

BRUSSELS CONFERENCE ON: ECONOMIC SYSTEM AND SOCIAL JUSTICE IN A TIME OF GLOBALIZATION



DEMOCRATICALLY-BASED EMERGING COUNTRIES (DECS):

Should they accept **responsibility for **sustainable economic activities**?**

By

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Definition of Emerging country or nation:

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- Emerging country: a *country experiencing development and economic growth*; a country in the early stages of industrialization and undergoing economic growth and foreign investment; also called “emerging nation”

<http://www.qfinance.com/dictionary>

- Emerging markets: also defined as nations in the process of rapid growth and industrialization; transitioning to an open market economy with a growing working age population. Term coined by Antoine van Agtmael (1980's), positive alternative to “less economically developed country”, or LEDC.

Emerging Countries/Markets/Nations

IMF List

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As of July 16, 2012, the International Monetary Fund (IMF) labels the following countries as "emerging economies (21):

Argentina
Brazil
Bulgaria
Chile
China
Estonia
Hungary
India
Indonesia
Latvia

Pakistan
Peru
Philippines
Poland
Romania
Russia
South Africa
Thailand
Turkey
Ukraine
Venezuela

Emerging Countries/markets/nations

EMGP List

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- As of November 1, 2012, the *Emerging Market Global Players* (EMGP) project at Columbia University includes the following economies into the watch list (16):

Argentina

Brazil

Chile

China

Hungary

India

Israel

South Africa

South Korea

Mexico

Poland

Russia

Slovenia

Thailand

Taiwan

Turkey

Emerging Countries/markets/nations

FTSE Group List

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The FTSE Group distinguishes between *Advanced* and *Secondary Emerging* markets (22) on the basis of their **national income** and the development of their **market infrastructure**.

ADVANCED

- Brazil
- Czech Republic
- Hungary
- Malaysia
- Mexico
- Poland
- South Africa
- Taiwan
- Thailand
- Turkey

SECONDARY

Chile
China
Colombia
Egypt
India
Indonesia
Morocco
Pakistan
Peru
Philippines
Russia
UAE

Emerging Countries/markets/nations

MSCI Barra List

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As of May 2010, *MSCI Barra* classified the following 21 countries as emerging markets:

Brazil

Chile

China

Colombia

Czech Republic

Egypt

Hungary

India

Indonesia

- **Morgan Stanley Capital International (MSCI).** In 2004, MSCI acquired Barra, Inc., to form **MSCI Barra.**

Malaysia

Mexico

Morocco

Peru

Philippines

Poland

Russia

South Africa

South Korea

Taiwan

Thailand

Turkey

Emerging Countries/markets/nations

S&P List

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- As of 31 December 2010, *Standard and Poor's* classified the following 19 countries as emerging markets:

Brazil

Chile

China

Colombia

Czech Republic

Egypt

Hungary

India

Indonesia

Malaysia

Mexico

Morocco

Peru

Philippines

Poland

Russia

South Africa

Taiwan

Thailand

Turkey

Emerging Countries/markets/nations

Dow Jones list

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As of September 2011, *Dow Jones* classified the following 21 countries as emerging markets:

Brazil

Chile

Colombia

Mexico

Peru

China

India

Indonesia

Malaysia



Philippines

South Korea

Taiwan

Thailand

Czech Republic

Hungary

Poland

Russia

Turkey

Egypt

Morocco

South Africa

The South-South Cooperation E-7

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The selected sample of seven emerging (E-7) countries:

China,

India,

Indonesia,

Brazil,

Venezuela,

Turkey

South Africa

Conceptual Model of the Globalizing Economic System

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**POSTIVISTIC
THEORY OF SCIENCE**

**NEO-CLASSICAL
PARADIGM**

**ORTHODOX
MAINSTREAM
NEOLIBERAL
ECONOMICS**

**MARKET
IDEOLOGY**

**CORPORATE
INSTITUTIONS**

Democratically-based emerging countries

RESPONSIBLE

?

Sustainable economic
activities

CRITICAL QUESTIONS ON THE CURRENT ECONOMIC SYSTEM

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- **POSTIVISM:** philosophy of knowledge, empirical in perspective. *Is it possible to achieve objectivity and value neutrality in order to find causality and identify universal economic regularities or laws?*
- **NEO-LIBERALISM:** emphasizes a specific idea of markets and specific kinds of institutions. *Can consumers and firms act justly if government regulation and interventions are considered only as possibility and not necessity?*

- **MARKETS:** Neoliberal (mainstream) economics puts ideological emphasis on economic growth (the end), rationality and efficiency of markets (the means). *Can such emphasis ensure sustainability in terms of 'green economy'?*
- **CORPORATES:** These are interpretations or models of the ideal economic world, and manifest themselves as business institutions whose fundamental mission is to maximize profits in monetary terms. *Are corporates ready to incur costs for non-economic sustainable development?*

Economic Neo-liberalism and Emerging Countries

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- The Development Policies of emerging countries have often been made subservient to external, especially G-8 and multinational corporate, interests.
- Discourses in academic and media circles usually “explain away” the rich, diversified and complicated experiences of emerging countries;
- Mainstream scholars and commentators have often attributed their developmental experiences (often simplified as “success stories”) to generic and reified concepts such as “marketization” and “globalization”

Sustainable Economic Development

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The Universal Principles of Sustainable Development (SD)

From *Sustainable Land Development Initiative* by Terry Mock and Tony Wernke, SLDI Co-founders, 2011. (<http://www.mcdonough.com/principles>).

To sustain itself over time, an economy must optimize or balance each of the following.

- **Utility** – the “satisfaction,” “incentive,” “desire,” or “pure state” that is to be attained.
- **Effectiveness** – doing the “right” things with accuracy and completeness.
- **Efficiency** – achieving the lowest possible input/output ratio.

Basically, sustainable development incorporates these principles through concepts of People, Planet and Profit.

Incorporation of the SD Principles

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The **People** (Social Capital) triad includes:

- a) **Quality of Life** principle for utility,
- b) **Share Knowledge** for efficiency, and
- c) **Accept Responsibility** principle for effectiveness.

Incorporation of the SD Principles

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The **Planet** (Environmental Capital) triad includes:

- a) **Model Nature** principle to represent utility,
- b) **Energy Flows** principle for efficiency, and
- c) **Humans and Nature Co-Exist** principle for the effectiveness requirement.

Incorporation of the SD Principles

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The **Profit** (=Economic Capital) triad includes:

- a) **Create Value** principle for utility;
- b) **Eliminate Waste** principle for efficiency;
- c) **Recognize Interdependence** principle for effectiveness.

Critical Issues to Consider:

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- **I. Land Reform**

Do what extent has the land reform been a success of, or difficult in terms of, sustainable development?

- **II. Currency Sovereignty**

- Is the integrity of the nation's currency sovereignty, supported by an effective currency policy to regulate the economy? To what extent is it susceptible to the world financial market instability and international liquidity excess, etc.?

Critical Issues to Consider:

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- **III Water Security and Sovereignty**

Do the emerging countries secure sustainable fresh water? How is resource management an imperative and pressing issue for the country's sovereignty? To fulfill in an equitable way the basic needs for fresh water as well as food for the whole population is an indispensable element of an inclusive and sustainable development.



Critical Issues to Consider:

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IV Food Security and Sovereignty

Confronted by soaring food prices and food supply instability, how do the emerging countries secure stable and independent supply of food to the people, which is vital to national security and sovereignty?

V Ecological Sovereignty

Is the ecology protected and managed sustainably with robust biodiversity for the future generations or expensed for short-sighted export-oriented growth for the nation's sustainable sovereignty?



CONCLUSION

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The answer to the question:

Should DEC's accept **responsibility** for **sustainable economic activities**?

will depend on one's SDC-inspired critique of the liberal market economy, and the questions raised by the critical issues to be considered.

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THANKS FOR YOUR ATTENTIVE LISTENING!