

- III) Creation of an environment permitting free flow of technology and liberalisation of the rules governing the international operation of Financial Institutions.
- IV) From the point of view of the developing countries creation of an environment in which free movement of labour can take place in different countries of the world.

However the advocates of globalisation limit the definition when it comes to India to the first three - viz unhindered trade flows, capital flows, technology flows blocking out labour flows. This strengthens global capital. The essence of this process in India is the opening up of the national economy to global market forces and a corresponding diminution in the scope of the state to shape macro-economic policies and budgets. Multinational corporation capital far from being anti-statist, demands an activist state, but in favour of global accumulation of capital for MNC's. It also demands dismantling of the Welfare state vis-a-vis the poor.

This is achieved by pursuing policies of lowering wages, implementing social cuts in the Budget, transferring pensions to private capital etc. Structural adjustment policies in India have increased the upward flows of income and the availability of national public property for privatisation to multinationals and the wealthy domestic elites. Globalisation is accompanied by domestic decay, large scale growth of capital accompanied by a geometric rise in unemployment, poverty, crime and overall human suffering.

World wide Globalisation process has led to an increase in inequities. By the early 1990's the ratio differential in per capita income between the richest 20% of countries and the poorest stood at 65 to 1 and between the richest 20% of the people and the poorest at 140 to 1. Global capital has ensured that more than a billion of the world's people live in absolute poverty.

More than 15 million children die each year as a result of poverty. The global market profit-maximisation thrust threatens the world with an ecological disaster. The tropical forests, already eliminated by more than 40% are disappearing at a rate of 30,000 to 37,000 sq. miles every year as multinational and local corporate timber companies are having a field day under free trade and free market legislation.

Indeed the ecological effects of globalization are strikingly catastrophic. Under the fiscal pressures imposed by capital movements the third world state in particular sells more and more of its public resources - forests, mining and marine resources, natural resources, bio-diversity, water resources and land. In this context the greater the external integration, the greater the exploitation of