

THE PONTIFICAL  
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GOUDJO • GOULET • KIRCHHOF • LLACH • OUÉDRAOGO  
PAPINI • RAGA GIL • RAMIREZ • RICCARDI • SABOURIN  
SUCHOCKA • VYMĚTALÍK • ZAMPETTI • ZUBRZYCKI

# Globalisation *and* Inequalities



*Proceedings of the Colloquium*  
**8-9 APRIL 2002**

# GLOBALISATION AND INEQUALITIES

*Address*

THE PONTIFICAL ACADEMY OF SOCIAL SCIENCES  
CASINA PIO IV, 00120 VATICAN CITY

THE PONTIFICAL ACADEMY OF SOCIAL SCIENCES

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**MISCELLANEA**

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Proceedings of the Colloquium on:

**GLOBALISATION  
AND INEQUALITIES**

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The opinions expressed with absolute freedom during the presentation of the papers of this meeting, although published by the Academy, represent only the points of view of the participants and not those of the Academy.

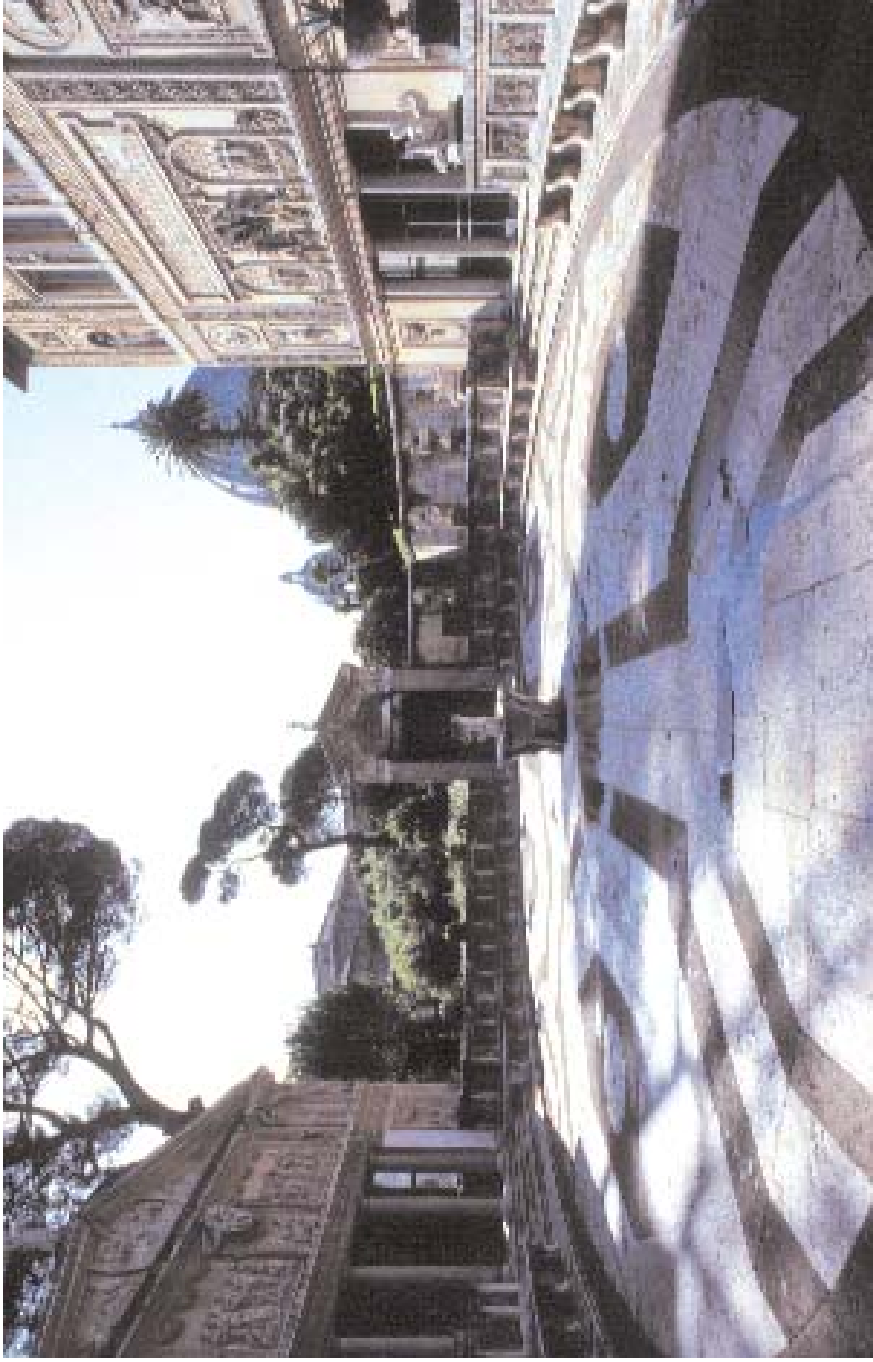
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*Joannes Paulus II. 5*



The Pontifical Academy of Social Sciences, Casina Pio IV



The Participants of the Eighth Plenary Session of 8-13 April 2002



The Participants of the Eighth Plenary Session of 8-13 April 2002

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## INTRODUCTION

LOUIS SABOURIN

“Vous devez contribuer à humaniser le monde dans lequel nous vivons”. Ces propos, prononcés par Jean-Paul II à l’occasion de la Journée mondiale de la jeunesse, à Toronto, en juillet 2002, représentent, entre autres choses, un appel pressant à concourir à la réduction de la pauvreté et des inégalités partout sur la planète.

C’est dans cet esprit qu’a été organisé le colloque d’avril 2002 sur les *incidences de la mondialisation sur les inégalités*. Cette rencontre, dont les travaux sont consignés dans les présents actes, constitue le troisième volet du programme d’étude de l’Académie sur la mondialisation. Les actes des deux précédents séminaires ont déjà fait l’objet de publications, soit: *The Social Dimensions of Globalisation* (2000) et *Globalization, Ethical and Institutional Concerns* (2001).

Une quatrième rencontre, sur le thème de *la gouvernance de la mondialisation*, aura lieu en mai 2003. Des conclusions, issues de ces quatre rencontres et publications, seront ensuite préparées, comme ce fut le cas pour les travaux sur la démocratie.

\* \* \*

D’aucuns prétendent que la mondialisation est la cause de profondes inégalités qui existent dans le monde contemporain alors que d’autres soutiennent que la mondialisation a permis à plusieurs États de sortir du sous-développement et de la pauvreté. Ces débats ont lieu lors d’un nombre croissant de rencontres internationales très médiatisées et suscitent la publication de plusieurs ouvrages rédigés à l’intention d’experts et de populations affectées à des degrés divers par une mondialisation dont on ne saisit pas toujours très bien les tenants et les aboutissants. Mais une chose est

certaine. Toutes les analyses de la mondialisation sont maintenant influencées par la nouvelle donne découlant des événements du 11 septembre 2001 et de la lutte contre le terrorisme.

En se fondant sur les acquis des deux précédents séminaires, il est apparu approprié de continuer les réflexions sur le thème des inégalités en comptant à la fois sur la participation des membres de l'Académie ainsi que sur l'expertise d'analystes et de praticiens originaires de différentes régions du monde et oeuvrant à divers paliers de la société.

Ainsi, le professeur Denis Goulet a d'abord défini et situé le concept des inégalités dans le contexte de la mondialisation. Notre collègue Llach a ensuite examiné les répercussions de la mondialisation sur les échanges Nord-Sud. MM. Camdessus et Ouédraogo se sont penchés, en troisième lieu, sur l'impact des actions des institutions financières et commerciales internationales. Une table ronde, composée de représentants "du terrain", MM. Riccardi, Papini, Fardeau, le Père D'Souza et M. l'abbé Goudjo, a finalement abordé la problématique des inégalités aux paliers local et national.

\* \* \*

Il se dégage de ces réflexions que s'il est exact que la mondialisation a contribué, dans plusieurs cas, à creuser le fossé entre les mieux et les moins nantis, elle ne peut, à elle seule, expliquer les inégalités économiques et sociales qui se perpétuent et se multiplient, souvent de façon cruelle et désastreuse, à l'échelle planétaire.

Comme l'a montré le rapport du PNUD de 1999 sur le développement humain, les déséquilibres entre individus et groupes d'individus existent à peu près partout sur la terre, autant dans les États riches que dans les pays en développement. Les inégalités prennent plusieurs formes, touchent une panoplie de domaines et ont des répercussions très différentes selon les milieux. Elles affectent non seulement les personnes, les sociétés, les peuples et les États, mais aussi des groupes d'États et même des continents. Trop souvent réduites aux dimensions économiques, elles se manifestent également en termes de savoir, de capacités et de possibilités d'action dans la société. En pratique, elles concernent à la fois la disponibilité des ressources, le capital financier, l'accès aux technologies, la marge de manœuvre économique, l'espérance de vie, l'emploi, l'accès à l'éducation et aux soins de santé et la jouissance des droits humains. Les inégalités ont une myriade de visages et de causes qui vont des traditions ancestrales à des formes subtiles d'exploitation des plus faibles par de "nouveaux plus forts".

À cela s'ajoute la délicate question des *perceptions* et des *interprétations*, selon que l'on se dit victime d'inégalités ou que l'on soit désigné comme étant responsable de celles-ci, à tort ou à raison. L'analyse des inégalités qui caractérisent un pays, une communauté, une minorité ou un individu, n'a de valeur que si elle tient compte du contexte particulier dans lequel évolue ce même pays, cette communauté, cette minorité ou cet individu. Ainsi, le même montant de revenus équivaut au seuil de pauvreté dans un pays et à celui la richesse dans un autre. Intervient ici la notion d'*équité*, qui fait référence à une forme de justice naturelle, par rapport à celle d'*égalité* qui se rattache à une justice davantage axée sur l'*équilibre*. En outre, les différences de perception apparaissent en fonction des situations et des intérêts de chacun selon, par exemple, que l'on soit un consommateur qui se réjouit d'acheter une marchandise étrangère moins chère, par opposition à un citoyen qui s'indigne qu'une entreprise de son pays prévoit une délocalisation de ses opérations sur un autre territoire afin de diminuer ses coûts de production. Mais, quelles que soient les perceptions et les interprétations, des faits demeurent. Avec l'augmentation démographique exponentielle, surtout dans les pays en développement, le nombre des pauvres a considérablement augmenté au cours des dernières décennies, non seulement dans les régions rurales, mais aussi dans les zones urbaines. Plus d'un milliard d'êtres humains n'ont pas encore accès au *minimum vital* en matière de *besoins fondamentaux*, à commencer par l'accès direct à l'eau potable.

En réalité, autant qu'une question de partage de ressources, la réduction des inégalités dépend d'abord d'une prise de conscience aussi bien morale qu'économique et de la volonté des uns et des autres à s'engager solidairement, par la mise en place de politiques pratiques réfléchies vers un avenir commun, un mieux-être collectif. Même si des progrès ont été accomplis dans différents domaines, on est loin d'assister à un tel engagement inter-étatique, comme ce fut le cas lors du Sommet de Johannesburg sur le développement durable, en septembre 2002.

\* \* \*

La mondialisation des échanges n'entraîne pas les mêmes répercussions partout, notamment au chapitre des inégalités. Les États, les groupes, les ethnies, voire les sexes, ne bénéficient pas, au départ, des mêmes opportunités ni des mêmes moyens pour participer de façon active et créative à la structuration de ces interactions et relations, pour assurer un partage équitable des bénéfices et pour en limiter les effets négatifs. Comme on l'a

montré ici, les États sont loin d'être égaux dans les faits et les grandes puissances économiques, financières et commerciales savent imposer des politiques et des pratiques qui ne concourent pas toujours à la réduction des inégalités. En revanche, des inégalités résultent souvent de politiques locales et nationales qui n'ont rien à voir avec la mondialisation des échanges.

Toutefois, il est évident que la mondialisation a souvent des conséquences sociales négatives, notamment au chapitre de la fixation des salaires et de la perte d'emplois. L'entreprise qui veut répondre aux exigences de la concurrence, toujours plus grande dans un contexte de libéralisation, optera souvent pour une restructuration de ses activités, laquelle entraîne régulièrement des licenciements. En d'autres lieux, ce sera précisément le contraire qui surviendra.

De plus, la mondialisation n'a pas eu que des effets positifs en matière de paix, de respect de l'environnement, de pauvreté, de partage du savoir et de cohésion sociale. Cependant, la plupart des génocides que le monde a connus au cours des récentes décennies puisaient leur source à même des facteurs internes, des revendications territoriales, des croyances religieuses et/ou des considérations ethniques et politiques. Dans le même ordre d'idées, rien ne prouve que, repliés sur eux-mêmes, les États auraient manifesté un plus grand respect à l'égard de l'environnement, de la faune et de la flore sur leur territoire respectif et auraient songé à limiter leur production de gaz à effet de serre pour le bien commun de l'humanité. De plus, il ne leur aurait pas été plus facile de juguler les famines, les grandes endémies et le terrorisme.

Toute analyse sérieuse démontre que l'internationalisation a progressivement favorisé le développement de la démocratie, de l'État de droit, des droits humains et de normes juridiques entre les nations. Elle a favorisé la multiplication d'échanges bénéfiques de toutes sortes, à commencer par l'octroi rapide d'assistance humanitaire. Elle a permis le transfert de nouvelles technologies et de connaissances scientifiques. Elle a engendré une ouverture aux autres et permis une modernisation des rapports sociaux dans des sociétés où la qualité du dialogue était limitée. Elle a sensibilisé les populations aux problèmes écologiques et environnementaux. Elle a favorisé la mise en place de nombreux accords et organismes internationaux dont le monde a grandement besoin. Elle a stimulé les échanges culturels et un plus grand respect des différences entre les nations. Surtout, elle est à l'origine de remises en cause de plusieurs privilèges dans nos sociétés. L'internationalisation des arts, des religions, des sports, du cinéma, de la télévision, de la mode, des habitudes alimentaires sont des phénomènes incontournables dont les effets sont aussi bien positifs que négatifs.

tifs, à l'image même de la mondialisation qui peut être bonne dans certains domaines et mauvaise dans d'autres.

Toutefois, d'aucuns croient que la mondialisation est devenue un phénomène incontrôlable qui pousse un nombre grandissant d'êtres humains à l'état de victimes. Une telle analyse, qui condamne d'emblée la mondialisation, est apparue au cours des quinze dernières années. Les événements du 11 septembre 2001 ont toutefois apporté des bémols à ce sujet. Au lieu de rejeter en bloc la mondialisation, plusieurs opposants réclament maintenant une *mondialisation plus humaine*.

Ce fut notamment le cas, au début de l'année 2002, lorsque près de 40.000 personnes en provenance des quatre coins du globe se sont réunies dans le cadre du Forum social de Pôrto Alegre, au Brésil. Il s'agit d'un virage significatif pour des groupes qui étaient jusque-là globalement opposés à la mondialisation, mais qui se sont rendus compte qu'il s'agit d'un phénomène durable qu'il faut contrôler et réorienter, à commencer par une modification profonde du rôle des organismes économiques internationaux et des firmes multinationales ainsi qu'un changement d'attitude des principaux pays industrialisés à l'égard des pays en développement sur des sujets aussi saillants que le commerce, l'aide, les investissements, l'endettement, le rôle du *marché* et du *privé* ainsi que l'établissement de normes et de mécanismes pour contrôler les flux de capitaux.

\* \* \*

Face à la mondialisation, la différence entre réagir et anticiper, entre subir et orienter, devient fondamentale. L'être humain ne peut plus se limiter à observer de loin les conséquences de la mondialisation avec impuissance et ambivalence comme s'il s'agissait uniquement d'un phénomène envahissant, inquiétant et imprévisible, si intangible qu'il provoque la peur, le rejet et l'indignation. Il ne s'agit plus de percevoir le *bien* ou le *mal* selon que la mondialisation réponde ou non à ses aspirations. Réagir de la sorte ne peut qu'accentuer les problèmes et accroître les confrontations.

Selon certains, toute lutte, par définition, justifiable ou non, même avec un motif aussi noble que l'égalité entre les hommes, se solde avec des gagnants et des perdants. Placer un plus fort en présence d'un plus faible, c'est inévitablement affirmer des inégalités. Toutefois, en agissant avec responsabilité et créativité, on devrait pouvoir, avec clairvoyance, définir des normes communes de cohabitation et de coopération. C'est le prix de la survie de l'humanité, de la paix et du développement durable.

La mondialisation définit et détermine de plus en plus de *nouveaux repères* pour l'individu et le confronte à *d'autres valeurs*. L'espace national politique, économique, culturel et social ne suffit plus pour caractériser l'identité, l'existence, les aspirations et les comportements des individus. La vie des humains est maintenant influencée par des critères et des facteurs externes qui exigent une plus grande *co-responsabilisation* à l'échelle planétaire.

À l'occasion de la septième assemblée de l'Académie Pontificale des Sciences Sociales portant sur *les enjeux éthiques et institutionnels de la mondialisation*, le Professeur René Rémond a évoqué la nécessité pour l'homme de disposer "d'un certain pouvoir sur le cours de l'Histoire" et d'avoir "quelques possibilités de l'infléchir dans le sens qui lui paraît souhaitable", sans quoi toutes discussions formatives seraient vaines. L'objectif est donc de permettre aux sociétés et aux individus qui les composent de s'approprier la mondialisation, de l'intégrer, d'y participer et surtout de la maîtriser, notamment pour limiter ses effets sur les inégalités.

À cet égard, les inégalités liées à l'accès à l'information et au savoir sont de plus en plus apparentes. La distance qui sépare les travailleurs qualifiés et non-qualifiés est une source flagrante d'inégalités. L'analphabétisme, même dans les pays industrialisés, demeure une cause de marginalisation. La possibilité d'accéder au savoir est l'un des moyens principaux pour permettre une participation active et créative au monde du travail et au relèvement du niveau de vie. Naturellement, cette quête de savoir doit être accompagnée de la satisfaction des besoins fondamentaux et des libertés fondamentales.

La mise en œuvre de ces objectifs exigent des *actions concertées* aux plans local, national et international. Comme plusieurs intervenants l'ont souligné, seules des concertations étroites entre les pouvoirs publics et privés ainsi qu'avec des organismes non-gouvernementaux à tous ces paliers permettront d'y parvenir. Ainsi, l'action d'organismes internationaux, notamment du FMI, de la Banque mondiale, de l'OMC, des banques régionales de développement, sans oublier celle de l'ONU et de ses institutions spécialisées, occupe une place centrale qui doit être réévaluée. On continuera l'analyse de ce sujet lors de la rencontre de 2003 qui portera précisément sur *la gouvernance de la mondialisation*.

\* \* \*

La mondialisation oblige donc les humains à se repenser, à se redéfinir. De là, ressort la nécessité de donner un sens plus complet à la *transcen-*

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*dance des frontières* en ne se limitant pas seulement aux interactions économiques, financières et commerciales. Une telle tâche requiert en fait une approche multidisciplinaire. L'Académie est particulièrement bien placée à cet égard. En recourant à la philosophie, aux sciences sociales, à l'éthique et à d'autres disciplines représentées en son sein, elle peut apporter d'autres visions, d'autres explications et offrir, le cas échéant, d'autres types de recommandations face à une mondialisation de plus en plus complexe.

Certes, les confrontations entre les tenants de la mondialisation et de l'antimondialisation subsisteront. Il est toutefois indispensable de chercher des solutions afin *d'humaniser la mondialisation* et de réduire la pauvreté et les inégalités. Toute action en ce sens résulte avant tout *d'un choix moral et politique*. Sans la volonté de s'ouvrir aux plus faibles et aux plus pauvres, la réduction des inégalités demeurera un projet utopique autant aux paliers national qu'international. Le défi est énorme, mais doit absolument être relevé. Les réflexions, contenues dans les présents actes, se veulent une contribution en ce sens, modeste certes, mais lucide.

En terminant, je tiens à remercier tous ceux et celles qui ont participé au colloque, en particulier les intervenants et les commentateurs, ainsi qu'à la préparation de cet ouvrage, à commencer par notre chancelier, Mgr. Sánchez Sorondo et les membres du secrétariat de même que le Professeur Matthew Fforde qui, cette année encore, à bien voulu consacrer beaucoup de temps et de talent à la traduction et à la révision des textes.

PROGRAMME OF THE COLLOQUIUM ON  
GLOBALISATION AND INEQUALITIES

8-9 APRIL 2002

MONDAY 8 APRIL

*The Subject of the Colloquium:* Professor LOUIS SABOURIN, Chairman of the Colloquium (Pontifical Academician, Canada)

*Inequalities in the Light of Globalisation*

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*The Impact of International Finance and Trade on Inequalities*

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TUESDAY 9 APRIL

*Globalisation, Religion and Poverty*

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**General Discussion**

Conclusions and Proposals for the 2003 General Assembly

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PART I

INEQUALITIES IN THE LIGHT  
OF GLOBALISATION

# INEQUALITIES IN THE LIGHT OF GLOBALISATION

DENIS GOULET

## INTRODUCTION

### *Brazil Sets The Stage*

Shortly before his death last year (2001) the Brazilian geographer and philosopher Milton Santos published a book entitled *For Another Globalization*.<sup>1</sup> The literary scholar and sociologist António Cândido praised him as one 'in whose writings scientific rigor was never an obstacle to a developed social conscience'. And although Santos viewed globalization as a 'perverse phenomenon' he strove 'to show that it is possible to carry it out differently'.<sup>2</sup> The Santos book is but one among many works now issuing from Brazil and calling for a qualitatively different kind of globalization.<sup>3</sup> At the World Social Forum II organized around the theme 'Another World is Possible' held in Porto Alegre, Brazil (31 January – 5

<sup>1</sup> Milton Santos, *Por uma outra globalização, do pensamento único à consciência universal*, Rio de Janeiro: Editora Record, 2001.

<sup>2</sup> Mauricio Stycer, 'Legado de um pensador', in *Carta Capital*, 4 de Julho de 2001, Ano VII, No. 150, p. 7.

<sup>3</sup> Representative works include: Celso Furtado, *O Capitalismo Global*, São Paulo: Paz e Terra, 1998; Celso Barroso Leite, *Antologia Informal da Globalização*, Rio de Janeiro: Editora Destaque, 2000; César Benjamin *et al.*, *O Opção Brasileira*, Rio de Janeiro: Contraponto, 1998; João Paulo de Almeida Magalhães, *Brasil Século XXI, Uma Alternativa ao Modelo Neoliberal*, São Paulo: Paz e Terra, 2000; Maria da Conceição Tavares, *Destruição Não Criadora*, Rio de Janeiro: Editora Record, 1999; Reinaldo Conçalves, *Globalização e Desnacionalização*, São Paulo: Paz e Terra, 1999; Elenaldo Teixeira, *O Local e O Global*, São Paulo: Cortez, 2001; Rubens Ricupero, *O Ponto Ótimo da Crise*, Rio de Janeiro: Editora Revan, 1998; Liszt Vieira, *Os argonautas da cidadania*, Rio de Janeiro: Editora Record, 2001.

February, 2002), thousands of voices from 135 countries likewise launched appeals for Another Globalization.<sup>4</sup> These were the voices of political and church leaders; of NGOs working on diverse fronts (human rights, economic justice, debt relief, environmental protection, gender equality, democratic governance, the Tobin tax, citizen participation in public decision-making, peace, struggles against social exclusion); of rural and urban labor unions; of organizations of the landless and the homeless. Across wide differences in ideology, substantive positions and emphasis, participants at Porto Alegre II nonetheless proclaimed common value allegiances to equity and social justice over maximum economic growth, to participatory decision-making over secretive elite institutional planning, to fair over free trade,<sup>5</sup> to active protection of cultural diversity over uniform economic strategies, to re-empowerment of national states as decisive agents of development over subordination to international corporations or financial agencies. They counterposed these values to their opposites, which they attributed to the elite Davos World Economic Forum, held in New York this year in support of that battered city – maximum economic growth, unregulated capital mobility, free trade, privatization, and a uniform reliance on competitive markets to serve as the motor force of national development everywhere.

The World Social Forum II has taken a major step in what Houtart and Polet call 'the globalization of resistance and of struggles'.<sup>6</sup> This is in contrast to the situation two years ago when anti-globalization movements were at an important cross-road. The international relations scholar Raimo Väyrynen recalls that 'large-scale demonstrations against the policies of the

<sup>4</sup> The diagnoses, concepts and values underlying World Social Forum I (2001) and II (2002), are expounded in Antonio David Cattani, Organizador, *Fórum Social Mundial: A construção de um mundo melhor*, Porto Alegre: Editora da Universidade/UFRGS, 2001; and *Fórum Social 2002, Que OutroMundo é Possível?* in the special issue of *Diplo/Le Monde diplomatique*, No. 3, janeiro 2002.

<sup>5</sup> Decades ago Nobel economist Gunnar Myrdal noted that: '[T]he theory of international trade was not worked out to explain the reality of underdevelopment and the need for development. One might say, rather, that this imposing structure of abstract reasoning implicitly had almost the opposite purpose, that of *explaining away the international equality problem*'. In *The Challenge of World Poverty*, New York: Pantheon Books, 1970, p. 277. Italics are Myrdal's.

<sup>6</sup> François Houtart & François Polet, ed., *O Outro Davos, Mundialização de Resistências e de lutas*, São Paulo: Editora Cortez, 2002. Cf. José Seoane, Emilio Taddei, Compiladores, *Resistencias Mundiales: De Seattle a Porto Alegre*, Buenos Aires: CLACSO, Marzo de 2001.

World Trade Organization, the International Monetary Fund, the World Bank, and the World Economic Forum are at least a decade old'. By the year 2000 they stood at a cross-road because of 'the inability of the core of the anti-globalization movement to control violent fringe groups during their protests and the adaptive responses made by the targets of the protest, the international economic agencies'.<sup>7</sup> Two paths then seemed possible: the continuation of purely negative, protest and disruptive anti-globalization demonstrations, or dialogue, cooperation, and negotiation founded on hopes that a new globalization was possible.

It now appears (encouragingly) that protesters find it possible to dialogue with the very institutional agents which they criticize. A *New York Times* item on the World Economic Forum (Davos/New York, 2002), which this year focused on revitalizing the world economy and countering new security dangers, cites the protesting rock musician Peter Gabriel: '[I]t is odd being inside the glass and looking out at the protesters... It's something I am not used to. But I have learned that in order to change the world you must be part of it from the inside. It is the people at this conferences [sic!] who change things, and you have to learn how they work, and get to know them'.<sup>8</sup> Police kept a close watch on protesters, the newspaper reports, 'but let them have their say'<sup>9</sup> and '[M]any protesters were satisfied that they were heard'.<sup>10</sup> Through pre-arranged tele-conferences the Porto Alegre Forum spoke with protesters at the New York gathering; more importantly, it prevented major violence from erupting at its own site. The two principal criticisms leveled against the Porto Alegre Forum, both widely reported in the Brazilian press, are that it became, at times, more of a political rally on behalf of the PT (Workers' Party), one of its organizers, than a platform for building another possible world; and that, contradicting its own loudly professed values, it acted undemocratically and intolerantly by refusing a World Bank official and a Belgian politician permission to attend, on grounds that their presence would create uncontrollable disturbances in

<sup>7</sup> Raimo Väyrynen, 'Anti-Globalization Movements at the Cross-Roads', *Policy Briefs*, The Joan B. Kroc Institute for International Peace Studies, University of Notre Dame, No. 4 November 2000, p. 1.

<sup>8</sup> Alex Kuczynski, 'Hot Dogs and Foie Gras, but No Relish', *The York Times*, Monday, February 4, 2002, p. A13.

<sup>9</sup> William K. Rashbaum, 'Police Keep Close Eye on Protesters, but Let Them Have Their Say', *New York Times*, Sunday, February 3, 2002, p. 17.

<sup>10</sup> William K. Rashbaum and Al Baker, 'Shrewd Anticipation Helped Avert Trouble', *New York Times*, Tuesday, February 5, 2002, p. A15.

large assemblies of those protesting their views. These failings did not prevent large numbers of NGO's and social movements at the Forum from consolidating alliances with like-minded groups intent on returning to their respective arenas of concrete action to implement alternative development actions. In the long term, demonstrated success in producing alternative problem-solving solutions must serve as the basic touchstone for evaluating the merits or demerits of the World Social Forum. The reason is that organizers of World Social Forum 2001 and 2002 clearly intended the two gatherings to move beyond mere protest, resistance, struggle, 'expressive politics' or making 'noise in public debates'.<sup>11</sup> One organizing committee member, declares that the Forum 'seeks to be one of the forms out of which emerge a collective conscience and a theoretical elaboration of alternatives to it [globalization]. Hence its foundations and its vitality are linked to the trenches of containment of globalization, trenches dug by men and women there where they live out their lives and build the conditions of their economic, social, and cultural existence'.<sup>12</sup> In formally scheduled public testimony addressed to Forum 2002 participants Dom Luciano Mendes de Almeida, former president of Brazil's National Council of Bishops, called it 'a historical happening and a sign of hope'.<sup>13</sup>

It is no coincidence that a growing *corpus* of writings which *denounce* the ills of globalization in order to *announce* possible alternatives should make their appearance in Brazil, a large and populous developing country whose official policy thrusts it headlong into global integration. Nor is it coincidental that protest and alternative policy modeling should flourish in a country with the largest number of adherents to the Catholic Church, one of the world's earliest globalizing institutions and still an influential force in shaping public perceptions in that country. Through its prophetic pastoral and theological leaders, and through persevering public education efforts of its national bishops' conference – the CNBB, whose Commission on Justice and Peace is itself one of the organizers of the Porto Alegre Forum – the Church in Brazil has long protested the alienating features of development policies which create large inequalities, the human rights violations of a military dictatorship (1964-85) and, in more

<sup>11</sup> Väyrynen, *Op. cit.*, p. 2.

<sup>12</sup> Candido Grzybowski, 'Nasceu algo diferente em Porto Alegre', in *Observatorio Da Cidadania Relatorio* 2001, No. 5, Rio de Janeiro: IBASE (Instituto Brasileiro de Analises Sociais e Economicas), 2001, p. 67. Translation mine.

<sup>13</sup> Testimony Session, February 1, 2002.

recent years, widespread political corruption<sup>14</sup> and social violence. These are precisely the major criticisms generally leveled at the dominant pattern of globalization: it impedes democracy, violates rights, promotes social violence, and creates inequalities.

*Inequality: A Wider Concern*

Concern over inequality is not limited to advocates of 'another globalization,' however: it engages the attention of critical economists and social theorists as well. Oxford's Andrew Hurrell and Ngaire Woods introduce an edited volume on inequality, globalization, and world politics by recalling that '[I]nequality has long been a defining feature of world politics. This volume draws together evidence that it has been increasing, both within and across states, and examines the consequences. Immense and increasing disparities of wealth, of power, and of security shape the world in which we live. Economic liberalization is exacerbating the gap between rich and poor within virtually all developing regions'.<sup>15</sup>

Reporting on studies by a team of independent US economists, James K. Galbraith finds the result 'disquieting' because 'in the last two decades, inequality has increased throughout the world in a pattern that cuts across the effect of national income changes. During the decades that happen to coincide with the rise of neoliberal ideology, with the breakdown of national sovereignties, and with the end of Keynesian policies in the global debt crisis of the early 1980s, inequality rose worldwide'. One possible explanation for the 'common global upward trend in inequality' is 'that there is a common, and pernicious global element in the global economy'.<sup>16</sup> Galbraith concludes that it is not increased trade, or technology, or even globalization itself that is to blame for rising inequality. Rather, for over twenty years it lies in 'circumstances of unsustainable finance, in which wealth has flowed upwards from the poor countries to the rich, and mainly to the upper financial strata of the richest countries'.<sup>17</sup>

<sup>14</sup> The Commission on Justice and Peace, CNBB conducted mass campaigns to gain passage of an anti-corruption electoral law – LEI No. 9840, de 28 de setembro, 1999. Public education continues to engage citizens in pressuring government to apply the law.

<sup>15</sup> Andrew Hurrell and Ngaire Woods, editors, *Inequality, Globalization, And World Politics*, Oxford University Press, 2000, p.1.

<sup>16</sup> James K. Galbraith, 'A Perfect Crime: Inequality in the Age of Globalization', *Daedalus*, Winter 2002, p. 22.

<sup>17</sup> *Ibid.*, p. 25.

Writing as an invited author in *The Economist* Robert Wade, professor of political economy at the London School of Economics, regrets that unequal global income distribution 'has received rather little attention within the field of development studies, international relations and (until very recently) international economics. Neither the World Bank nor the IMF has devoted significant resources to studying it'. Wade refutes the widely held assumption that inequality is falling: '[N]ew evidence suggests that global inequality is worsening rapidly'.<sup>18</sup> He evokes two new studies which find that world inequality increased from 1988 to 1993, the most recent year for which fully comparable data exist. 'This', he says, 'is a faster rate of increase of inequality than that experienced within the United States and Britain during the 1980s. By 1993 an American on the average income of the poorest 10% of the population was better off than two-thirds of the world's people'.<sup>19</sup> When writing in their own name, editors of *The Economist* register disagreement with Wade's general conclusion that 'technological change and financial liberalization result in a disproportionately fast increase in the number of households at the extreme rich end, without shrinking the distribution at the poor end'. Notwithstanding their rejection of his conclusion, however, editors agree with Wade that 'the extent of absolute poverty in much of the world has increased. Certainly, this ought to concentrate the minds of policymakers'.<sup>20</sup>

The Executive Vice-President of IDB (Inter-American Development Bank) Nancy Birdsall laments that '[T]he ratio of average income of the richest country in the world to that of the poorest has risen from about 9 to 1 at the end of the nineteenth century to at least 60 to 1 today... Today, 80 percent of the world's population lives in countries that generate only 20 percent of the world's total income'.<sup>21</sup>

Two common themes emerge from these testimonies: inequality rises as globalization advances; and the precise nature of the relationship between the two, and with poverty, is not self-evident.

A recent study by three economists at Brazil's Institute of Applied Economic Research (IPEA) uncovers a causal relationship between pover-

<sup>18</sup> Robert Wade, 'Global Inequality, Winners and Losers', *The Economist*, April 28, 2001, p. 72.

<sup>19</sup> *Ibid.*, p. 73.

<sup>20</sup> 'Of rich and poor', in *cit.*, p. 80.

<sup>21</sup> Nancy Birdsall, 'Life is Unfair: Inequality in the World', in Robert J. Griffiths, ed., *Annual Editions, Developing World 01/02*, Guilford, Connecticut: McGraw-Hill/Dushkin, 2001, p. 8.

ty and inequality in that land, which they characterize as 'not a poor country, but an extremely unjust and unequal country which has many poor people'. Brazil has a higher percentage of people below the poverty line than countries of comparable income. And compared to countries with equal proportions of people below the poverty line, it has a significantly higher GNP *per capita*. IPEA recommends that Brazil negotiate 'a new social pact which considers as priority a strategy of reducing inequality'.<sup>22</sup>

One may extend IPEA's judgment on Brazil to the world economy. The world economy is not poor, *i.e.*, lacking in resources, but it contains many poor people. It is an extremely unjust and unequal economy, however; and it may be necessary to adopt global strategies aimed at reducing inequality if poverty is to be reduced. Such a policy recommendation contrasts with that favored by most development agencies and analysts who endorse the view that the inequality issue can be settled by working directly to reduce extreme poverty. 'Helping the poor, the truly poor', *The Economist's* editors tell us, 'is a much worthier goal than merely narrowing inequalities. If the rich get poorer thanks to high taxation, some people may feel pleased but few are better off. If the poor get richer, however, the whole country will benefit'.<sup>23</sup>

Both perspectives presented thus far, Porto Alegre and Davos, acknowledge a parallel rise in globalization and inequality of late. A central question remains: how are the two related?

#### GLOBALIZATION AND INEQUALITY: HOW ARE THEY RELATED?

The nature of this relation will be explored along two lines of thought, each framed in a specific argument.

The *first* contrasts opposite conceptions of development which *lie behind* the two models of globalization now confronting each other: market-led globalization and alternative civil-society led globalization from below.<sup>24</sup> *The argument made here is that another globalization is necessary*

<sup>22</sup> Ricardo Paes de Barros, Ricardo Henrique, Rosane Mendonca, 'A Estabilidade Inaceitável: Desigualdade e Pobreza no Brasil', in *Texto Para Discussão*, No. 800, Rio de Janeiro: IPEA (Instituto de Pesquisa Econômica Aplicada), junho de 2001, p. 23.

<sup>23</sup> 'Does Inequality Matter?', *The Economist*, June 16<sup>th</sup>, 2001, p. 9.

<sup>24</sup> Cf. Fred R. Dallmayr, 'Globalization from Below', *International Politics*, 36: 321-334, September 1999; Farhang Rajaee, *Globalization on Trial, The Human Condition and the Information Civilization*, Ottawa: IDRC, 2000.

*because another development is necessary.* Another development, in turn, is necessary, because the present form is flawed and exacts excessive costs. The distortion arises from inverting ends and means. The UNDP asserts that '[T]he basic objective of development is to benefit people... But excessive preoccupation with GNP growth and national income accounts has obscured that powerful perspective, supplanting a focus on ends by an obsession with merely the means'.<sup>25</sup> And when economic development is 'pursued as an end in itself, its 'economies' are tallied, but little account is taken of 'diseconomies' (damaged cultures, environments, and societies)'.<sup>26</sup>

The *second* line of analysis explores how inequalities associated with globalization differ from past inequalities, and why present inequalities are judged by some to be intolerable and by others as inevitable and amenable to successful policy management. A recent book by a former advisor to the World Bank asks whether globalization is threat or opportunity.<sup>27</sup> It may well be both, if what sets the two globalization camps apart is the relative importance they attach to these two terms and to their judgments as to priority claims of winners and losers in the present globalization 'game'. *The basic argument made here is that inequalities lose legitimacy and become intolerable when the balance between social expectations and the environment's ability to meet them is de-stabilized, either by changes in the social bond which links 'political authority/economic activity/socio-cultural life' (Gamer thesis), or in the 'dynamism of desire' of a population's cultural value system (Goulet thesis).*

Before returning to these two arguments in greater depth, the working definition of globalization which informs the rest of this paper is briefly sketched.

Development is pursued in a larger setting, globalization. The imperatives of globalization dictate where and how development efforts are to be concentrated. They dictate that national production be structured so as to achieve maximum integration with world markets; that economic policy be framed so as to maximize market competitiveness beyond national borders; that rules and institutions governing global circulation systems –

<sup>25</sup> UNDP, *Human Development Report 1990*, New York/Oxford: Oxford University Press, 1990, p. 1.

<sup>26</sup> Denis Goulet, 'Development: Costs, Alternatives', in William K. Cummings and Noel F. McGinn, *International Handbook of Education and Development: Preparing Schools, Students and Nations for the Twenty-first Century*, New York/Oxford: Pergamon/Elsevier Science, 1997, p. 490.

<sup>27</sup> Paul Streeten, *Globalization: Threat or Opportunity?*, Copenhagen: Copenhagen Business School Press, 2001.

information, technology, capital, goods, services, models decision-making and of management, cultural symbols – be designed in ways which take efficiency, as gauged by the quantitative standards prevailing in the world economy, as the test of performance.

Globalization receives countless definitions. Jan Aart Scholte, author of a critical introduction to the subject, observes that, ‘recent years have seen too much written about globalization... ideas of globalization have readily become so diverse, so broad, so loose, so changeable – in a word, so elusive – that one can pronounce virtually anything on the subject’.<sup>28</sup> After reviewing four categories of definitions centering, respectively, on internationalization, liberalization, universalization, and westernization Scholte adopts a fifth, and distinctive, definition centering on ‘deterritorialization’ or, as he prefers to call it, ‘the growth of ‘supraterritorial’ relations between people’. This shift in social geography, he adds, affects ‘the nature of production, governance, identity, and community. The spatial and other primary aspects of social relations are deeply interconnected and mutually constitutive. If the character of society’s map changes, then its culture, ecology, economics, politics and social psychology are likely to shift as well’.<sup>29</sup> Three additional notes are added to Scholte’s view of globalization and serve as the definitional backdrop to the present reflections. The first is ‘the spread of free-market capitalism to virtually every country in the world’.<sup>30</sup> The second ‘suggests that the boundary-crossing processes cannot be fully controlled by political decisions. While globalization has its domestic roots, it has, over time, become sufficiently independent of the attributes of societies and their mutual relations that it can be used to explain changes in their structures, institutions, policies, and values’.<sup>31</sup> The third is ‘a denser and more integrated network of shared institutions and practices within which social expectations of global justice and injustice have been more securely established’.<sup>32</sup> Hence globalization’s four defining notes are: deterritorialization, the spread of free-market capitalism, autonomy, and density.

<sup>28</sup> Jan Aart Scholte, *Globalization, A Critical Introduction*, New York: St. Martin’s Press, 2000, p. XIII.

<sup>29</sup> *Ibid.*, p. 46.

<sup>30</sup> Thomas L. Friedman, *The Lexus and the Olive Tree*, New York: Farrar Straus Girous, 1999, p.8.

<sup>31</sup> Raimo Vayrynen, *Global Transformation, Economics, Politics, And Culture*, Helsinki: SITRA (The Finnish National Fund for Research and Development), 1991, p. 1.

<sup>32</sup> Andrew Hurrell, ‘Global Inequality and International Institutions’, *Metaphilosophy*, Vol. 32, 1-2, January 2001, p. 35.

*Globalization: Vehicle of Unequal Development*

Globalization extends to multiple domains: finance, economics, technology transfer, the circulation of ideas, cultural practices, models of life, tourism, crime, solidarity itself. The present analysis centers on economic, financial, and technological globalization: this is the globalization which serves as the vehicle of unequal development. Globalization impulses in other domains are no doubt important. Not the least important of these is the worldwide dissemination of legal norms for judging and sanctioning the behavior of states, institutions, and individuals. Major disputes over the legitimacy of the global reach of these norms and institutions created to enforce them center on whether 'the international community' or nation states are the principal judge of actions committed against 'human rights', themselves the object of contention as to their universal or limited applicability. The three main agents of economic globalization – multi-national firms, international financial institutions, and a small number of powerful states – all employ globalization as a vehicle to promote market-based development.

For several decades the world was divided into two power blocs along an ideological axis separating two contrasting development models. Both blocs agreed that the proper goals of development are: to reach high levels of economic growth, to apply efficient technologies to ever-widening spheres of activity, and to modernize (specialize and professionalize) societal institutions. One model took market competition as the main engine of growth and energizer of development; the other relied on state planning of a central command economy. Historical socialism, the second model, failed to deliver economic freedom (regarded by Sen as an essential constituent of development), efficiency (leading to society-wide bankruptcy), and social equality (with political and bureaucratic classes monopolizing privileges and economic perquisites). After 1989 the entire world became the enlarged field where the first model now enjoyed free rein. The analysis which follows focuses on this model.

The universe of capitalist economies is not a homogeneous one and not all market economies place exclusive reliance on market forces to activate them. In *Capitalism vs. Capitalism*<sup>33</sup> Michel Albert profiles American, Alpine, and Rhine variants of the capitalist system. And in his Foreword to the American edition of Albert's work, Felix G. Rohatyn suggests adding

<sup>33</sup> Michel Albert, *Capitalism vs. Capitalism*, New York: Four Wall Eight Windows, 1993.

the 'Japanese model'. During the Reagan and Thatcher years in the United States and the United Kingdom high economic growth was achieved but inequalities increased sharply. In the world economy parallel phenomena manifested themselves: growth was registered along with increasing inequalities. This parallelism has given rise to the view that globalization *causes* inequality. Nevertheless, inasmuch as economic inequalities have always existed throughout history, one needs to ask if the linkage may quite possibly be something other than a causal one.

#### *What Causes Inequalities?*

'Why are some nations rich and others poor?' asks the economic historian Rondo Cameron. 'This seemingly simple question', he continues, 'is directed at the heart of one of the world's most pressing contemporary problems, that of uneven economic development... Millions have died miserably and unnecessarily of starvation, malnutrition, and disease – not because food and other resources were unavailable, but because they could not be delivered to those in need'.<sup>34</sup>

Although he dissociates himself from Marx's optimistic reading of the human condition, the social historian Barrington Moore, Jr., reflecting on the durability of poverty in the midst of wealth, recalls 'an influential critical tradition that derives from Marx, [according to which] humanity has just about solved the problem of scarcity, or has at least attained sufficient technical knowledge to be able to do so in a fairly short space of time. Therefore, according to this argument, the justifications that have so far supported historical forms of oppression are now falling to pieces'.<sup>35</sup>

There is no need to survey the history of inequalities in detail to accept as incontrovertible fact that inequalities have always existed. To the philosopher Thomas Nagel, inequality extending over generations poses the moral question 'whether a society should be concerned to narrow gaps of this sort, on the ground that the losers, and more especially their children, do not deserve their disadvantages'. Despite efforts made to narrow inequality gaps and provide greater equality of opportunity, equality of results or of treatment before the law, Nagel concludes that 'even if it is

<sup>34</sup> Rondo Cameron, *A Concise Economic History of the World*, New York/Oxford: Oxford University Press, 1989, p. 3.

<sup>35</sup> Barrington Moore, Jr., *Reflections on the Causes of Human Misery and Upon Certain Proposals to Eliminate Them*, Boston: Beacon Press, 1969, p. 40.

morally unfortunate, some significant inequality of results probably has to be accepted as a permanent feature of the social world'.<sup>36</sup> Equality and inequality exist in numerous spheres or 'spaces', and as Sen observes, an ethical concern for equality in one sphere or 'space' may entail the acceptance of inequalities in others. Notwithstanding the apparent relativity and openness of the equality concept, however, Sen contends that 'the general requirement of the need to value equality in *some space that is seen to be particularly important* is not an empty demand... Even at this general level, equality is a substantive and substantial requirement'.<sup>37</sup>

In all known urban-centered societies until the 16th century there existed, among individuals and groups, great inequalities in material possessions, in status, in access to knowledge, and in the power to allocate resources and establish rules governing social inter-action. In non-feudal rural societies material inequalities were not so great; nevertheless, authority and decisional power were unequally shared, although in some societies consultation among wide sectors of membership was practiced (however, frequently excluding women, children, and individuals ostracized for deviant behavior or some socially stigmatized disability). Europe's colonization of Asia, Africa, and Latin America rested on ideological and philosophical values enshrined in such images as 'civilizing mission', 'white man's burden', and 'Christianization of heathen races'. To many societies, some of them highly 'civilized', colonization brought new structures which disarticulated, as Robert Gamer has shown, the social bonds which prevented inequalities from exceeding certain boundaries.

In a wide-ranging comparative study of societies across temporal and geographical divides Gamer, a political theorist, offers a general explanation of how inequalities previously accepted as legitimate and functional came to lose that legitimacy and to be judged intolerable. Gamer defines development 'in terms of its effects on individuals or, more exactly, families. Those effects have to do with a *stable personal environment*; to experience this, an individual's housing, cultural setting, jobs and education must all be in balance'. Imbalances may arise in different ways: one may have a good education but a bad job, or a fine house but low income. '[A] stable personal environment', he explains, 'requires enough food to eat; health care; housing that

<sup>36</sup> Nagel is the author of the entry on 'Inequality' in Ted Honderich, ed., *The Oxford Companion to Philosophy*, Oxford/New York: Oxford University Press, 1995, p. 406.

<sup>37</sup> Amartya Sen, *Inequality Reexamined*, Cambridge: Harvard University Press, 1992, p. 24. Italics are Sen's.

is affordable and satisfying to live in; neighbors and cultural facilities with which individuals feel comfortable; a job offering a modicum of satisfaction, continuity, and above-subsistence income; and an education system that can promise children the same advantages'.<sup>38</sup> Gamer's overall theory is concisely formulated in a broad explanatory model.

A *developed nation* provides most of its citizens with a *stable personal environment*. A *developing nation* does not. Today's developing nations were once developed nations. They changed because their *political systems* separated from their *social systems* when European commerce was introduced. If the structure of international trade changes in the near future, social and political systems may be reintegrated, promoting *political development*. Then the developing nations may once again become developed nations.<sup>39</sup>

Colonialism shattered (destructured or 'disarticulated') the social bond connecting political authority, economic organization, and cultural life lived in villages. This it did by eliminating the local economic system's capacity to provide a stable personal environment ('development') in favor of patron-client networks for whom profitable trade rather than production to satisfy local (and national) needs was the priority and defining criterion of how to shape public policy. The consequence was to place the economic activity of society at the service of interests other than those of a nation's majority population. With this destructuring process, political actors ceased to be primarily accountable to their own population but became answerable to their network allies, commercial agents and bureaucrats. Gamer interprets this to mean that: '[T]he condition that prevailed before the businessperson-politician-bureaucrat relationships became important was that of development. When the businessperson-politician-bureaucrat network took power away from social systems the development ended. Changes in international trade would allow some power to return to social systems, and thus open the way for development once again'.<sup>40</sup>

One need not endorse Gamer's definition of development to acknowledge that his theory helps explain why globalization is accompanied by rising inequalities. Because inequalities have always existed, Gamer implies, the central question to ask is: What renders inequalities legitimate and tolerable at one time, illegitimate and intolerable at another? The answer, he

<sup>38</sup> Robert E. Gamer, *The Developing Nations, A Comparative Perspective*, Second edition, Boston: Allyn and Bacon, Inc., 1982, p. 8.

<sup>39</sup> *Op. cit.*, unnumbered page preceding p. 1. Gamer's italics.

<sup>40</sup> Gamer, *op. cit.*, p. 8.

says, lies in some process of destructuring which saps the cultural legitimacy of inequalities and alters society's tolerance level for them.

The Gamer model suggests that modally different destructuring processes occurring after colonial periods may likewise have expanded inequalities by shattering whatever social bond, or functional equivalent thereof, prevailed in societies affected. For students of the nexus 'globalization-development-inequality' the most important of these processes are: the Industrial Revolution, the universalization of development as a mobilizing 'myth' propelling national and international policy-setting after World War II, demonstration effects of technology's ability to generate large and rapid increments in wealth, and globalization.

Hirschman found the difference between 'group-focused' and 'ego-focused' images of change<sup>41</sup> in societies to be highly significant in accounting for the acceptance or the rejection of development innovations. This distinction also helps to explain why inequalities, as well as proposal to change them, may be variously perceived as desirable or not. Hirschman's 'group-focused image of change' may be taken as a functional equivalent of the social bond, or political/economic/cultural balance, portrayed by Gamer. Like the destructure analysis, Hirschman's 'two images of change' distinction sheds light on why and how inequalities lose legitimacy.

#### *Social Bonds Disarticulated*

The rapid spread of innovative technologies in processing, extraction, and transportation propelled by the Industrial Revolution, first in Britain and later in continental Europe and the United States, led to new inequalities between rural and urban populations, while also creating new inequalities among urban classes. During the 19th and into the early 20th century occupational mobility, took two forms: international migration and internal relocation within national borders. Both forms were closely associated with growing inequalities in populations whose ancestors had lived in more equal conditions. To illustrate, Irish immigrants coming to the United States in the mid-19th century were fleeing relatively equal levels of poverty. In their new land and new employments, however, some grew rich while others remained poor or became poorer in new social settings (urban and industrial instead of rural and artisanal). Under the aegis of post-World

<sup>41</sup> Albert O. Hirschman, *The Strategy of Economic Development*, New Haven/London: Yale University Press, 1958, pp. 11-20.

War II development a similar bifurcation occurred in Asian, African, and Latin American countries. At work was the 'confidence mechanism' or 'con mech'; a concept suggested to the British economist Charles Elliott and his team of researchers when conducting empirical studies on social mobility in ten African and three Asian countries. The 'con mech', Elliott explains, 'is a mechanism that depends upon the confidence of the deprived that it is roughly fair and legitimate while delivering to a small group a disproportionate share of privileges'.<sup>42</sup> It screens out, even in societies favoring social mobility, a small number of upward-rising individuals from lower classes into the upper ranks, while symbolically portraying the successful ascent of this minority as being within reach of everyone in the lower ranks. The visible and highly publicized climb of the few inspires 'confidence' in the many that upward movement is likewise attainable for them. The same society, however, preserves social mechanisms of exclusion which prevents large numbers from fulfilling the promise of generalized mobility.

After World War II, with the quest for national independence and the drive towards development, a new perception grew that previously tolerated inequalities in arenas of politics and of economics were no longer legitimate, acceptable or necessary. De-colonization went hand-in-hand with growing aspirations after material, technological, and institutional development. The economic historian Robert Heilbroner calls development 'the great ascent' which he deems to be 'the first real act of world history'.<sup>43</sup> And it was to be a decisive act of world history! When the General Assembly designated the 1960s as the United Nation's Development Decade there was no expectation that a second, a third, or other decades would be needed for development performance to match its early promise.<sup>44</sup>

### *The Dynamism of Desire*

The development euphoria running from 1945 to the early 1970s de-stabilized the 'dynamism of desire' which characterized societies labeled at

<sup>42</sup> Charles Elliott, *Patterns of Poverty in the Third World, A Study of Social and Economic Stratification*, New York: Praeger Publishers, 1975, p. 14.

<sup>43</sup> Robert L. Heilbroner, *The Great Ascent, the Struggle for Economic Development in our Time*, New York: Harper & Row, 1963, p. 9; cf. L.-J. Lebret, *Montée Humaine*, Paris: Les Editions Ouvrières, 1951.

<sup>44</sup> On the three Development Decades, cf. 'Economic and Social Development', in *Everyone's United Nations, A Handbook on the Work of the United Nations*, New York: United Nations Publications, June 1986, pp. 196-203.

that time 'underdeveloped'. The dynamism of desire in non-industrialized societies was destabilized through multiple demonstration effects and the general circulation of development as a great 'myth' – a galvanizing idea capable of mobilizing energies around an idealized goal. Thus did development euphoria become an important causal factor de-legitimizing inequalities hitherto regarded as socially bearable.

Development as myth and as universal project rapidly spread the message that technological salvation from chronic poverty was possible for all societies. Early successes in the economic post-war re-construction of Europe and Japan, allied to industrial and technological advances achieved by the Soviet Union, supplied powerful evidence that development's promise was not illusory. The enthusiastic embrace of the development myth by intellectual and political leaders in 'Third World' societies produced an effect not fully-anticipated: it shattered the equilibrium, or cultural balance, between the acquisitive desires of individuals and the effective access to resources which they and their communities had.<sup>45</sup> In initiating members to their normative cultural values poor societies had taught them that they should not desire to have more than they could realistically acquire, since to do so would break the bonds that tied their personal destiny to that of fellow members in the community. Placing normative curbs on acquisitive desires was judged to be necessary because pre-industrialized societies lived under overall ecological conditions in which material abundance for all was not viewed as possible. '[T]he prevailing state of productive arts was rudimentary, and effective access to resources, free from harassment by enemies or from natural catastrophes – storms, floods, droughts, endemic diseases – was limited. If group survival was to be assured, and disruptive conflict among members of the group was to be managed, it became necessary – *and therefore morally good!* – for individuals to curb their acquisitive desires'.<sup>46</sup> Obviously, not all acquisitive desires were forbidden: certain privileged groups might enjoy community approval for acquiring more than their *pro rata* share of totally available goods. Legitimated privilege, and exemption from stringent curbs on acquisitive desires were awarded to individuals or groups on the

<sup>45</sup> This sketch of the workings of the dynamism of desire draws from my earlier works, specifically: Denis Goulet, *The Cruel Choice: A New Concept in the Theory of Development*, New York: Atheneum, 1971, pp. 74-5; and Goulet, *The Uncertain Promise*, New York: New Horizons Press, 1989, pp. 22-23.

<sup>46</sup> Goulet, *The Cruel Choice*, p. 74.

basis of some generally recognized status or acknowledged functional utility in society. Hence societies at times judged it right for some individuals to accumulate even great wealth while the large majority of society's members 'were taught to regard it as normal to have only those goods barely sufficient for survival'.<sup>47</sup> The justification for constraining acquisitive desires for the many, while legitimizing their satisfaction for the few, resided in the shared consensual judgment that under the existing state of knowledge and conditions of resource availability, it was not possible to lift curbs on acquisitive desires for all without shattering the essential social bond and balance which assured cultural vitality and survival.

As noted, the development myth disseminated worldwide was rendered credible by conspicuous demonstration effects – at the macro level by the economic restoration of war-damaged European countries, at the micro level by the introduction even in remote villages of simple objects (transistor radios, bicycles, electric motors, packaged food) which reduced fatigue, saved time, or brought distant things and sounds close. These two forces, the diffused development myth and its supportive demonstration effects, acted jointly to alter the long-standing relative stability in dynamisms of desire.<sup>48</sup> It now became morally and culturally acceptable for individuals to desire to have more, and to organize their actions with a view to fulfilling these desires. It also became legitimate to think thoughts previously deemed unthinkable: '(a) there is enough wealth, actual or potential, for all to have as much as they want; and (b) it is not unethical for me to want more than I have been wanting'.<sup>49</sup>

Development held out the promise that deliverance from mass chronic poverty would come from technology. The reason for this is that:

[T]echnological levels prevailing in non-Western societies did not allow them to achieve high degrees of productivity, that is, to extract a high ratio of new wealth to inputs of effort or invention. As a result, these societies aggregated only limited resources for consumption by their members. Both symbolic and normative value structures had to accept these constraints as givens. Resources were neither abundant nor inexhaustible, and little likelihood existed that they could increase significantly within the lifetime of

<sup>47</sup> *Ibid.*, p. 75.

<sup>48</sup> The role of images in reconfiguring the boundaries of desires in developing societies has been analyzed in detail by Daniel Lerner in *The Passing of Traditional Society, Modernizing the Middle East*, New York: The Free Press, 1958.

<sup>49</sup> Denis Goulet, *The Cruel Choice*, p. 75.

one generation. Accordingly, social norms governing access to, and use of, resources had to be based on one of three values: equity, hierarchy, or priority needs. All three dictated a curbing of desire and of the acquisitive spirit. Were the brakes on desire removed, individuals would make dangerous claims on a static and limited pool of resources. To legitimate personal acquisitiveness could ruin a hierarchic social system or shatter the solidarity binding kin, one to another, in patterns of reciprocal obligations. To foster the acquisitive spirit of competitive individuals by legitimating it would produce what game theorists call a zero-sum game, in which any material gains obtained by competitive individuals would be won at the expense of those remaining in dire need... technology becomes the vector of the virus of acquisitiveness, thereby shattering the delicate balance between social restraints on desire and effectively available resources.<sup>50</sup>

Inequalities previously tolerated now came to be perceived as intolerable because development generates new inequalities, and because economies cannot grow as fast as acquisitive desires can be unfettered. Consequently, gaps appear between development's promise and its performance. The dense globalization presently occurring creates new desires and new concentrations of wealth and, derivatively, enlarges gaps between winners and losers. The reason is that market-driven globalization, unregulated by governance systems and institutions which place economic growth at the service of human needs, serves as the vehicle of inauthentic development.

In an extended and critically acute multi-disciplinary study Liah Greenfield seeks to discover why the spirit of capitalism spread universally. She asks why 'the historically exceptional inclination for ever-increasing gain, characteristic of certain individuals in societies which regarded it at best with suspicion, became defined, on the level of the individual, as rational self-interest, constitutive of man's very nature and, on the level of society, as common good and paramount collective interest'.<sup>51</sup> The answer supplied by history, she reports, lies in the primacy of motivation. Acquisitive desires previously condemned or subordinated to society's larger cultural pursuits gained ethical legitimation and priority status thanks to nationalism, which supplied a new motivation. Nationalism generated and diffused competitive impulses as an ethically justified instrument of waging

<sup>50</sup> Denis Goulet, *The Uncertain Promise*, p. 22-23.

<sup>51</sup> Liah Greenfield, *The Spirit of Capitalism, Nationalism and Economic Growth*, Harvard University Press, 2001, p. 21.

war by means other than military combat or the forcible imposition of religious beliefs. 'The spirit of capitalism' Greenfield concludes, 'was born as economic nationalism... and the only societies which remain impervious to it today are those whose nationalism explicitly rejects the new economic spirit as irrelevant or opposed to the national ideals'.<sup>52</sup>

She considers that 'much of what is regarded as economic 'globalization', ostensibly an 'objective' secular trend, required by the state of development of world economic forces and independent of particular interests and cultural values, is in fact a function of the normal functioning of particular and national economies, guided by their particular – often national interests and reflecting their particular cultural traditions (*i.e.*, nationalisms)'.<sup>53</sup>

Greenfield's study provides rich historically grounded detail on how the dynamism of desire becomes supportive of developmental capitalism and capitalist development, now channeled by globalization which serves as a vehicle for unequal development and for the capitalist spirit. The two, globalization and the capitalist spirit, are tightly linked. Thanks to the power now conferred upon it by information technology to spread instantly, globalization, coming as it does in the wake of colonization, the Industrial Revolution, and the development euphoria reigning in decades after 1945, becomes the latest destabilizing historical force delegitimizing inequalities.

The argument presented thus far yields two conclusions: 1) another globalization is needed because another development is required, and 2) inequalities previously tolerated are delegitimized by historical forces operating at different periods which shatter the social bonds integrating the political, economic, and cultural life of societies and destabilize the dynamism of desire then extant. This argument has been conducted in the mode of phenomenological analysis; it is now reiterated in sorites-like fashion as a series of ten graduated assertions culminating in similar conclusions.

#### RESTATING THE ARGUMENT: TEN CONCLUDING NOTES

##### *One*

Sharply contrasting views as to whether globalization is good or bad for development are exhibited in the recent Davos/New York and Porto Alegre

<sup>52</sup> *Ibid.*, p. 107.

<sup>53</sup> *Ibid.*, p. 482.

World Forums. Both agree that globalization produces losers, but Davos/New York argues that the losers are precisely those whom globalization has not reached or touched deeply enough. It sees globalization as an irreversible process and a good thing which should extend ever more widely and deeply in order to bring its benefits – economic growth, technological advance, and managerial rapidity and flexibility – to all. Susan George, a major speaker at the Porto Alegre Forum, counters that globalization ‘is not inevitable’. Moreover, she declares, ‘[I]n Porto Alegre, the emphasis was not merely on stopping the adversary from committing ever more egregious horrors, but also on developing consensus around a more forceful agenda of proposals and devising strategies for attaining them’. George blames the media for portraying the global citizens movement, now highly visible after Porto Alegre, as being ‘anti-globalization’, adding that ‘[T]echnology and travel are clearly bringing us closer together, and this is all to the good. Movement forces are anti-inequity, anti-poverty, anti-injustice, as well as pro-solidarity, pro-environment and pro-democracy’. It is false, she continues, to claim that the global citizens movement has ‘nothing to propose’. On the contrary, its members are ‘constantly refining their arguments and their counter-proposals’.<sup>54</sup>

### *Two*

Economic and social inequalities have increased as the current round of globalization has spread. Paul Streeten issues a salutary reminder that ‘[I]f we define integration as providing equal economic opportunities, however unequal the initial endowments and achievements of members of the integrated area, the world was more integrated at the end of the nineteenth century than it is today’.<sup>55</sup> The UNDP’s *Human Development Report 1999* registers rising inequality in many countries as well as between countries. It reports that ‘people living in the highest-income countries had 86% of world GDP – the bottom fifth just 1%... The world’s 200 richest people more than doubled their net worth in the four years to 1998, to more than \$1 trillion. The assets of the top three billionaires are more than the combined GNP of all least developed countries and their 600 million people’.<sup>56</sup> The

<sup>54</sup> Susan George, ‘Global Citizens Movement’, *New Internationalist*, 343, March 2002, p. 7.

<sup>55</sup> Paul Streeten, ‘Integration, Interdependence, and Globalization,’ *Finance and Development*, June 2001, p. 34.

<sup>56</sup> UNDP, *Human Development Report 1999*, New York/Oxford: Oxford University Press, 1999, p. 3.

same agency's 2001 report, finds that '[D]espite a reduction in the relative differences between many countries, absolute gaps in per capita income have increased'.<sup>57</sup>

The confluence of globalization and rising inequalities quite naturally gives rise, in the minds of development analysts, to the question: does globalization *cause* inequality?

### *Three*

Although social and economic inequalities have always existed they were long viewed as *legitimate*, given the accepted signifying and normative values<sup>58</sup> in place, as *tolerable*, because perceived as performing an integrative social roles, and as *inevitable*, because available resources were limited. Gamer describes the dynamics by which European colonization disarticulated the social bond which integrated political authority with economic activity and social organization around a culturally shared set of values in colonized societies.

Gamer's analysis helps explain why increased globalization and rising inequality are presently conjoined. This it does by pointing to specific historical forces which disarticulate the social bond (or whatever functional equivalent thereof is in place at a particular time) as the primary cause of inequality's loss of legitimacy.<sup>59</sup>

### *Four*

Social disarticulation in a different mode occurred in Britain during the Industrial Revolution, extending from 1780 to the mid-nineteenth century when English industry reached 'maturity'. In her historical review of 'the first industrial revolution' Phyllis Deane identifies 'three main ways in

<sup>57</sup> UNDP, *Human Development Report 2001*, New York/Oxford: Oxford University Press, 2001, p. 16.

<sup>58</sup> Signifying values assign *meaning* to realities – natural, social, individual; they are distinguished from *normative* values which assign positive or negative *oughtness* to contemplated actions. On this distinction cf. Denis Goulet, *The Cruel Choice*, pp. 81ff

<sup>59</sup> On disarticulation theory applied to developing countries cf. Alain de Janvry, 'Social Disarticulation in Latin American History', Helen Kellogg Institute for International Studies, University of Notre Dame, 1984, Working paper # 38, 68 pp.; and his *The Agrarian Question And Reformism in Latin America*, Johns Hopkins University Press, 1990.

which an economy which has experienced an industrial revolution differs from its pre-industrial counterpart. It differs (1) in industrial and social structure, (2) in productivity and in the standards of living associated with higher productivity, and (3) in its rates of economic growth'.<sup>60</sup> England's industrial revolution destroyed the social balance between countryside and commercially oriented cities which prevailed in earlier times, and set in motion a series of transformations which produced new inequalities. The social revulsion and ethical condemnation of new patterns of human misery associated with England's high industrialization have found compelling expression in Dickens' novels of social criticism.<sup>61</sup>

Karl Polanyi's critical study of the political and economic origins of modern times likewise throws into sharp relief the disarticulations wrought by the industrial system and the market. 'The market', he recalls, 'expanded continuously but this movement was met by a counter movement checking the expansion in definite directions... This was more than the usual defensive behavior of a society faced with change; it was a reaction against a *dislocation* which attacked the fabric of society, and which would have destroyed the very organization of production that the market had called into being... market economy if left to evolve according to its own laws would create great and permanent evils'.<sup>62</sup>

As in the colonial period, the social bond which rendered earlier inequalities socially legitimate and tolerable in England, or readily imposed by force upon lower classes, was shattered by a new historical force, the Industrial Revolution.

### *Five*

After World War II the circulation of technology-driven development as a universal mobilizing myth set in motion a new process of disarticulation. The social bonds now being shattered in developing countries were already fragile, for nowhere did they exist in their full integrity. By then collective identities which had functioned earlier as integrators conferring legitimacy upon social inequalities had been greatly weakened through wars or internal conflicts, or by the growing sense in poor societies of being relegated to

<sup>60</sup> Phyllis Deane, *The First Industrial Revolution*, New York: Cambridge University Press, 1965, p. 254.

<sup>61</sup> *E.g.*, *Hard Times* and *Bleak House*.

<sup>62</sup> Karl Polanyi, *The Great Transformation*, Boston: Beacon Press, 1957, p. 130.

the status of 'backward' or 'underdeveloped' nations, international status-attribution now followed a new standard: 'modernity', triumphantly embodied in prestigious industrial powers. Countries economically poor but artistically, religiously, architecturally, or culturally rich now came to be universally stigmatized as 'under'-developed and unworthy of respect. Galbraith cites William Pitt (1759-1806), at 24 England's youngest prime minister, that '[P]overty is no disgrace but it is damned annoying'. Not to be outdone in this display of sardonic wit, Galbraith retorts that '[I]n the contemporary United States it is not annoying but it is a disgrace'.<sup>63</sup> Over five decades ago poverty, which in the 'Third World' had always been annoying, had now also become a disgrace.

The myth of technologically-powered development imposed itself (often welcomed with open arms) on societies held together, however tenuously, by the memory of earlier civilizational glories or pride-conferring cultural identities. Their dynamism of desire which had long operated as a powerful social force rendering inequalities, if not fully legitimate, at least tolerable (because deemed unavoidable), was destabilized. So eloquently and pervasively was technology's ability to create vast increments of new wealth demonstrated, that resignation to poverty could no longer be justified. Technology-powered development, concentrates wealth, however. During the period of developmental optimism (*ca.* 1945 - early 1970s), development's promise to the world's poor took the form of assurances that, over time, newly created wealth would trickle (or shower) down to them or to their children. As it became evident that trickle down was occurring only selectively in a small number of cases, in society after society mass poverty and glaring inequality lost whatever residual legitimacy they may still have had.

### *Six*

Thanks to its special characteristics, present globalization further accelerates the disarticulation of social bonds<sup>64</sup> which bind people's allegiances to their national, regional, and local communities. This it does even in

<sup>63</sup> John K. Galbraith, *The Affluent Society*, London: Hamish Hamilton, 1958, p. 259.

<sup>64</sup> Gunnar Myrdal makes frequent use of the terms 'emotional integration' and 'national consolidation'. These are, in large measure, functional equivalents of what is spoken of in these pages as 'social bond' integrating the allegiances of members of a national society. Cf. Myrdal, *Asian Drama, An Inquiry Into the Poverty of Nations*, 3 volumes, New York: Pantheon, 1968. See especially Vol. I, pp. 257-303.

areas, locales, populations and sectors thereof, not highly impacted by earlier disarticulating historical forces. Globalization disarticulates by progressively weakening the ability of national, regional, and local decision-makers to determine how and for what purposes the resources at their command will be used. Globalization does for today's developing countries what the colonial patronage alliances of commercial interests (largely foreign) with indigenous political authorities did to earlier societies. Moreover, present-day globalization, the vehicle channeling a flawed pattern of development, destabilizes the dynamism of desire still operative in many sites. It does this by propagating images which represent individual entry into the universe of mass consumption as the necessary pathway to fulfillment or 'human flourishing', the term favored by contemporary philosophers when speaking of 'development'.

With the coming of dense globalization the language of development changes: it no longer declares that benefits will trickle down, but that a rising tide will raise all ships. On the contrary, however, what large numbers of losers experience is that a rising tide sinks small ships. In addition, globalization heightens the vulnerability of national economies to external shocks. It was thanks to the cycle of economic globalization extending over several decades prior to the Great Crash of 1929 in the US,<sup>65</sup> that European nations found themselves excessively vulnerable to external financial shocks. Their policy responses to the crash, added to speculative excesses which had been an important cause of the US banking collapse, quickly produced a worldwide depression.

As a result of the spread of globalization, inequalities and poverty become increasingly intolerable. Not surprisingly, therefore, because it is perceived as the vehicle of unequal development, globalization becomes the target of ethical and political protest.

### *Seven*

Development failed to deliver its promised benefits to the many because, after 1989, market competition was adopted, *de facto* if not always *de jure*, as the organizing principle of life in society in the world's leading economies, while being glorified as the unique and necessary pathway to development for all national societies to follow. Fifty years ago the sociolo-

<sup>65</sup> John Kenneth Galbraith, *The Great Crash*, Boston/New York: Houghton Mifflin Company, 1997.

gist Karl Mannheim posed a critical distinction between competition as 'the *organizing principle* of the social structure' and as 'a *social mechanism* to serve desirable ends'. Competition and cooperation have both existed in all societies, he recalls. 'But in speaking of the capitalist phase of rugged individualism and competition, we think of an all-pervasive structural principle of social organization'. Present-day globalization seemingly operates on the principle of rugged corporativism and competition as an organizing principle. When it functions among unequals competition works destructively. Mannheim insists that 'it is fallacious to suggest that beneficial effects exist in present-day society governed by competition among unequals'. When in play among equals, he adds, competition 'makes the individual self-reliant, independent, freedom-loving'. When, however, it is among unequals, competition 'no longer fosters independence and self-reliance... and evokes resentment among the victims of the struggle'.<sup>66</sup>

In a world marked by rising inequalities market competition ought to be employed, not as the organizing principle of economic exchanges, but as a social mechanism to promote innovation, comprehensive social efficiency and development. It can serve as a beneficent social mechanism only if its vehicle of diffusion, globalization, is subjected to adequate governance. And adequate governance, as the political theorist Fred Dallmayr insists, requires that global policy-making 'rely on the broadest participation on a global scale... in a society marked by 'significant injustice' and inequality, democratic politics will inevitably be 'a process of struggle', that is, a process of 'communicative engagement of citizens with one another'.<sup>67</sup>

### *Eight*

Globalization diffuses the inequalities induced by development by concentrating benefits and excluding from sharing in them nations, regions, economic agents, and populations which do not shape their policy goals and behavior in support of globalization's own dominant values: the primacy of market stimuli, positing material gain as the central constituent of the good life and the good society, and embracing technology's tendency to

<sup>66</sup> Karl Mannheim, *Freedom, Power and Democratic Planning*, London: Routledge and Kegan Paul, Ltd., 1951, pp. 191, 194.

<sup>67</sup> Fred Dallmayr, 'Globalization and Inequality: A Plea for Cosmopolitan Justice,' in *Dialogue Among Civilizations: Some Exemplary Voices*, New York: Palgrave/St. Martin's Press, forthcoming 2002.

impose itself independently of larger purposes the 'technological imperative'. Not that the technological imperative is traceable to anything intrinsic to technology, but rather to the inversion of means and ends wrought by the prevailing development model. Economic growth, an indispensable means to reaching human development, is pursued as an end. Similarly technology, meant to serve human purposes, is pursued independently of those purposes as though it were an end in itself. It is not that technology is fully deterministic but rather, as Jacques Ellul frequently noted, that it operates powerfully in the direction of determinism.<sup>68</sup>

### *Nine*

The main ideological and programmatic dividing line on globalization lies between: a) those who seek to extend globalization to today's 'losers' by transforming (some of) them into competitively successful players in the globalization game, in the hope of reducing poverty without fundamentally changing the dominant pattern of globalization, through the adoption of compensatory social policies; and b) those who seek 'another globalization' to serve as the vehicle of 'another development' and who view the priority assigned by the World Bank and the UNDP to anti-poverty strategy to be a palliative solution which will not remove great inequalities, judged by them to be intrinsically incompatible with sound human development.

As I have argued in a recent essay 'development does not deliver economic well-being to all nations and peoples: in its distribution of benefits, it is not just. After 50 years of our viewing development as the crowning achievement of economics, the question of a just economy has merged into the question of attainable development. For those who reap the benefits of development, the issue is sustainability. For others, far more numerous, it is attainability. For others still, victims of de-industrialization and downsizing, the quest for development takes the form of recovering economic viability'.<sup>69</sup>

### *Ten*

Out of the confrontation between the two globalization camps there now emerges, however tentatively, an incipient mutual acknowledgment,

<sup>68</sup> These comments draw on Denis Goulet, *The Uncertain Promise*, p. 25.

<sup>69</sup> Denis Goulet, 'What is a Just Economy in a Globalized World?' *International Journal of Social Economics*, Vol. 29, 1-2, 2002, p. 10.

still conflictual and heavily charged with suspicion on both sides. Each side, however, may come to see the necessity of coming to negotiate jointly the terms of 'another globalization'. Successful negotiation would entail that the 'establishment' side abandon its long-favored co-optation strategies and that the opposition eliminate its deeply-rooted tendency to insist on making absolute demands, which it frequently lacks the effective power to impose in arenas of negotiation. One sign that movement toward such co-negotiation may become possible in wider domains related to globalization is found in the relative success enjoyed by 'jubilee campaigns' on behalf of Third World debt relief conducted under the aegis of broad coalitions of NGOs, religious groups, and other civil society actors in the year 2000. Another sign pointing to the possibility of co-negotiation is the practical lesson learned by highly diverse actors engaged in the collaborative study on large dams in the world and their impact on people and on environments conducted by The World Commission on Dams. The Commission gathered under its wing representatives of engineering firms engaged in building dams, international financing agencies, national governments, NGOs, popular protest movements, research institutes, and universities. Its report has generated ample controversy and on-going debates as to the desirability and feasibility of its recommendations. These emphasize, *inter alia*, widespread resort to non-elite participation in decision-making. The important point here is that, notwithstanding disagreements and controversy, governments, business organizations, and international agencies are taking the Commission's findings and recommendations seriously. This suggests that new models of diagnostic and evaluative research and policy recommendation reached by developmental agents with diverse interests and priorities – business firms, international agencies, civil society protest movements, advocacy groups on behalf of economic justice and environmental responsibility – may become possible.

The World Commission on Dams report is sub-titled 'A New Framework for Decision-Making'.<sup>70</sup> This is the most vital issue in the 'Globalization-Another Globalization' debate. Will decision-making and rule-setting on global matters remain secretive, elitist, and supportive of business profit over human development, or can decision-making and rule-setting become transparent, participatory, and supportive of human development?

<sup>70</sup> *Dams and Development, A New Framework for Decision-making*, The Report of the World Commission on Dams, London and Sterling, Virginia: Earthscan Publications, Ltd., 2000.