

LETTER

FIGURES-NOT FOR FUN

Under the competitive market economy of the world, generally the rich countries corner the benefits of the progress and economically backward countries lag behind. There are 209 economies in the world out of which 53 are developed industrial countries and the remaining 156 are developing poor countries.

As per the latest World Bank Report (2006), on one hand the developed industrial countries account for only a fifth of the world's population but generate 80 percent of the global income. The average per capita income therefore in these countries is around US\$ 32,000. By and large the physical standard of living of the people is not only very high but also entails a lot of wastage. According to an international study these advanced countries claim unlimited consumption of the world resources such as energy, wood, metals, food-grains, etc. As a result, natural resources get depleted leading to the environmental degradation. Besides, more than three fourths of the global trade-imports and exports are in their hands.

Even among the advanced countries, the group of G-8 countries (the US, Japan, Germany, the UK, France, Italy, Canada and Russia) dominates the world. These eight countries create two thirds of the world income and half of the industrial product. They account for half of the world exports as well as IMF funds.

On the other side, the low and middle income developing countries house the majority of the world population (84 percent) but earn only a fifth of the world income. Their little share of income, thus, gets depressed under the heavy pressure of population. The average per capita income in the poor countries is around US\$ 1,500 which is only a five per cent of the average income of the rich. As compared to the developed countries, the share of the developing countries in the global income and consequently; the per capita income has been declining. As a result, the rich become the richer and the poor, the poorer. As revealed by the increased ratio of the poor to the rich in gross national income (GNI) during the period from 1991 to 2004 corroborates the fact of rise in inequalities.

In the process of globalisation, the foreign trade is an important lever. Though, the foreign trade of the poor countries has been increasing but in the total world trade their share has remained more or less stagnant at 27 percent. It means, the bulk of the world trade still continues to remain in the hands of the rich countries. The impact of this imbalance is clearly visible in the dealings of the World Trade Organisation (WTO).

Even today, on the whole, the rich countries continue to dominate and influence the functioning of the international institutions like the UNO, the World Bank, the IMF and the WTO. Obviously, majority of the multi-national

companies and the affluences of the world level emerge from these advanced countries. Of course, in recent years Brazil, Russia, India and China are reported to be rapidly growing and their influence on the future international scenario is likely to be somewhat significant.

It is now increasingly recognised that globalisation is here to stay but its process needs to be reformed as more humane. This requires requisite political will. A million dollar question is: Who will bell the cat?

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