preferences, monetary policy and taxation, national action can adversely affect the economies of others. As the ultimate protector of people, Governments are under growing pressure to help their citizens adjust to changes brought about in part by intensifying international competition. At a minimum, Governments are required to meet the cost of structural unemployment, of educating the next generation for entry into a higher level, and of creating higher standards of infrastructure and environment. The fact that, to meet such costs, Governments have to impose higher taxes often results in public sector deficits. There is an underlying tension and contradiction in the policies of most Governments participating in the globalization process resulting from the question: how to embrace globalization without loss of sovereignty.

Globalization as reflected in the forces of international competition and the mixture of opportunity and risk affects a wide spectrum of the population. All types of workers — steel workers and textile workers, bank clerks, journalists, creative artists, shopkeepers, employers of public utilities, doctors — operate increasingly in a global as well as a local market place. Global integration has specifically affected the condition of labour, as it is not as mobile as capital. Globalization affects the wages and job prospects of unskilled labour, creating one potentially large, disadvantaged, alienated and powerless element in society. At the same time, globalization expands opportunities for educated workers who may gradually have less of a stake in the success of any particular country. The mobility of high-value labour reduces the power of the nation State to control or protect its human resources. Nation States caught in the process
of globalization experience some internal policy conflict. Various factions and parties raise issues in relation to globalization. Policy debates centre on issues such as privatization, labour rights and inequality. Novel coalitions of liberals and conservatives cluster around these issues.

Within the context of globalization, domestic politics raise difficult questions such as what are nation States for? and what do they do in a world where Governments face considerable constraints on their freedom of action? At best, Governments are navigating a path that is compatible with both the forces of global economic integration and the internal strains created by the politics of identity and legitimacy. Adjusting to globalization, States assert a more flexible form of nationalism, combining elements from three main types: defensive nationalism, positive nationalism and the “competing nation” type of nationalism. No one international style will adequately satisfy the legitimate needs of its citizens. For example, defensive nationalism that protects its identity or strong vested interests is illustrated by Japan’s and the Republic of Korea’s defence of their rice economy. If defensive nationalism is taken to an extreme, a Government runs the risk of isolating the country from the mainstream of globalization or the equally difficult risk of creating unsustainable demands for protectionism and budgetary support for uncompetitive sectors.

Few countries can sustain the concept of positive nationalism pursuant to the application of which national companies may control globalization processes for national ends. When growing numbers of companies operate as global firms and consumers are always looking for cheap prices, Governments cannot maintain tariffs in the face of technical and political imperatives.

In the strategy of the competing nation as practised in Singapore, the State recognizes that capital is mobile, that companies are increasingly global, that Governments have little talent for picking winners and that competition occurs essentially between companies rather than between countries. In the competitive nation strategy, Governments invest in high-end human resources, stable transport, financial and legal frameworks and sustainable infrastructure. In an open system, national competitive economic purpose can sustain a pool of highly educated and flexible workers, an efficient infrastructure, sound money and a good quality of life so as to attract mobile financial and human capital. Many countries are trying to follow this model. Others may follow symbolic nationalism in which a strategy of openness is paralleled with protecting what is absolutely indispensable to the State — for example, providing social services to the needy.

IV. Globalization and the new international order: role of global and regional institutions

In the emerging integrated global system, there is a demand for international public goods that neither markets nor nation States can provide. These international public goods in the area of economic integration include: systemic financial investment stability; dispute settlement within a rule of law for open trade; common standards for weights, measures and interconnection; management of global communications network such as aviation, telecommunications and sea lanes to prevent congestion and disasters; and management of environmental concerns such as Antarctica, the atmosphere and the oceans. These policy areas require some institutions beyond the nation State. Some of these activities are largely self-regulating with the main commercial users having a collective interest in providing the public good (for example, the international securities association for bond markets, the international standards association for many standards). In other cases, semi-autonomous national institutions provide the institutional cement (as reflected, for example, in the role of central banks in the Bank for International Settlements). There are some international institutions that mix public and private sector participation such as the International Telecommunication Union.

Some international institutions involve some pooling of sovereignty (as in the World Meteorological Organization, the International Monetary Fund and the World Trade Organization) and treaty obligations (the Antarctic Treaty; and the Montreal Protocol on Substances that Deplete the Ozone Layer). The United Nations and the specialized agencies provide support for maintaining peace and security, promoting economic development and protecting human rights in the global context. Recent statements of the highest United Nations body indicate that national sovereignty
cannot be used as a shield for gross abuse of human rights within national borders, and perpetrators of genocide and crimes against humanity may not be protected against action by the international community. International tribunals are at work in the cases of Bosnia and Herzegovina and Rwanda for the first time since the Nuremberg trials for war crimes. Individual dictators (for example, the former Presidents of Chad and Chile) are being brought to trial in the name of global jurisdiction over their alleged crimes of torture, killing and other gross forms of human rights violations. Furthermore, a treaty to organize an international court of criminal justice is being ratified. A complex system of global governance is emerging to manage economic trade and human rights in a globalized world.

Besides the international institutional framework, regional organizations are also emerging to maximize opportunities and to distribute benefits to the people living in the regions concerned. The European Union is the strongest example of such a regional grouping; others include the North American Free Trade Association (NAFTA), the Association of Southeast Asian Nations (ASEAN) and the Economic Community of West African States (ECOWAS).

V. Awareness and preparedness of national forces for globalization

Most supporters of globalization acknowledge that it could harm some poor countries in the short term, but that its long-term effect would be to benefit all. Even in the developed world, there have been violent demonstrations against globalization, for example, in 1999 in Seattle, where demonstrators argued that globalization would undercut people’s standard of living in the developed world and lead to environmental damage, largely through careless industrialization in the developing countries. On the other hand, supporters of globalization argue that only free market capitalism has, thus far, created adequate global wealth. They argue that, from the 1970s to the early 1990s, developing countries that chose growth through trade grew at least twice as fast as those that chose not to open up to world trade.

Historically, great technological change is generally accompanied by social disruption. Currently, globalization has led to loss of employment and income in some countries. The industrial revolution, which started some two centuries ago, led initially to widespread fear and its immediate effects were a rise in social abuses and a drop in the standard of living for many workers. Eventually, a majority of people gained from the changes and increased their income and wealth. Many predict that the same will be true of globalization. Some futurists hope that technology and global connectedness will speed up the period of disruption so that people will be able to see an end to the difficulties involved in transitioning to a globalized world.

Awareness of global possibilities may not necessarily lead to preparedness for dealing with the constraints of, and for making use of the opportunities offered by the forces of globalization. National-level and local-level groups estimate the impact in a variety of ways with differing assumptions, based on historical, cultural and social values. Particularly significant are the awareness and assessment of globalization forces and challenges demonstrated by key political groups and their leaders and the way that they will react to them within the context of short-term costs and long-term benefits.

Preparedness to deal with globalization forces will require, initially, basic understanding of global dynamics. Consensus among key stakeholders in policy-making may depend upon conflict-management skills, as well as luck. Building consensus may result from a conscious process of deliberation or evolve gradually from several ad hoc decisions and processes. Painful policy choices need to be followed swiftly by some positive benefits for the stakeholders. Transparency and accountability, strict rule of law, and expansion of popular participation in policy dialogues may bring various stakeholders into the policy consensus.

A pro-development governance system requires transparent and responsible finance, and banking and investment institutions supported by a process of economic decision-making based entirely on economic considerations. A participatory democratic political system with transparency and accountability supported by rule of law and efficient administrative institutions, is required both for sustainable development and for dealing positively with globalization forces. Also useful is a vigilant civil society. It would appear from recent experience that countries with a better system of
governance and participation have been able to deal with the challenges brought about by globalization.

A mobile, global elite has the potential to assist all countries in preparing policies, frameworks and skill sets for significant benefit in a global economy. In some cases, they can also participate significantly in the preparedness of a specific country. Many countries and communities have benefited from the networking of individuals through industry, language, ethnicity or similar identity.

VI. Concluding observations

In conclusion, one must examine the whole spectrum of countries within the globalization process: leaders, quick adopters, slow adapters, reluctant participants and those that are still very much isolated from globalization forces. For countries that are significantly involved in the globalization process, national Governments seem to have fewer options for policy and operations. These Governments are challenged to redefine the role of the State. A common strategy at the beginning of the twenty-first century is to recognize that businesses rather than nations compete. In this framework, Governments retain some influence in steering economic decisions, for example, in respect of policies that attract mobile capital; policies that raise the educational level of the home population; policies that ensure financial stability; policies that improve the physical and cultural environments; and policies that create a sense of civic fairness.

For countries in the early stages of participation in the globalization process, there is both greater danger and greater opportunity. While the little-engaged countries are in danger of being exploited and left further behind, they also have the advantage of possessing fewer systems, tools and management cultures congruent with the era of the nation State, and can therefore re-invent themselves more easily if the political will to carry out the transformation does exist.

Much more needs to be done to close the widening gap between the world’s rich and poor so that affected groups — for example, textile workers in Bangladesh, industrial workers in Uruguay and farmers in Zimbabwe — will continue to benefit and prosper from the globalization process. Trade must be supplemented with greater aid and investment in human capital, education, health care and technology in the developing countries. The wealthiest nations need to consider significant debt relief for the debtor nations in order that the debtor nations may invest more in their people and their future. At the same time, the disadvantaged nations need to do their part in making their government institutions more open and accountable, improving overall governance, enhancing access to education and solving other basic social problems. There will always be a limit to what one country will do for others. Just as globalization implies interdependence, it is in the interest of industrialized to make sure that others are not left behind, that they can become partners in trade and development. By taking basic steps to ensure that their own societies work effectively and efficiently, the currently disadvantaged countries can transform themselves into better partners for the globalized world.

Notes

2. General Assembly resolution 217 A (III).