

## Asian Century?

President of the World Bank Mr Robert Zoellick has said that the present global crisis will be hard on the developing countries. Many will face balance of payment crisis due to fleeing of foreign investors. Others will face food riots due to rising prices of agricultural commodities. He has advocated that the developed and developing countries should come together to face the global crisis together. The implicit assumption is that interests of developing- and developed countries are conjoined and they will sink or swim together. On the other hand, former President Dr Kalam said in his book *India 2020* that "a simple analysis of global transactions indicates a much deeper fact: the continuous process of domination over others by a few nations. India has to be prepared to face such selectively targeted actions by more powerful players... What appears to be emerging is a new kind of warfare." Dr Kalam suggests that the interests of developing and developed countries stand against each other.

Mr Zoellick says the developing countries will be deprived of capital from the present crisis. This is only partially true. The developing countries have been remitting huge amounts of money to the developed countries in order to build their forex reserves. The Global Development Finance Report published by the World Bank states that developing countries have become net exporters of capital. They are remitting more money to the developed countries than getting from private capital flows. Mr Zoellick is correct in stating that this small flow of private capital will be further reduced. But, at the same time, developing countries will save money from remittances due to building of forex reserves. The export of large amount of capital they are making presently will come to an end.

Mr Zoellick is portraying the global crisis as harmful for the developing countries only to help America retain her economic leadership. This much is true that the present shape of the world economy will not sustain. But developing countries stand to gain in many ways.

Mr Zoellick wants to secure the interests of the United States. He understands that days of American leadership and dominance are gone and the world is increasingly becoming multi-polar threatening American hegemony. He wants to delay this. Thus he is highlighting the adverse impacts of the present crisis on selected developing countries and hiding the beneficial impact of the same crisis on other developing countries. Maybe this is the beginning of the Asian century.

□□□ [contributed]