

# THE EXISTENCE OF GLOBALIZATION IN THE THIRD WORLD: THREAT OR OPPORTUNITIES

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## Abstract

*The world has developed into one big area where the borders between countries are no longer seen as obstacles to create such relationship among nations in the world. The result of this global evolvement is amazingly great that no a single culture is immune toward the influence of other cultures. Alienation over this phenomenon will put a nation aside from the global inter-relation among nations in the world. We can learn some experiences from big countries to avoid stumbling into the same pitfalls as they. This paper is by no means a comprehensive account of globalization or more accurately, globalization, in Indonesia or ASEAN. In fact, it is intended to be more suggestive than comprehensive though it is characterized by more summary than controversy.*

**Key-words:** *Third World, threats, opportunities, competition, alienation, social conflicts*

## I. INTRODUCTION

### A. Background

Anyone who has visited -- at least has seen in media-- an underdeveloped country knows the scene: the sharps contrast between rich and poor. At the first sight, the modern capital city, with its international airport, skyscrapers, traffic jams, business men, high-walled private homes, neon signs advertising luxury goods from every continent—and beggars, pollution, and shanty-towns just beyond view of downtown. And then there is the rest of

the country: unrelieved squalor, too many people for too little land, children with distended bellies, the most primitive technology, thatched-roof dwellings, a closeness to death. Destiny or politics? Merely two societies, one modern and advancing, the other backward and decaying; or a structurally unequal system, the smaller part feeding off the larger?

The purpose of this paper is to use the Global-Humanist approach and Marxist theory in political economy to examine the crisis of human insecurity at closer range. Global Humanism combines two approaches. One is a set of humane values and norms. These enable us to examine national policies, ideologies, social forces, and institutions everywhere from particular standpoint of the needs and interests of the planet, considered as a human community. The other approach is Marxism in conflict theory. According to Marx, Society involves competition between social groups / classes. Social conflicts taking place within the emerging industrial society. Marx predicted that the conflicts between capital and labor would continue and even increase until the former would be completely eliminated by a new social order. (Barbu, 1971:30)

Political economy sense means as applied to international politics, focused on the ways certain systems (such as world capitalism and imperialism) and structures ( such as transnational corporations and military-industrial complexes) often decisively influence the distribution of wealth and power within and between nations, and therefore the character of national and international security. (Gurtov. 1988:7). I want to bring to life my previous generalizations about global problems, connecting them with the voices of the oppressed by presenting case study of underdevelopment to developing (Indonesia, if possible) and human rights. The first task, however, is to clarify this "Third World" I have been generalizing about.

By borrowing the writing of Melvin Gurtov (1988, 74). There are two ways in defining of the Third World. First, Conventional definitions divide the countries of the Third World according to a national average GNP per person, yielding high, middle, and low-income categories. The merit of this division is that it enables us to distinguish (as the Word Bank does), newly industrializing countries are the upper-middle income, oil exporters



are the high income and the impoverished and unindustrialized countries are low income.

Moreover, a second way to define the Third World is quintessentially Realist: it consists of the "developing" economies in relation to the "developed" ones, as measured by the value of their resources, markets, and strategic situation. **Third World** countries are then **defined as either threats to or opportunities** for furtherance of one developed country's or region's national interests. Consider, for example, the official U.S. view of recent years. The Third World is threatening insofar and may deny the United States access to investment markets and vital resources. As opportunity, the Third World's importance to standard U.S. interests goes far beyond the traditional geopolitical concern about allies and overseas bases. In market, Third World countries purchase almost 40 percent of U.S. exports.

Still by citing Gurtov's writing (1988: 77-88), **other characteristics** of Third World are as follows (1). The typical Third World country **has a clear class structure**; (2). Third World country has **high unemployment and underemployment** in both rural and urban areas ; (3). The status of **women is deplorably low**; (4). **People's basic needs are very far from being met**; (5). The Third World country has very **high population growth** caused mainly by its underdevelopment, one result being **more widespread hunger and malnutrition**; (6). Its economic objective is industrialization and export-led development, often leading to the neglect of agriculture.

Rather than define the Third World in terms of state interests, developed or underdeveloped, I choose a planetary perspective that embraces human interests and structural problems. From that perspective, the "Third World" whose basic survival needs, cultural and spiritual identities, and quite possibly personal self-esteem have been badly eroded by forces largely beyond their control. These forces, both internal and external to their communities and countries, have prospered at their expense. Regardless of how one characterizes this system—imperialism, dependence, unequal exchange, a single (world capitalist) mode of production, corporate transnationalism—it amounts to basically the same end result: The world works to benefit the few to the expense of the many.

Absolutely, it is very suitable correlated with the impacts of globalization itself. Globalization has brought in new opportunities to developing countries to improve productivity and higher living standard. But globalization has also thrown up new challenges like growing inequality social across and within nations, volatility in financial market and environmental deteriorations. Guy Brainbant says that the process of globalization not only includes opening up of world trade, development of advanced means of communication, internationalization of financial markets, growing importance of MNC's, population migrations and more generally increased mobility of persons, goods, capital, data and ideas but also infections, diseases and pollution as well social conflicts (Balakrishnan, 2004)

## **B. Problem Statement**

The writer intends to discuss some indispensable problems in this paper as follows:

1. How to give the deep meaning of the 'Third World' in the horizon of globalization era?
2. How does world politics do in global-humanist perspective?
3. What are the roles of America along with democracy and capitalism toward the world through globalization?
4. How does globalization promise the 'Third World' for peace and prosperity?

## **C. Goals**

Based on the above formulated-problems, the writer attempts to gain a number of objectives such as:

1. To identify the main characteristics of 'Third Word' in globalization era
2. To analyze the implication of globalization toward society (conflicts) and global insecurity
3. To highlight on the roles of America as multiculturalism and super power country on the birth of globalization in political analysis
4. To reveal some visions, strategies, and repositioning toward the presence of globalization in our home



## D. Aims

Furthermore, this paper has significant points, namely, theoretically and practically as follows:

1. Theoretically, it is expected both the readers and the researchers will bring new perspectives and get fully understanding about globalization era towards peace and prosperity and also develop the horizon in analyzing materials for political economy
2. Practically, it is contributed to the readers and the politicians or other figures, mainly, by learning the experiences both America and ASEAN (China and India, for examples) can give an illumination to cope with the Indonesian problems (social and political economy) toward globalization and prosperity

## II. REVIEW AND DISCUSSION

### A. Globalization, America and ASEAN

In the beginning twentieth first century, most people assume that it is ASEAN era. Mostly half of gross national products will be dominated by ASEAN. China and India will be a threat for America in expanding their markets globally. Based on some parameters recently, they will be the winners in the opened-fighting in the globalization era, almost there are no obstacles not only in information, capital, goods, services, humans but also in ideology and nationality.

Even, Economic globalization and corporate globalists could be new players. Eight years ago, 51 of 100 the strength of the biggest economy was not in hand of country but in corporate globalists, for an example, Wal-Mart income as a retail company in 2001 was higher than gross domestics products of Indonesia as a country. The biggest transnational company of the world, General Electric, dominated asset of US\$ 647,483 billion or almost three times of Indonesia's gross domestics products (KOMPAS, 20 Mei 2006)

Herewith, it is very interesting to comprehend between America as a super power country and Asean, mainly, China as a threat for its global market. Cause America has indispensable roles in globalization era. A brief summary of those nations are going to be explored on which America is first. I initiate my writing with three big influenced-nations. There is called "the three lateral

commission" which is the most influential corporate-Globalist organization in the world with the members such as the United States, Western Europe and Japan. According to them, the key to success for corporate globalists is the free flow of goods and services around the world. Only then, they maintain, can optimum conditions for expansion be assured. Competition without hindrance from government is an essential norm of corporate globalism.

America and its alliances which adopt capitalism and democracy will get big advantages to dominate the world free market. America fully realizes to build big power by creating global industries and strengthening the economic sector as significant factors in society and nation. When America's economy transformed into strong and ready to competitive with others, It needed an abroad market for its products. In fact, America did it for trade and imperialism.

In the eighteenth century, America adopted democracy and made revolution by and for democracy. At that time, a popular revolution slogan was "no tax without representation" After getting its independence from Westerns which were fully dictator and anarchy, America made a new theory of government. As in the opening lines of the second paragraph, Thomas Jefferson clearly and simply stated the basic principles of what today we call democracy "*... all men are created equal,*" he wrote "*... they are endowed by their Creator with certain unalienable rights; ... among these are life, liberty, and the pursuits of happiness.*" "Unalienable rights" are rights which can not be taken away from the people—not by any government, nor even by the people themselves (Curti and Todd, 1972: 123)

Democracy as a practical possibility of individualism is also linked with the rights of the people pertaining the government. Democracy refers not only to right of life, liberty and happiness individually and personally, but also to the rights of people in determining their own government. People have a central and strong position and right in establishing their own government system. They have rights to abolish the government if the government is corrupt or weak and institute again a new government that can secure and save their lives and freedom.



Nowadays, the number of nations adopting new democratic constitutions increased dramatically during the 20th century. Samuel Huntington, in The Third Wave: Democratization in the Late Twentieth Century (1991), argued that "there were 59 democracies worldwide" (13). Meanwhile Francis Fukuyama (1992:12), in The End of History and the Last Man, counted 61 democratic nations. How have some nations made the transition from monarchy, colonial government, or dictatorship to a democratic form of government? It is an interesting issue to be explored.

Actually, those transitions divulge some questions in our minds, mainly, the concept of democracy. It is undeniably true that democracy is the most commonly used in political terms as well governments such as guided democracy, parliamentary democracy, deliberative democracy and liberal democracy. It has a precise meaning in political science. Actually, any valid explanation of political terms must include consideration of two basic concepts: change (radical to liberal, for an example) and values (human rights and egalitarianism in democracy). Political change is fundamental to any society. Meanwhile values are closed to social and cultural condition at the time used to get better understanding towards the changing.

A powerful trend toward democratization as well as a concomitant trend toward a market economy seems to be continuing in much of the developing and underdeveloping countries. Some of them are dealt with the failure of closed economic strategies and the pressure of international institutions. A market economy for some analysts is as a necessary prerequisite for stable democracy. Democracy is getting better if there is prosperity. The implication of democracy has different models in each country. Indonesia, for an example, no adopt all the concept of American liberal democracy but it still holds the principle values of *Pancasila* as social and cultural characteristics. The writer believes that democracy itself, in fact, is any kind of cultural conflict. It means that orientation in conflict and competitions to achieve the goals as a winner not to annihilate the rival and it usually runs based on rules.

Second value is capitalism. The values and practices of democracy associated with capitalism are equally familiar: they

include private ownership of the means of production, the pursuit of profit by self-interested entrepreneurs, and the right to unlimited gain through economic effort. In its ideal formulation, capitalism also stresses on competition among producers, a substantial measure of laissez-faire, and market determination of production, distribution, and economic reward. Certain notions from individualist doctrine and the so-called Protestant ethic, such as an emphasis on achievement and hard work, are also widely regarded as part of the capitalist creed (Herbert and Zaller, 1984:2).

Those values are to be any America's message to spread them out all over the world. War for America is dedicated for realization and picked dictatorship out, so America can get freedom and democracy as well this world is to be suitable enough. Moreover, America is to be a rule model which must be followed by other nations. Classless is also an illumination of America as multiculturalism nation in Salad bowl, for an example. Furthermore, capitalism ideology stated that humans' drive is to do economic activities. So the orientation of American is materialism. Based on its great experiences, America along with capitalism could give prosperity and peace meanwhile other nations, mainly Europe, were in conflicts and wars at that time. Therefore, America claim that isolation politic is good step to declare "America is a democratic nation separated from Western"

In the late nineteenth century, America stated that liberal trade was the best method not only for its country, but also for international trade. America claimed that the international trade based on free trade will give great prosperity and mutual benefits among nations. The concept of supply and demand adopting domestic economic, will change the humans' egoism to be beneficial social products in inter-relation among nations in the world. International conflicts can be solved by free trade, not as a politic sense, it will bring bad competition, conflicts, and war. Therefore, free trade creates peace, and peace, absolutely, supports trade.

In spreading capitalism out over the world, America introduces free trade and globalization era. A new globalization was born as a new religion, with its challenges and hopes. Every nation admires it and wishes very much to improve their lives. Through World Free Market in 2010, ASEAN are now proud to



tell the world that they live in a globalization era. It is like a cake fresh from the oven, and people have smelled the aroma (because they heard on media that globalization could bring prosperity). But smelling is not enough. They want to get a piece of the cake.

Globalization has to improve the country before people get bored with poverty. At least, we must prepare ourselves in facing this era. It is undeniable fact. Now, one month after the opening of world free market, people only smell the aroma, but they do not get a taste of the cake. "Opportunity-oriented not risk-oriented", I think is a good start in fighting the globalization in our country. we are not afraid of something, but we have to do something to counter it positively.

We can learn from China and India, for examples. Even though, China does not adopt democracy, it gets prosperity. China is always proud of their great histories. To prepare the globalization era, It did "turn around". For writer, China is not prepared well to adopt democracy by per capita under \$1.000. To bring about it, China must focus on economic sector firstly, then, democracy (if possible)

According to data from United Nations Conference on Trade and Development in 2004, China was the third biggest exporters for merchandise goods and the ninth for commercial services with 9% and 2.8% from the total of the world exports. Meanwhile in the list of 50 TNC's (the biggest financial sector), there are three representations from China, "Industrial & Commercial Bank of China" (rank of 23), "Bank of China" (34) and "China Construction Bank" (39). Volume of China exports was around US\$ 325 billion in 2002. Manufacture output in 2003 was the third after America and Japan. In service sectors, China got rank of 9th after USA, Japan, German, British, France, Italy, Canada, and Spain. Meanwhile, India got rank of 20th as exporter for merchandise goods (1,1%) and number 22 for commercial services (1,5%). India will dominate in IT sector. China's GNP will be predicted 175% over USA's GNP in 2050. (Samhadi, 2002:34).

After having opened to the world two decades ago, most people only assumed that China was big market with billion consumers so it was very interesting for retail business and world manufacturing. Lately, China is not only for market but also for

basis of production for manufacturing products to supply global market. China in the-21th is similar to British in the -19th. Besides, China is as basis of production for manufacturing works, It can also competitive in many advanced-technology industries. Joining China in WTO (World Trade Organization) is to be a strength that it is very difficult to be competed in global market. As well as China's products for high technology, They are in great demand. There was a significant increase in china's electronic products for USA products from 9,5% (1992) to 21,8%(1999). In contrast, some countries in ASEAN fell down drastically from 17% to 6% around 2000.

Based on the above description, China is getting better to be world class market by expanding its diversification and market from low-middle-high technology products. It will strengthen China position as the world's factory in penetrating at the twentieth-first century. How can China do that all? There are some factors influencing it such as (1). China has big markets so some investors are interested to give their investments in order to use the access of its markets. (2). some innovations and creativities in its products are main keys; China also focuses on high end products mainly for manufacturing products (3). China can provide local engineers in big volume with low salary than hire non-local engineers with high salary. China is also developing the activities of researches and development in line with its ambition to be The Fastest Growing Innovation Centre of the World. (4). China has an excellent infrastructure as a means of transportation. (5). Government's policies such as investment, tax, tariff, duty are not burden (6). China has special zone as industrial areas.

## **B. Globalization in Our Home : A Perspective**

Seemingly, what is happening in the America is happening globally. I think that globalization itself is any product of America to hegemony. America offers us products of democracy and capitalism that can give peace and prosperity is still questionable until now. Globalization itself is a camouflage of capitalism with free trade. Not in order to be alienated from the inter-relation among nations, Indonesia must take and face it. It is very inevitably. Absolutely, Indonesia found difficulties in challenging



the globalization era. It was a logical response cause Indonesia got it for once (unprepared).

If we see the success of China and India in facing the era, at least we have good efforts to competitive with them. Only by imitating without considering some aspects, ideology, for an example, it will be dangerous for the next economic climate. At least, in regional area, Indonesia tried liberalizing its economic to attract foreign investors with joining APEC and AFTA. Government believed that by liberalizing markets, industries, and companies, would be competitiveness internationally. But many government's policies were discriminative (not accompanied by certain group / sector from deregulation program). So there were no fair competitions at the time. Company puffed up, not it takes efficiency and competitions but it can control asset and economy sources because of privilege or KKN with the ruling class.

Orientation of globalization is to make division of work for getting efficiency. One indication that Indonesia has abandon workers with low salary in many manufacturing industries (sweatshop) like garment in a global production chain. Female workers dominate in Indonesia. They work in the home and in the fields, often putting in longer hours than the males, but at a fraction of men's pay and without education, training, health, and safety protection. Women are far more likely than men to be displaced by technology, to work for subsistence rather than cash, to be illiterate, and to suffer from malnutrition. China and India have the same experiences in sweatshop firstly, but they can up-grade their industries fast. It is in contrast with Indonesia.

In facing this era, apparently, Indonesia faces many obstacles, moreover Indonesia economies continue to suffer from various economic ills preventing them to take advantages of opportunities offer by globalization and government tends to "taken for granted". It means that Indonesia lacks for the competitiveness. There are main obstacles that need to be waved so that Indonesia can take advantage of globalization are such as innovation capacity in high value added industries and services is very weak; oligopolistic structure of the private sector in which a few family owned groups largely dominates the modern segment of the economy; and high rates of unemployment, particularly among young people and people with academic background. How is to accelerate the

economic change? Indonesia should take the following steps (alternatives): Defining agents of change; Defining issues and tools to be active; Linking the actors of change in a common strategy to taking advantage of globalization; and Exiting from the vicious circle of low productivity to the virtuous circle of high productivity and competitiveness on the global market.

### III. CONCLUSION

The above information describes in a brief of China and India from the viewpoint of global competition. We can take the characteristics shared by the two nations the factors that are important to Indonesian companies as they strive to increase their competitive advantage in world market. At a time when global competition is intensifying, China and India, using different strategies, remain internationally competitive. China has supplied innovative products to global market. India decided on the global-operations strategy. Despite their different approaches, both China and India have successfully met the challenges of global competition.

The penetrating of globalization in this era is inevitably. Alienation from this phenomenon will put aside Indonesia from inter-relation among nations in the world. Alienation, division of class, dehumanization, class conflict, are seemingly as the economy comes to control human beings, are any product of capitalism reflected in globalization. I am positive by learning some great experiences and histories from big countries will support us to have clear vision as a nation. Until now, Indonesia is still questionable "quo Vadis of Indonesia". See competitiveness with opportunity oriented not risk oriented. I am sure Indonesia still should (must) keep to learn. Some points that we can learn are such as visioning, positioning, strategy, government policy, and leader. It is absolutely essential that our creative endeavor should be directed towards the formulation of genuinely Indonesian solutions.



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