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The Symbiosis between Poverty and Globalisation: A Need for a Critique from Political Ethics*

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Introduction

It was a remarkable speech that the President, Mr. K. R. Narayanan, delivered on the fiftieth anniversary of the founding of the Republic. While speaking of the nation's economy, the core message of the President was that, "the three-way fast lanes of liberalisation, privatisation and globalisation cannot be placed above everything else and cannot be an end in itself." The President's warning is directed against the dominant discourse carried out by the think tank in the financial media which comprises of the Government (both Centre and State). Since 1991, the think tank has always pushed its discourse that India should move faster on "the three-way fast lanes of liberalisation, privatisation and globalisation." The three-way fast lanes, while positing the pace of economic growth, leave a vast majority of the people untouched by the proposed transformation. Echoing this concern, the President observed,

> "We find that justice—social, economic and political—remains an unrealised dream for millions of our fellow citizens." While giving specific instances, Mr. Narayanan said, "we have the largest number of people below the poverty line and the largest number of children suffering from malnutrition." While expressing skepticism about the import of economic reforms on the situation of poverty and injustice, the President observed that, "the three-way fast lanes of liberalisation, privatisation and globalisation must provide safe pedestrian crossing for the unempowered. ..."[1]

On similar lines while addressing the theme "poverty reduction" at the tenth session of UNCTAD in Bangkok, the outgoing Managing Director of the International Monetary Fund (IMF), Mr. Michael Camdessus, urged the international financial institutions to move in the direction of "humanising globalisation." The U. S. Representative to the UNCTAD session spoke of a "new vision of an inclusive globalisation that works for everyone."[2] These two statements very clearly demonstrate a very clear shift from a reinvention of globalisation and a redefinition of the First-World and the Two-Thirds World to the consequences of an "exclusion" of marginalised countries from the process of globalisation itself.

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As against this background, an attempt will be made in this paper to examine the symbiosis between poverty and globalisation and thus see the eventual consequential effects of the symbiosis. In the last section, the need for an ethical critique from political ethics will be explored.

II

Manifestations of Poverty

The United Nations decade dedicated to the eradication of poverty (1997-2007) has already begun. In tune with this global rhetoric, the United Front Government in its Common Minimum Programme made eradication of poverty as its main emphasis along with a seven-point agenda for ensuring safe drinking water, primary education for all, primary health care, housing, food security, road networks and mid-day meals to be implemented by A.D. 2000.

Though both the United Nations and India have celebrated fifty years, they have been criticised for failing to translate the state mandate for the disadvantaged millions. Half a century after Independence, as of now, we have the largest population of poor people in the world, one third of our rural population is below the poverty line and despite the UN agencies' massive aid projects, the development assistance of the World Bank, bilateral aid, the Centre and State governments' intervention, the gap between the rich and the poor has doubled in the last three decades—fifteen years ago the lowest 20 per cent of global population received 2.5 per cent of global wealth whereas at present, the share has been reduced to less than 1.3 per cent. For example, the 1999 UNDP Human Development Report records that the gap between the rich and the poor among nations as well as within nations has widened. Even the World Bank in its Report for 1999 concedes that raising the GNP is not enough to improve human development; other social measures are needed. The trickle-down theory of economic development cannot bring out the desired results. It has also pointed out that India is 'a country of stark contrasts and disparities.' Among the widening contradictions some seem to be glaring. Undoubtedly food grain production has increased fourfold but 65.3 per cent of children under four remain undernourished; literacy has doubled; yet half the population is illiterate; life expectancy has improved but only 927 females survive for every 1000 males. As we have entered into the twenty-first century, it is imperative on our part to look at the scenario with bare facts and figures. In concrete terms :

> The Asian Development Bank estimates that every third Asian is poor, judged by the World Bank interim of a per capita daily income of one US Dollar. South Asia, one of the poorest regions in the world, now has more than 900 million poor people of whom 450 million are in India. In addition to the rich-poor divide, the rural-urban divide is also increasing. In his recent budget speech, the Finance Minister pointed out that 40 per cent of our villages do not have proper roads, that 1.8 lakh villages do not have primary schools, that 4.5 lakh villages have drinking water and sanitation problems, that there is a shortage of 140 lakh rural dwellings.
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> Hunger and malnutrition are the most serious manifestations of poverty since the poor tend to use over 75 per cent of their earnings for the purchase of food. ... The UN Commission for the nutrition challenges of the twenty-first century, in its Report submitted on March 20, 2000, has pointed out that "about one in four new-born children in developing countries—around 30 million each year—suffer retarded growth in the womb, an indication of how the nutritional well-being of mothers in pregnancy remains one of the most

neglected areas in world health. At present rates of progress, about one billion stunted children will grow up with impaired mental development by 2020." Among them, over 300 million will be in India.

About 35 million, or a third of our children between the ages of 6 and 10, have no opportunities for school education. Large numbers of poor children are "pushed out" of the school system within 2 to 3 years of their entering it. We are thus beginning this century, frequently referred to as the knowledge and innovations Century, with every third child being handicapped at birth in brain developments due to poverty-induced maternal and foetal under-nutrition and malnutrition and every third child left out of the education system.[3]

Notably, at the beginning of the twentieth century about 40 to 45 per cent of the world's population lived below the then poverty line. At the end of the century, the same proportion of the much larger global population remained below the poverty line. For example, between 1960 and 1980, the figure above quoted had fallen to around 25 per cent, but the following decades of aggressive neo-liberal economic-corporate globalisation we could witness alarming inequalities in the distribution of wealth and income that we have ever witnessed in the history of humankind. Almost all the Reports, namely, UNDP, IMF, WB, UNCTAD, ILO, WIIO and others, amply demonstrate and subscribe to this alarming scenario being witnessed between and within nations. Who is responsible for this state of affairs?

III

Globalisation : Towards a Conceptual Clarity

Globalisation, however, is not a thing which we can see, feel or taste. It is a concept used as a short form to convey a variety of processes, possibilities and positions. It is, therefore, capable of different kinds of interpretations. Hence to say anything meaningful about globalisation, including how to respond to it, there is need to know as clearly as possible what it is all about. That is basically a theoretical task and hence I cannot accept the implication that theory is the anti-thesis of action. The two must go together. Theory without practice will be sterile, action without theory can be misdirected.[4]

The above quote by C. T. Kurien clearly reflects the ambivalence and subtleties involved as we discuss one of the key concepts that we have been trying to grapple with especially since the 1990s. Day in and day out we are surrounded by globalising developments viz., the emergence of the global communication industry; the phenomenal growth of transnational corporations; the dominance of finance capital; globalisation of poverty and hunger. These have brought out the concept and phenomenon of globalisation into prominence. It is being said that the constraints of geography are shrinking and that the world is becoming one single unit, a global village and one shopping centre. Since globalisation as a concept entails socio-economic, political, cultural and religious dimensions, it has to be viewed comprehensively rather than compartmentally, the phenomenon and its processes.

Although scholars and others view the phenomenon of globalisation from different perspectives, globalisation as a concept and phenomenon should also be understood from the vantage point of history. One of the theoretical debates about globalisation specifies the following possibilities :

- that globalisation has been in process since the dawn of history, that it has increased in its efforts over time, but that there has been a sudden and recent acceleration;

- that globalisation is contemporal with modernisation and the development of capitalism, and that there has been a recent acceleration, or....[5]

If we take into account the components of globalisation and the way in which it manifests itself especially the origin, growth and development of TNCs, it is undoubtedly a long-term process with a recent acceleration rather than a sudden and qualitative shift. This development is traced through several phases by Dunning (1993, 96-136) :

- Mercantile capitalism and colonialism (1500-1800) : exploitation of natural resources and agriculture in colonised regions by State-sponsored chartered companies (e.g., Dutch East India, Hudson's Bay....).
- Enterpreneurial and financial capitalism (1800-75) : Embryonic development of control of supplier and consumer markets by acquisition; infrastructural investment by finance houses in transportation and construction.
- International capitalism (1875-1945) : rapid expansion of resource-based and market-seeking investments; growth of American-based international cartels.
- Multinational capitalism (1945-60) : American domination of FDI; expanded economic imperialism; expansion in scale of individual MNEs.
- Globalising capitalism (1960-90) : Shift from resource-based and market-seeking investment to spatial optimisation of production and profit opportunities. ...[6]

Globalisation is a process of rearrangement of the production, labour, capital and the world's resources between people and countries. Globalisation has also integrated the scattered and dispensed activities. In this process there are beneficiaries as well as victims. Some countries as a whole would benefit and the others lose. In the ultimate analysis some may be integrated and others marginalised. They include countries, communities, groups and individuals.

> Globalisation can thus be defined as worldwide social relations which link distant localities in such a way that local happenings are shaped by events occuring many miles away and vice verse. This is a dialetical process bcause such local happenings may move in an obverse direction from the very distanciated relations that shape them. Local transformation is as much a part of globalisation as the lateral extension of social connections across time and space. (Giddens, 1990 : 64).

IV

Globalisation and Poverty : A Single Global Process

Two millenniums have gone by and we have just entered the third millennium. We have evolved structures, institutions, and systems at the local, national and international levels for a just, inclusive and civil society. We claim that we have made many notable social and economic achievements in a democratic political setting, among them, the reduction in population growth and the creation of a large pool of technical and scientific talents. However, millenniums and centuries have passed by, but we, as of now, have the largest population of poor people in the world. Average earnings continue to drop drastically; indebtedness, bonded labour, illiteracy, homelessness, health hazards have increased and a host of social and economic ills not only persist but are on the increase. In terms of national indices, while the rich are manifestedly getting richer, the poor have not benefited in any way but have become poorer in many regions despite 'Five-Year Plans,' interventions by Non-Governmental Organisations (NGOs), UN

bodies, State and Centre government policies and UN agencies like the UNDP, WHO, the European Union, World Bank, and the Planning Commission.

Why has this happened? And what shift in paradigm perspectives do we need to ensure that the Indian polity and the UN bodies are better able to translate rhetoric into ground realities? Before embarking on the question : Why has this happened? It is important for us to ask why the incidence of poverty/hunger has always been the major problems all along and certainly grown phenomenally? This is the only problem, though spoken and thought about a lot, that continues to grow and persist and more particularly, in recent times, the incidence of poverty showing an appalling trend. This syndrome is linked to a web of factors such as unemployment, low wages and marginalisation of large sectors of the population. In this vicious cycle, it is not only the Two-Thirds World who are entangled but the rich world. For example, "Low levels of food consumption and malnutrition are also hitting the urban poor in rich countries. According to a recent study, 30 million in the United States are classified as "hungry."[7] As the UN and other agencies have rightly and honestly conceded "the leading cause of death today worldwide is poverty."

The figures and data on poverty have always been fluctuating for the last few centuries. The incidence of poverty in terms of percentage may have been either ascending or descending. Comparatively speaking, the gap has not been narrowed-down. It has always been a tiny percentage of difference. In the last decade, it has been on the rise. Relatively speaking, only one problem viz., poverty, has not been addressed adequately and still persists and thus keeps millions on the brink of death. Politicians, heads of governments, international and national organisations, have attempted to address and eradicate/alleviate the problem of poverty. All these have ended with new answers to the age-old problem. Amidst wide-ranging perceptions on global poverty, is it on the decline or on the increase? With statistics to support or employing reductionist or holistic approaches, the incidence of poverty manifests itself at alarming levels. For example, two decades ago the global community used to speak of 'poverty eradication,' and now that rhetoric has been replaced by 'poverty alleviation,' which clearly presupposes our inability to eliminate the scandal of poverty from the very face of the earth.

The main issue in fact is not whether poverty has increased or decreased, but why poverty could not be removed from the very face of our earth? How come the incidence of poverty manifests itself in appalling ways and numbers? Who is behind it? Poverty has never been an isolated problem manifesting itself in a particular pocket, region, nation or continent. It has always been a global problem. Since it has assumed a global character and is of global significance, this phenomenon is called as 'globalisation of poverty.'

Therefore, while examining and analysing globalisation and poverty, we need to look at the symbiosis that exists between them. It is indeed a relationship which is interwoven and complementary in nature. Poverty and globalisation are therefore an intimately linked process and thus breed on one another. As C.T. Kurien rightly pointed out, globalisation is a concept and not a thing which we can see, feel, or taste. At the same time, globalisation manifests itself in a variety of processes and forms. The concept of globalisation emerged five hundred years ago, and has undergone a series of changes in its forms, processes and character.

The concept of globalisation lays out the theoretical assumptions that underpin the following :

1. The Economy : Social arrangements for the production, distribution and consumption of goods and tangible services.

2. The Polity : Social arrangements for the concentration and application of power insofar as it involves the organised exchange of ... as well as such institutionalised transformation ...,
3. Culture : Social arrangements for the production, exchange and expression of symbols that represent facts, affects, meanings, beliefs, preferences, tastes and values.[8]

And this concept is translated into a variety of processes, possibilities and positions by a force known as capitalism which has undergone a series of changes in the last five centuries (see quote on p. 4). As David Ricardo (1772-1823) stressed "the central goal of political economy is the scientific study of growth, the social ownership and the distribution of economic and political power, nationally and internationally."[9] Therefore globalisation as a concept and a working mechanism translates the compulsive logic and propellants of capitalist accumulation and dis-accumulation which could provide a key to the working and failure of the system. All along capital accumulation is not for consumption but for enhanced accumulation and profits and augments shareholder value which has been and continues to be the overriding goal of capitalism. Somehow, capitalism under different phases has managed to survive in crises, stagnation, and of course went ahead in booms.

In the present phase of corporate capitalism, the top 200 Transnational Corporation (TNCs) operate within the framework of 'market-ushered economy,' which raises the following question: Whether the goal of market power and the interest of the social classes are pushed, or, the issue of poverty is addressed? The current phase of globalisation is significantly different from the previous phase in the areas of its scale, scope and speed of the circulation of capital and commodities, particularly financial capital, which posits the high velocity of movement of capital and technological changes especially in communications. Thus,

> The idea of 'globalisation' is itself suspect. In its most widely expressed usage it argues for a universal incorporation to the world market place and the spread of benefits throughout the world. The empirical reality is neither universal incorporation nor the spread of benefits; there are wealthy creditors and bankrupt debtors; super-rich spectators and impoverished unemployed workers; imperial States that direct international financial institutions and subordinate those who submit to their dictates. A rigorous comparative analysis of contemporary world socio-economic realities would suggest that the 'globalist' concept of 'interdependence' is far less in understanding the world...[10]

The above quote clearly indicate that globalisation is yet another manifestation of capitalism and hence linked to the creation of wealth/affluence at the expense of abject poverty of the majority. The symbiosis between poverty and globalisation has long been evident by the widening gap between the privileged elite and the deprived masses. The 1999 UNDP Human Development Report records that the gap between the rich and the poor among nations and within nations has widened.

Capitalism, which underwent different stages, and the present phenomenon of globalisation usher in the ongoing process of escalating social and economic inequality. For example, at the beginning of the twentieth century about 40-45 per cent of the world's population remained below the poverty line. Globalisation can prosper and flourish either by perpetuating or escalating poverty. Globalisation cannot reverse this ongoing process whereas, it could only intensify it. As M.S. Swaminathan succinctly says,

> there is no level playing field in this area since we have to pitch in this battle the economics of scale and money against the economics of livelihood, security and basic human needs. Industrial efficiency is being measured by increased production and decreased human employment, leading to what is being referred to as "jobless growth."[11]

On these lines Vice-President, Krishna Kant, while inaugurating the Golden Jubilee celebrations of the Karnatak University said,

> the forces of globalisation and market economy presented tempting opportunities. Economic growth could be looked upon as an end in itself. In this process, it is quite easy to forget that economic growth could be highly exclusionary. It could generate wealth for some, while leaving many behind. If uninhindered, this may potentially divide civil society. A more holistic approach could help avoid this. Wisdom lies in not losing sight of the big picture even while painting several small ones.[12]

Capitalism under the guise and in the form and process of globalisation has excluded a vast majority of people. It lives and grows through exclusion and escalation of poverty. Globalisation is like the amoeba. Nevertheless, its manifestation are poverty and hunger, migration, homelessness, illiteracy, unemployment, ill-health and a host of other inequities.

V

The Need For An Ethical Critique

> Poverty is the most cruel evil being encountered. Poverty impels people to do any evil act. Durkheim, a renowned social theorist, expounded that poverty leads to social deviance. According to him, societies go lawless when faced with extreme forms of poverty and economic disparity. ... Poverty and unequal dimensions of power, property and resources, are the main causes for growing social unrest around the world. ... "Poverty is criminal because it does not allow people to be people. It is the cruelest denial of all of us human beings." If the problem of poverty is not tackled effectively, the society will witness grave problems.[13]

Global disparity ultimately results in poverty between countries and regions and it is translated into classes and categories within them. Indeed it is reflected at the individual level too. Admittedly, as globalisation progresses, economic disparity and incidences of poverty are more evident. Therefore, we live in a world and time where humankind is threatened by the globalisation of poverty. Poverty is scandalous and thus poses a moral challenge. How could a sizeable percentage of humanity be left outside the market forces and thus be marginated while a tiny percentage live amidst plenty? My response to that challenge is : There will be no new global order without a new world ethic, a global ethic which would respond to the ideological-philosophic and political underpinnings. It merely means the necessary construction of common human values, criteria and guiding principles. These values, criteria and guiding principles, ought to have common grounding and basic consensus on binding values despite differences.

When we refer to universal ethical standards, it is presupposed that science and technology cannot create the expected consensus. Since globalisation and poverty have assumed phenomenal proportions and affect a vast section of our global society, they ought to be examined from political and universal ethical standards. To bring clarity to some of the above terms/ concepts,

'Standard' (originally meaning 'banner'), nowadays means something that is accepted as a model, and by which other things are also oriented, i.e., a measure, criterion or norm. Here we are speaking of ethical standards, namely, of moral values, norms, attitudes.

I use 'ethic' to denote the basic moral attitude of an individual or a group whereas ethics means the (theosophical or theological) theory of moral values, norms and attitudes. (Often, though, the distinction is not drawn so clearly).[14]

For arriving at an ethical consensus which is otherwise a difficult proposition, the only one concern/commonality which could bring together all kinds of differences is nothing but human beings. Human beings are at the centre of God's creation. God created human beings in His own image. It is an irony that a tiny percentage enjoy the fruits of God's creation and the rest live in inhuman conditions. The mass of humanity live under horrendous conditions. It is against the principles of God's order of creation. Masses of people have continued to live in abject poverty and squalid conditions for centuries. Having made these people to live in such conditions, is immoral and unethical. Governments and politicians have failed to eradicate poverty from the face of the earth. Therefore, in a context like this, "...the ethical imperative can be quite categorical, an obligation of conscience without any ifs or buts, not hypothetical but unconditional. ..."[15]

In a scenario like this it is imperative on our part to look into political ethics because the global society and the forces behind globalisation have failed to exercise political will. To counter this we need to evolve political ethics such that :

- Political ethics does not imply an inflexible doctrinaire standpoint which allows no compromise. Ethical norms which take no account of the political situation are counter productive; ethical decisions are always concrete.
- Nor does 'political ethics' use crafty, sharp tactics, which is an excuse for everything. Unless the political situation is assessed by ethical norms, the result will be a total lack of conscience.
- Instead of this, political ethics implies an obligation of conscience which is not focussed on what is good or right in the abstract, but on what is good or right in the concrete situation. Here a universal norm as a constant is combined with specific variables by the situation.[16]

In a globalising era, one class of people i.e., the privileged are becoming globalised and the teeming billions, the other class of people, particularly those who belong to the dalit and tribal categories, are being pushed to the margins. In a context like this we as Christians are morally obligated to unconditionally intervene and combat the forces of globalisation that create poverty and exclusion whether corporate globalisation or finance globalisation or global-capitalism, which undergirds the development of capitalism in the last five hundred years. **Hence our engagement both intellectually as well as in action ought to be political, which clearly underlines action based on normative ethical principles.**

We live in an unjust situation in which what we consider good for ourselves is not available to everyone. Similarly, what we consider as a necessary condition for our life is not a condition for all. Therefore, justice, one of the major normative principles of political ethics would mean what is good or necessary for us ought to be available for all including the present and future generations. A good action or response would be toward establishing a just situation. The Old

Testament speaks about righteousness and equality. The proof of our obedience lies in political and economic justice. The New Testament also talks about justice and love as principles embracing one another. Therefore, the present context demands political ethics which would create conditions for us to get involved concretely to replace and revert the present global order propelled by global capitalism.

NOTES

1. Amal Roy, "The State of the Republic;" in the *Deccan Herald*, (3-2-2000), p. 10.
2. See *The Hindu* (14-2-2000), p. 16.
3. M. S. Swaminathan, "World Trade : Employment and Poverty–1," in *The Hindu* (21-4-2000), p. 12.
4. C. T. Kurien, "Globalisation : What is it About?" A paper presented at one of the seminars. Date and place n.a.
5. Malcolm Waters, Globalisation, London: Routledge, 1995, p. 4.
6. *Ibid.*, pp. 77-78.
7. Quoted in Michel Chossudovsky, Globalisation of Poverty, New Delhi : Madhyam Books, 1997, p. 34.
8. Malcolm Waters, Globalisation London : Routledge, 1995, pp. 7-8.
9. Quoted by Frederic Clairmont, "The Global Corporation : Road to Serfdom," in *EPW* (January 8, 2000), pp. 24.
10. James Petrus, "Globalisation : A Socialist Perspective," in *EPW* (February 20, 1999), p. 459.
11. M. S. Swaminathan, "World Trade, Employment and Poverty–1, in *The Hindu* (21-4-2000), p. 12.
12. Quoted in the *Deccan Herald*, "Liberalisation Shouldn't Ignore the Poor," (5-2-2000), p. 1.
13. K. S. Narayana, "Drawbacks in State Policy," in the *Deccan Herald* (June 28, 1998), p. 22.
14. Hans Kung, 'A Global Ethic for Global Politics and Economics,' (London : SCM Press Ltd., 1997), p. 93.
15. *Ibid.*, p. 73.
16. *Ibid.*, p. 73.