VIEWPOINT

One year on



September 11 was one of those JFK days in world history. The sort of day when everyone will always remember exactly where he or she was when the news struck home. Those who were around on November 22, 1963, for instance, will always recall what they were doing when news of John F Kennedy's assassination came through the ether. In those days, television was not as ubiquitous as it is today and much of the unfolding drama was played out beyond the reach of the camera. September 11, 2001, was different: its enormity was played out in disbelief, in real time, in front of the cameras of the world.

The target was not a single individual - it was a global economic system, epitomised by the financial hub of New York, and it was designed to create maximum chaos at every level. A year on, and the world continues to spin its way through space, the wheels have not come off the wagon and not much has changed - war, greed and mendacity all continue to thrive alongside faith, hope and charity.

What the last year has clearly illustrated, however, is the extent to which globalisation has become a dominant fact of life as opposed to some abstract theory of trade. It is affecting everyone's business - it does not seem to matter if your interest lies in coal, steel, food, telecommunications, chemicals, fibres, sports clothing or footwear.

As far as the clothing and footwear sectors are concerned, we have seen overall demand continue much as before. Yet notwithstanding global demand, more and more countries have been complaining about the effects of globalisation on their local economies - the continuing move by companies to relocate or further develop their manufacturing base in Asia. Those companies which have not followed the herd, and still

keep alive manufacturing in their own countries, find themselves suffering at the expense of legal and illegal imports which bounce in at prices that even low cost economies find difficult to match. This is a complaint that has been noticed in countries as diverse as Mexico, Peru, Poland and South Africa to name but a few. In this instance of globalisation, it is the Chinese giant which casts its shadow across the footwear world.

Ironically, September 11 did throw some lifelines to some US producers - probably the largest tanner in the US, which had announced closure in August, reopened in October; boot manufacturers who were nearly on their uppers, so to speak, suddenly found themselves with long term orders. It appears that US legislation requires that nation's armed forces to source its leather and boots from domestic suppliers.

In the same way that the world had focused its attention on the expected political storm when Hong Kong reverted to China in 1997, it was the unexpected economic typhoon following across Asia which swept people off guard - the political relationship between the two countries appeared to calmly follow what had been agreed.

With this analogy in mind, and considering the aftermath of September 11, it could be relevant to question whether the world's focus has been correctly defined or is there another, less tangible, danger which continues to loom? This is not to diminish the efforts being made by the US and its allies to eradicate global terrorism but the underlying purpose of the attack of September 11 was surely to destabilise the global, capitalist-based, economic order. The stock markets of the world may have had their ups and downs, but the system remains in place and no one has come up with a better or more practical theory. The financial distress caused by the collapse of global goliaths such as Enron and Worldcom has been devastating to many but their problems were not caused by the outrage of September 11 - it was just very old-fashioned greed.

There have been many companies which have happily laid the blame for poor sales on the fallout from September 11. No doubt these same companies will be looking for similar lame excuses in their next financial year if they do not see an improvement in their corporate fortunes. One of the most famous retail names in the UK, if not the world, blamed its poor results on the infamous attack - only to have to apologise shortly afterwards when it was pointed out that the results in question covered the period prior to September 11!

No, if one is looking to develop a sense of parochial paranoia or insecurity, the focus should surely be on China. Nervous economists look at that country's banking system (much of which is claimed to be technically bankrupt), its political structures, the lack of reliable statistics on which to base sound investment decisions, the willingness of Western banks, governments and global corporations to finance vast projects, an unpredictable future leadership and a yet-to-be-felt impact of WTO membership - they look and they express concern.

Are the optimists or the pessimists correct in their judgment - let's hope the optimists get it right (or, at least, mostly right) because the collapse of China as a world trade centre could cause greater distress than that generated by the obscene devastation of New York's World Trade Center on 9/11.