

POST-COLD WAR GLOBAL ORDER

31.1 INTRODUCTION

The world we live in is becoming unbelievably small. What happens in a distant place matters much more now than ever before. For instance, use of aerosil (a lethal insecticide) in Europe can cause skin cancer in South America; crop failure in Russia mean starvation in Africa; recession in the US can destroy jobs of thousands in Asia. On the other hand, economic prosperity in Asia, where nearly two-thirds of the world's population lives, promotes employment in the US and other affluent industrialised countries. All these developments have virtually made the world a global village; events in any one part of the world have impact on our day-to-day life. Thus, it is essential for us to be aware of the happenings around the world. That necessarily includes trends in international relations and the challenges and problems confronting mankind today.

31.2 OBJECTIVES

After studying this lesson you will be able to:

- recall the meaning of Cold War and emergence of a bipolar world.
- recognise the effects of Cold War.
- recall the influence of the Non-aligned countries in the Cold War context.
- explain that the post Cold War world is more unipolar and less multipolar.
- recognise that the post-Cold War world faces threats from civil wars, under development, indebtedness and terrorism.
- assess the need for a just global political order and equitable global economic order.

31.3 COLD WAR AND ITS IMPACT

After the Allied powers, victory in the Second World War, sharp political differences arose between them based on adherence to free market capitalist economy and those adopting state controlled socialist economy model. The capitalist or the free world was led by the United States and the socialist group by the Soviet Union (USSR). The question was now about having greater military, political and economic control and influence in Europe and other parts of the world rather than direct confrontation. Thus the cold war was born.

Cold War is not a war. It means that one side uses every means, to defame or to weaken the other side but without directly fighting a war. Soon after the Second World War both the United States and the Soviet Union became "super powers". The world was dominated by these two super powers, which came to be known as "bipolar".

Super Powers : The term "super powers" is used for the erstwhile Soviet Union, as well as the United States and not for other powers such as France, Britain and China. A super-power possesses military might and economic resources superior or equal to the combined strength of any group of countries of the rest of the world. As such a super power is capable of influencing the acts and policies of other countries. Both Soviet Union and the United States had acquired such a military and economic strength. While Britain, France, and China acquired nuclear weapons, they did not have economic strength. Similarly, some countries such as Japan and Germany became great economic powers but they do not have military strength.

Both Cold War rivals built up military alliances against each other. The US established the North Atlantic Treaty Organisation (NATO) in 1948 which included the West European countries, Greece, Turkey (in Eastern Europe), Canada and the USA. Its purpose was to use all NATO resources and military might if necessary, to "contain" Soviet influence, prevent its further expansion and to take joint military action, in case of a war with the Soviet Union or its allies. The USSR, reacted by establishing the Warsaw Treaty Pact in 1955, with the socialist countries of Eastern Europe.

These developments severely affected the functioning of the United Nations. Will be discussed in another lesson. The UN was set up on the premise of close co-operation between the principal Allied powers.

Once the Cold War between the two sides ensued, it was but natural that the UN system could not function on the lines envisaged by the UN Charter. The US created defence arrangements with nearly three-fourths of the then UN member states, and could always command the required 2/3 majority, both in the Security Council, the General Assembly, as well as other bodies of the United Nations. In such a situation, the UN forum was used by the majority of members led by the US for propaganda purposes against the Soviet Union. On the other hand, the Soviet Union, finding itself in a minority "vetoed" proposals made by the other side. The world body appeared to be an instrument of the US foreign policy rather than a non-partisan world organisation.

The international peace and security and global co-operation to build a better world, as envisaged by the UN Charter, remained a distant dream. The tension and conflicts of the Cold War era which lasted more than 40 years, brought death, starvation and miseries to different kinds of people all over the world. There was not a single day when armed hostilities, killing of innocent people, including women and children were not going on. Besides, subversions, sabotage, military incursions, repressive measures led to thousands of people becoming refugees. Several million people were uprooted and became homeless in their own home country.

That was not all; arms race was widely rampant not only among the two rivals of the Cold War but also among smaller States as well. Both the US and the Soviet Union continued to pile up lethal nuclear weapons having several times more destructive capacity than the two atomic bombs dropped on Hiroshima and Nagasaki, in Japan, in 1945. Again, while huge amounts of money was being spent on armament and armed forces there were millions who were rendered homeless and suffered from poverty, disease, and unemployment.

The worst impact of cold war was experienced in areas which were strategically located; in such areas both the Soviet bloc and the US and its allies sent arms and support to establish their own respective "puppet" régimes. The other side aided and abetted the rival groups. Such cold war politics led to several large-scale armed hostilities in the Korean peninsula, Vietnam, West Asia, Ethiopia, Somalia, Angola, Mozambique and several other areas including India.

India was the first countries to have emerged as an independent nation from the reins of the colonial powers. She refused to align itself with either of the Cold War blocs. It opted for a foreign policy, which became known as that of "non-alignment". Non-alignment does not mean neutrality. It means taking a position on international issues on merit, independently of Cold War politics, to promote world peace.

Subsequently, almost all countries of Asia and Africa, on gaining independence opted for non-alignment. As members of the United Nations, these member states helped keep the United Nations, beginning from the 1950s, on an even keel. They also played a crucial role in resolving various conflict situations and in the maintenance of world peace and security. India played a lead role in the non-aligned movement, particularly at a time when cold war politics was at its peak. It was India's leadership and example of acting independently of the two super powers that prompted other emerging nations of Africa and Asia to adopt a non-aligned position. India's efforts were also responsible for ending of colonial rule in different parts of the world. The end of colonial-imperialist era resulted in the emergence of nearly hundred new nations.

INTEXT QUESTIONS: 31.1

Complete the statement by ticking (✓) the correct alternatives.

1. The cold war was :
 - (a) a contest of ideologies for world-wide influence.
 - (b) a direct battle field confrontation between the US and the Soviet Union.
 - (c) a war-like situation where diplomatic contacts were cut off.
2. The NATO was formed by :
 - (a) the non-aligned countries.
 - (b) the United Nations.
 - (c) the United States and its allies.
3. The Soviet Union's role in cold war was marked by :
 - (a) making up with the Western bloc.
 - (b) the military attacks against the Western rivals.
 - (c) blocking of majority decisions in the United Nations Security Council with its veto power.
4. The aim of the non-alignment policy was :
 - (a) not to join any cold war alliances.
 - (b) to be neutral in cold war problems.
 - (c) to promote the cold war rivalries.
 - (d) to promote world peace not through alignment with any power or group of powers, but through positive, independent policies.

5. India opted for non-aligned policy :
 - (a) with the help of the USA.
 - (b) to protect its freedom in foreign policy domain for protection and promotion of world peace.
 - (c) to assist the Soviet Union in the cold war rivalries.
 6. Name a few regional conflicts where cold war blocs were indirectly involved.
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31.4 END OF THE COLD WAR

The cold war continued to dominate world politics till the late 1980s except for a brief spell of relaxation — known as the period of “detente” — roughly during the years 1962-1979. The East-West detente was known for mutual restraint observed by the two super powers in criticising each other. It is also significant for the arms limitation/control agreements. Some examples were the Partial Test Ban Treaty (1963), the Non-Proliferation Treaty (1968), and the Strategic Arms Limitation Treaties (1972, 1976). But the detente was only brief, and the cold war resumed in 1979 with the Soviet invasion of Afghanistan. The later part of the 1980s witnessed radical changes in international political environment.

The super powers initiated an assiduous search for the basis of stable peace and co-operation between them in 1987. They reached agreement on many issues and the period beginning 1988 witnessed the peaceful resolution of several conflicting situations in various parts of the world. In April 1988, the Soviet Union and the United States concluded the Geneva Accord which led to the withdrawal of Soviet troops from Afghanistan. In 1988, a cease-fire was secured in the eight-year long Iran-Iraq war in compliance with UN Security Council resolution. In Namibia (what was formally known as South West Africa), the United Nations arranged elections for the establishment of a new Government of the Namibian people in March 1990. In Central America, on-going armed conflicts between two rival forces each supported by the rival super powers, in Nicaragua, El Salvador were successfully brought to an end.

Further, the year 1989-90 witnessed a series of dramatic and sudden developments in Europe spelling the end of the cold war. All cold war symbols collapsed one after the other. The two Germanies united into one. East Germany was united with the Federal Republic of Germany. The Berlin Wall was brought down. The Communist regimes in Bulgaria, Hungary, Poland, Czechoslovakia were thrown out of power mostly without violence. All of them chose free market democratic systems. The Warsaw Treaty Organisation was disbanded, though NATO remained intact. The United States and its allies saw in these developments a clear victory of their ideology. The Soviet Union became too weak to overcome challenge not only from outside but from within — Latvia, Estonia and its many other constituent republics rose in revolt for independence.

On Christmas eve of 1991, Mikhail Gorbachev, President of the USSR, announced his resignation. USSR disintegrated and fourteen new, independent states emerged in Eastern Europe and Central Asia. These new independent states are: Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgystan, Latvia, Lithuania, Tajikistan, Turkmenistan, Ukraine, Uzbekistan which formerly were part of USSR. What remained, although still huge in size is the Russian Federation with Boris Yeltsin as its President.

The Soviet disintegration inspired similar developments in the neighbourhood. Yugoslavia also disintegrated and six new States emerged, Yugoslavia, Bosnia and Herzegovina, Croatia, Slovenia, Macedonia and Moldova. Czechoslovakia also was divided into two separate states (Czech Republic and the Slovak Republic).

31.5 The World after the End of the Cold War

More Unipolar and less Multipolar

The end of the cold war presented a new challenging situation. The United States emerged as the most powerful nation; the world was fast becoming unipolar, with the United States as the only super power having massive military and economic might. However, several scholars argue that world is not becoming unipolar. There are other centers of power, such as the European Union or Japan. On the contrary, it is argued that their power is only economic power; both Germany and Japan are still dependent, for their 'security' on the USA. Both Germany and Japan have large US army stationed in their respective territories.

The 15-member European Union (EU) has become a formidable centre of power today. But the combined strength of EU and Japan, in terms of both economic and military power is less than that of the United States. Further, while the Warsaw Pact led by erstwhile Soviet Union has been dismantled, NATO led by the United States and legacy of cold war period is further getting strengthened and expanded. In June 1997, Hungary, Czech Republic and Poland, once parties to the Warsaw Pact have been admitted to NATO. The US further plans to expand NATO to include all countries bordering Russia.

It is also argued that China with its nuclear weapons and fast growing economy and largest concentration of power, is soon likely to acquire the status of a centre of power at the global level. India, having the second largest man-power, and its advancement in science and technology, is also considered as a potential centre of power. Therefore, as argued by some, the post-cold war global order is not unipolar but multipolar. On the other hand, it is argued that the US is the only country which has unchallenged military might; the countervailing factors of the cold war period, which has a balancing effect, are no longer in existence.

With its power unchallenged, the United States seemed to be all set to bring in, what it initially called a "New World Order" President, George Bush of the USA first used this term asserting that US would not allow any one of challenge its role of leadership and that under US guidance and United Nations would live up to its Charter ideals of policing the world and penalizing the wrongdoers. In this leadership role, the US called for active or tacit support of its Western allies and Russia.

Very soon the opportunity came when US could set an example. In 1990-91, in a situation where Iraqi forces had forcibly occupied Kuwait, the US obtained an authorization from the UN Security Council to act as a "policeman"; and with support of its allies carried out military attack against Iraqi forces and forced Iraq to withdraw not only from Kuwait but also from part of its own territory. Subsequently, the US succeeded in imposing severe conditions and sanctions against Iraq which are still being maintained. Though other members of the Security Council, such as France, Russia and China have expressed their views against these economic sanctions against Iraq, the US has so far refused to yield.

In 1992, it also succeeded in imposing partial sanctions against Libya. The US supported by Britain and France and other Western powers had claimed that a Libyan terrorist which is now back in Libya was responsible for bombing of an American passenger aeroplane in 1988. The US also carried out military action against Somalian militant rebels in 1994.

The former President of the US, Bill Clinton, has avoided using the term New World Order, but emphasized the same point – of maintaining unchallenged supremacy of the US. Addressing the UN General Assembly in September 1995, Clinton emphasized that when the interests for US are threatened "US will act to remove that threat" by whatever means available. He emphasized, he would use diplomacy and cooperation of other nations but

if such cooperation was not forthcoming, the US would use its own power, if necessary, military power. It should be noted that US normally faces no threat from any possible source, but US does not define its national interest narrowly.

31.6 RISING TENSIONS AND CONFLICTS

The end of the cold war had raised wide hopes for bringing an era of international peace and security. At the initial stage, as noted earlier, this promise held good and various armed conflicts and hostilities in Central America, Africa, and Asia came to an end. However, armed conflicts and "culture of violence" continues.

In many countries, there have been break down of legitimate governments. For example, in Afghanistan (after the withdrawal of Soviet forces) and several States in central Asia; in Haiti (Latin America); in Africa, several countries such as Somalia, Rwanda, Burundi, Ivory Coast, Sierre Leone; in Europe, Albania and Bosnia. Thus, the end of the cold war has witnessed an increasing number of failed and failing governments.

There is no respite from armed conflicts — some of them legacy of cold war politics when rival factions or a coterie of powerful leaders of the countries or regions were armed with sophisticated weapons by one super power or the other. Such regimes did not bother about the rights of the people or their welfare. Once the cold war ended and the support of the respective members was withdrawn, violence, turmoil and turbulence became the order of the day. More than 80 on-going wars and armed conflicts in different parts of the world, have resulted in killing of more than 11 million people during the last 5 years. More disturbingly, the major brunt of war and armed conflicts is increasingly being borne by non-combatant innocent people; a vast majority of them being women and children. The armed conflicts have also witnessed increase of refugees estimated to be 19 million today with another 39 million displaced within their own homeland.

INTEXT QUESTIONS: 31.2

1. _____ and _____ were called "super powers"?
 2. The détente period in 1960s and 1970s witnessed relaxation of the cold war session. (True / False)
 3. In the détente era, some significant arms control agreements were signed. (True / False)
 4. The two Germanies were united in _____.
 5. The Berlin War, the symbol of the cold war, was brought down in _____.
 6. The end of the cold war meant the dissolution of both NATO and the Warsaw Pact. (True / False)
 7. _____ become the only super power after the end of the cold war.
 8. Which countries fought the Gulf War and who lost?

 9. Name some of the new countries that have gained independence after the end of the cold war. _____
 10. The new name of what remained of the USSR is _____.
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31.7 DISCRIMINATION IN DISARMAMENT

The beginning of the post-cold war era started a process that led to dramatic reductions in

the nuclear stockpiles of the US and Russia. The two major nuclear powers concluded two treaties on the reduction of their strategic offensive arms, one in 1991 and the other in 1993 — known as START I and START II respectively. A global convention prohibiting production and stockpiling and use of chemical weapons was opened for signature in 1993; it came into force in 1997. The post-cold war order witnessed adoption or extension of discriminatory disarmament measures, with active push from the United States. The Nuclear Non-Proliferation Treaty, that was in effect since 1970, was given indefinite unconditional extension in 1995. The Treaty prohibited countries without nuclear weapons from acquiring such weapons, but failed to ensure that those countries owning such weapons would stop producing more such weapons. India has been one of the few countries that refused to sign the Treaty on grounds of discrimination.

Similarly, the Comprehensive Test Ban Treaty (CTBT) was signed whose original aim was to ban all types of nuclear tests. The Treaty, adopted in 1996 in the United Nations General Assembly, was equally discriminatory. The Treaty does not prohibit or seek time-bound reduction and elimination of the nuclear weaponry already acquired by the five nuclear weapon powers — China, France, Russia, the UK and the USA. India refused to be a party to it. The CTBT did not ban computer simulated laboratory tests nor was any commitment obtained from the nuclear weapon powers on the elimination of nuclear weapons within a time-frame. Notably, even after improved security environment in the post cold war era, the United States refuses to give assurance that it will not use or threaten to use nuclear weapons against other countries.

31.8 NEW TRENDS IN ARMS TRADE

The beginning of the post-cold war era has brought only partial reduction in arms trade. Global arms transfer, or sale, amounted to over \$70 billion, in 1987, has come down to nearly \$32 billion, in 1993; of this arms sale/transfer, the United States tops the list of having sold arms worth more than \$22 billion. The other exporters of arms are Russia \$2.8 billion, the UK \$2.3 billion, France \$1.1 billion, China \$400 million. The rest is shared by Germany, Italy and other European countries.

There is another dimension to arms trade. In the US as well in some Western countries, arms are manufactured by non-governmental business corporates; the governments in those countries do exercise control but as development in science and technology leads to more sophisticated arms, the existing stock becomes obsolete as far as the government of the countries, where arms manufactured, are concerned. Such weapons are made available to private traders. These traders are willing to supply arms to anyone provided they get the right price.

This development has led to the spread of a "culture of violence" in the contemporary world. Sophisticated arms such as AK-47 rifles, are now easily available to terrorists, subversive elements and even professional criminals. This partly explains wide-spread violence, terrorism, gang wars, civil wars and threat to the security of the common people all over the world. The experience in Afghanistan is one example. Terrorism has thus emerged as a major threat to post cold war global order.

31.9 ABUSE OF HUMAN RIGHTS

The cold war was widely regarded as a serious obstacle in the progress of the world-wide movement for the realization of human rights for all. Once the cold war ended, hopes were aroused for a better life for the people all over the world. The US and its allies including Russia reiterated promotion of human rights, democratic values and free market as the

basic objectives of the post-cold war order. Fifteen heads of State/government meeting at the 'summit' of the UN Security Council, in January 1992, asserted protection of human rights as essential for world peace. Human rights violation on a massive scale in the form of ethnic killings, starvation, or refugee flows in Bosnia, Rwanda, Somalia, and elsewhere have posed serious challenges to peace and security in the neighbouring regions. International agencies such as the World Bank and United Nations Development Programme (UNDP) have been emphasising promotion of human rights as the criteria for development aid and as level of human development attained by a country.

Interestingly, free market or globalisation and liberalisation of economy is also linked to human rights. It is argued that private enterprises free of "control" from governments would encourage and provide a means for promotion of human rights.

Notwithstanding such declarations and expectations, human rights situation in the Post-cold war era is hardly any better, rather it has worsened in some parts. Poverty, hunger, unemployment, gross violations of human rights are on the increase. There is no respite from violence and armed conflicts, killing thousands of people every day.

Thanks to globalisation, even in the industrialised countries of Europe, Japan and US, unemployment is on the rise and the percentage of those on the brink of poverty have reached 15 per cent. Of course, poverty is a relative term; poverty in America or in Europe, for instance, is not the same as that in the Third World. Moreover, industrialised countries have provisions for social security system. But no such provision exists in third world countries.

INTEXT QUESTIONS : 31.3

1. "Unipolarity" in world politics explains the domination of one/ many power centres.
 2. Give examples of post-cold war conflicts in Europe and Africa that killed thousands of innocent people. _____
 3. The NPT was indefinitely extended in _____
 4. The CTBT bans all types of nuclear tests including computer simulated laboratory tests. (True / False)
 5. The Chemical Weapons Convention came into force in 1993 / 1995 / 1997.
 6. _____ is among the countries that opposes both NPT and CTBT in their present forms.
 7. Human Rights violations have stopped in the post-cold war years. (True / False).
 8. _____ has emerged as a major threat to the post-cold war global order.
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31.10 EXTERME POVERTY AMIDST PLENTY

Extreme poverty, destitution, deprivation are also much more rampant today than ever before. The number of absolute poor who do not have adequate food, shelter, employment, suffering from disease and hunger, was estimated by the Human Development Report of UNDP (1997) as 1.3 billion: their earning amounts to less than one dollar per day. Almost all of these deprived people live in Africa, Asia and Latin America. This part of the world, representing more than two-third of world's population is referred to as the Third World or the developing world or just the South. Nearly 40 per cent of them are living on the brink of poverty.

Hunger is widespread, although food production has increased manifold. In the

countries of North America and Europe, farmers are advised not to cultivate their land. Millions of dollars are paid to these farmers as 'subsidy'. Even then there is surplus production of food grains which is stored in "cold storage". Millions of dollars are spent to store the food in cold storage. The purpose of this 'subsidy' to farmers, or keeping the surplus food grains in cold storage, is to restrict supplies to the market to maintain stability in prices.

Indeed, the most serious challenge facing mankind today, emanates from the highly lop-sided and unjust global economic system. This system allows rich industrialised states to manage international trade, monetary and fiscal system for their own advantage. These rich industrialised countries of the 'North' represent around 20 per cent of the world population, and include countries of North America, Australia, New Zealand, Europe (including Russia) and Japan. The share of these industrialised countries, in world trade, amounts to 85 per cent. They control and utilise for their benefit nearly 85 per cent of the world resources. The United States with about 6 per cent of the world's population consumes 30 per cent of the world's total output. By contrast the rest of the world, often referred to as the Third World or the South, largely lives in extreme poverty. The Third World has three-fourth of the world population but less than one-fifth of its income.

31.11 DEBT-BURDEN

The plight of the Third World countries have been aggravated because of debt-trap. A World Bank report of 1993 shows that from 1980-92, developing countries have paid more than \$1.2 trillion as part of their debt—as interest and part payment of debt. After making this payment the total debt of developing countries is still estimated to be over \$1.3 trillion.

Ten lakhs makes one million; ten million makes one crore; one thousand million or hundred crore makes a billion; one thousand billion makes one trillion

So great is the debt-burden that today many African countries pay three times in debt remission to the rest of what they receive for development aid.

India, which imports 40 per cent of its oil requirements has incurred debts amounting to \$96 billion (available estimated figure for 1996). Each year India pays back some \$13 billion, of which \$4.5 billion goes to the World Bank and the International Monetary Fund and the remaining part to fulfil bilateral debts with governments and commercial banks in the North. India, according to the World Bank is "moderately indebted" paying only 28 per cent of its hard-currency earnings from export to meet its debt obligations. It should be noted that India's export earnings are 80 per cent of what India pays for its import. Thus, India is also caught up in a debt-trap.

31.12 MULTINATIONAL CORPORATIONS (MNCs) AND GLOBALISATION

In the contemporary world, trade and commerce, telecommunications, airlines, shipping are largely managed by big business corporates, popularly known as multinationals (MNCs). The United Nations aptly refers to them as Transnational Corporations (TNCs)

Beginning the post-war period (after 1945), the MNCs have increasingly acquired a dominating role in world economy. However, during the Cold War period, their role was confined to the Western World and those of the developing countries which had political and military ties with Western world. But beginning the post-Cold War era, MNCs have

acquired dominance in the economy of almost all countries including Russia, Eastern Europe and also in Communist China and Vietnam.

The MNCs have huge funds and technical know-how, which developing countries need for their economic development. The total assets of some of the largest MNCs exceed the GNP of many medium-size economies. For instance, the total assets of General Motors (an US-based company) amounts to nearly \$140 billion; that of EXXON (US-based) \$120 billion; Royal Deutche (Netherlands) \$95 billion; Matisushiba (Japan) \$60 billion. Compared to this, GNP of Indonesia is around \$115 billion, Pakistan \$45 billion, Nigeria \$40 billion, Egypt \$37 billion.

Some MNCs have "genuine co-operation" with developing countries for mutual benefit, i.e. earning handsome profit for themselves as well as helping the economy of the country where they are operating. But in most cases, they exploit the hapless country of their natural resources and labour force. In most of the developing countries, they operate under local names, hire local labour at much cheaper rates than what they could obtain in their own country and substantial margin of profit is exported back to their own countries where they are based.

The post-cold war period has witnessed further rise and spread of MNCs. This is so because the collapse of the Communist system in Russia and Eastern Europe, and the so-called "globalisation" have given them unrestricted sway over the world economy.

Of late, some smaller business corporates based in Malaysia, South Korea, Singapore and India, have acquired MNC status by operating in other countries. However, the bigger MNCs, all based in industrialised countries of the North, rule the world economy. They have a tendency to monopolize business in fewer hands. Thus, three or four MNCs control production and world-wide distribution of tea market. Seven MNCs — BP, CHEVRON, EXXON, GULF, MOBIL, SHELL and TEXACO, known as "seven sisters" control the technology of exploration and exploitation of oil, as well as its world-wide distribution system.

It is unfortunate that no international guidelines have yet been set to monitor and control their operations. The United Nations attempted to do its part of monitoring their activities and preventing their misuse of power. For several years, the United Nations also tried to work out a "code of conduct" for MNCs but after more than two decades of negotiations and drafting of the code, the attempt was abandoned in the late 1980s. The United Nations department concerned with MNCS was abolished, under US pressure, in January 1992.

The expanding role of MNCs is linked with globalisation, which has become a characteristic feature of post-cold war global order. Globalisation means that the whole world should be treated as one market for purposes of movement of capital and goods. In other words, there should be no restriction on movement of capital — foreign direct investment (FDI), and transfer of funds (including profits)— from one country to the other. Globalisation also demands that there should be no restriction of movement of manufactured goods and raw material produced from one country to another.

Intriguingly, globalisation while demanding unrestricted movement of capital and goods does not imply unrestricted movement of labour. That means labour of one country, especially of the Third World where wages are low, should stay where they are.

From the above, it is clear that globalisation amounts to unbridled sway of MNCs over the economy of the Third World countries.

Globalisation is linked with what is called 'private entrepreneurship' or free-market economy. This means that government should not own or control means of production and distribution; and that economic activities should be left to private entrepreneurs or businessmen. It is argued that under private entrepreneurship all economic activities would

lead to better and more production of goods and services, both in terms of quality and quantity. Again, incentive of profit and competition among private entrepreneurs or business corporates, it is argued, would be beneficial for the economy of the country and add to the overall prosperity of the people. Such arguments again mean that MNCs with massive capital and technical know-how and based in the industrialised countries of the North, should be allowed, without any restriction, to operate in the Third World countries or the South.

What began as a post-war corporate (MNCs) expansion has now, in the post-cold war era, become a global movement of capital, technology, and culture at a much faster pace than ever before. Globalisation is being proposed to the Third World countries as a panacea for their economic and social problems. Globalisation, it is argued, provides immense opportunity to the Third World for economic prosperity.

Several economists and political leaders have questioned the validity of these arguments pointing out that globalisation will only lead to 'neo-colonialism'

Neo-colonialism implies the policy of powerful nations seeking political and economic hegemony over independent nation or nations in an extended geographical area, without reducing the subordinate nation or nations to the legal status of a colony.

Third World countries would remain nominally independent but culturally and economically dominated by industrially advanced countries of the North. Further, it is argued that globalisation would make the rich, richer and poor poorer. But there seems to be no escape and almost all countries including India, under economic pressure, have opted for a policy of liberalisation and globalisation.

31.13 THE ENVIRONMENT IN CRISIS

One of the most serious challenges which the world community is confronting today is the pollution of the environment.

In our zeal to exploit our natural wealth and to establish mastery of man over nature, we have been creating seeds of our own destruction. To cite an instance, oxygen is one of the most critical element of human life on earth: without oxygen we would perish. As we know, oxygen comes from plants, trees, grass and much more than that it comes from plants in the waterbeds of seas and oceans. Today rivers and seas have become vast dumping grounds for all manners of waste.

Various studies and datas collected bear evidence of wide-spread ecological degradation resulting from human activity; soils losing fertility or suffering erosion, shrinking forests, polluted air and water; to this are added problems of "global warming" climatic change and ozone depletion because of millions of units of carbon dioxide and other lethal gases being emitted by industrial plants. In this regard, major industrial countries are the greatest culprit.

The industrialised countries of the North and the developing countries of the South disagree on the action programmes for environmental protection. The industrialised countries which are responsible for 90 per cent of the pollution of the earth insist that developing countries of Africa, Asia and Latin America should take necessary steps for protecting environment in their respective countries. The developing countries, on the other hand, argue that ways must be devised to ensure that the continuing transition from primarily agricultural economy to industrial economy in their respective countries calls for international cooperation in the application of science and technology for development;

that industrialised countries should provide financial aid and technical know-how for the environment.

The end of the cold war had aroused hopes for international cooperation, in a constructive way, to deal with this global problem. The second conference on Environment and Development was convened in Rio de Janeiro (Brazil) in 1992. The Conference, popularly known as the Earth Summit, established the Commission on Sustainable Development within the United Nations system. However, because of lack of constructive cooperation between the industrialised countries and developing countries, the progress has been tardy and slow.

31.14 GREATER NEED FOR GLOBAL MANAGEMENT

From what we discussed above, it is clear that the problems and the challenges confronting mankind are very complex and global in nature. They cannot be resolved by any one nation or a group of nations. They need cooperative and concerted efforts of all the countries. At the same time, some of these problems whether of human environment or poverty are also bound up with socio-economic and cultural conditions. These socio-economic and cultural conditions are peculiar in each area and differ from region to region and country to country. Hence, they cannot be tackled by one centralised global mechanism. These problems can be successfully resolved by adequate global management based on consultation and active cooperation of all countries.

Unfortunately, what has been happening in the contemporary world is that a few powerful nations take decisions on global issues and try to impose them on rest of the world. This is true specifically in the current post-cold war global order. Before the advent of this post-cold war global order, the situation was slightly different. There was some degree of balance, due to countervailing factors. On the one side, there was the US and its allies and on the other the Soviet Union and its allies. Both sides wanted to win over the Third World countries, especially those who had refused to join any side. These Third World countries have largely followed the policy of non-alignment. Thus, there were three centres of influence, exercising a countervailing factor. This is not to say that the cold war period was better than the situation today. At that time, the difference was that no one centre of power could be all-pervading and dominant.

In the post-cold war era, one centre of power, i.e. the Soviet Union has disintegrated. The Third World countries because of debt burden and other economic and political factors, are incapable to resist the domination of the United States and its allies. The global management of various trouble spots is now dependent on the interest, involvement and support from the United States. The trouble spots which are of no interest to the United States are not seriously attended to. This is the state of affairs with the United Nations too.

In matters of finance, trade and commerce, the US takes decisions in consultation, particularly with Japan and Germany in the forum of what is known as the "Group of Seven" (or "Group of Eight" with Russia since June 1997) and obtain for them international legitimacy through World Trade Organization (WTO) or IMF to carry them out.

In brief, the post-cold war global order presents little hope for equitable management of world economy or for a global political system ensuring peace and justice for all. Indeed, there is a widely held belief that the present era is, in a way, a revival of the colonial-imperialist era. There is, however, one vital point of difference. This relates to the difference between means of communication prevalent in the colonial-imperialist period and what are available today. This difference has resulted in a world-wide movement to make the earth a better place to live in. This movement is spearheaded, at the peoples' level, through organised groups known as non-governmental organisations or NGOs.

Peoples across national boundaries are getting increasingly aware of the problems of extreme poverty, of hazards of environmental pollution, of continuing threat of nuclear weapons and other weapons of mass destruction, of international terrorism, of gross violation of human rights. Thus, people have come together to form a network of NGOs to promote cooperation on common problems. These NGOs have successfully forced the governments in Europe, North America and other parts of the world to take up policies keeping the global interest in mind.

Along with this trend, a number of leading personalities drawn from different countries are putting their heads together to envisage an enlightened approach for easing global challenges. The Willy Brandt (the former West German Chancellor) Commission, which wrote the Report on North-South problems is well known in the cold war era. Similarly many prestigious Commissions have been set up in the post-cold war years. For example, the Global Commission, jointly headed by Ingver Carlsson (former Prime Minister of Sweden), and Sridath Ramphal (former Secretary-General of the Commonwealth) came out in 1995, with its report, entitled "Our Global Neighbourhood" and recommended constructive proposals for strengthening the United Nations.

The role of NGOs as well as political leaders have made an impact on policy-makers. Yet the progress to build up genuine and constructive international cooperation for a better world is moving at a very slow pace.

INTEXT QUESTIONS : 31.4

1. The Third World indebtedness is estimated at _____.
2. Name some of the major MNCs you are familiar with in your day-to-day life.
.....
.....
3. The MNCs bring investments to the developing countries and take back profits.
(True/False)
4. The end of the cold war has helped/ not helped the activities of MNCs.
.....
5. The 1992 Conference on Environment and Development is commonly known as _____ Summit.
6. The NGOs have become more important in the post-cold war global order. (Yes/No)
7. Who chaired the Global Commission ?
.....

31.15 WHAT YOU HAVE LEARNT

You have read that the world is becoming small. Events in one country badly affect another. After the Second World War, the cold war between the USA and the Soviet Union started. Both emerged as super powers. Both were trying to weaken the others side without directly fighting a war. As a result many military treaties were signed. The functioning of the United Nations was adversely affected. Besides, arms race among the countries took place. The

cold war continued till the late 1980s except for a brief spell of relaxation- known as the period of "détente". Moreover, after many positive developments in Europe, the 1990s is known for the end of the cold war. Now, the United States has emerged as the most powerful nation. It has massive military and economic might. The post-cold war era started a process of disarmament and realization of human rights. But all developments in disarmament is based on discrimination which is not acceptable to India and liked-minded countries. Thus, the post-cold war era have brought out only partial reduction in arms trade. In short, in the post-cold war era, one centre of power, i.e. the Soviet Union has been disintegrated. The Third World countries are unable to resist the domination of the United States and its allies. The MNCs have acquired dominating influence all over the World linking it with globalisation. Globalisation refers to the whole world being treated as a great market with no restriction on transfer of goods and profits. The present era does not ensure socio-economic and political justice for all. The non-governmental organisations are playing an active role in the field of human rights, environmental protection and in many other developments all over the world.

TERMINAL QUESTIONS

1. Trace the effects of cold the war.
2. Discuss the features of the "New World Order" which the United States wants to promote after the end of the cold war.
3. The post-cold war global order has increased the miseries of the poorer sections of population in the developing countries in general. Elaborate the economic situation in the post-cold war years.
4. Explain the importance of human rights, environment and non-government organisations in the post-cold war global order.
5. Is the post cold war global order multipolar or unipolar? Elaborate.

KEY TO INTEXT QUESTIONS

Intext Questions 31.1

1. (a) 2. (c) 3. (c)
4. (d) 5. (b) 6. Korean Peninsula, Vietnam, West Asia, Ethiopia, Somalia

Intext Question 31.2

1. The USA, and the former Soviet Union
2. True
3. True
4. 3 October, 1989
5. 13 November 1989
6. False.
7. USA
8. USA and its allies against Iraq. Iraq lost.
9. Tazikistan
10. Russian Federation

Intext Questions 31.3

1. One power centre
2. Bosnia, Georgia, in Europe, Somalia, Rwanda, Burundi, Liberia, Zaire in Africa, Afghanistan and Tazikistan in Asia.
3. 1995 4. False 5. 1997 6. India 7. False 8. Terrorism

Intext Questions 31.4

1. 2.1 trillion
2. B.P., CHEVRON, EXXON, GULF
3. True
4. Has helped
5. Earth
6. Yes
7. Ingver Carlsson and Sridath Ramphal

HINTS TO TERMINAL EXERCISE

1. Please see Section 31.3
2. Please see Section 31.5
3. Please see Section 31.10 and 31.11
4. Please see Section 31.9, 31.13, 31.14
5. Please see Section 31.5