

Theme 1 – Modern Day Dilemmas

Presentation: Globalisation, Poverty and Environmental Degradation

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Globalisation is neither a new nor a recent phenomenon. According to Emmanuel Wallerstein, the economy of the first world emerged as early as the 16th century. It comprised a system of states engaged in economic exchange and competition, but without any one of them able to prevail over its competitors to the extent of destroying market mechanisms and imposing an imperium. Since then, the world economy has undergone profound transformations, the most important being the emergence of nationalism and nation-states.

Specific to the current global system is its spatial extent - it has thoroughly incorporated all geographical areas of the world - and the shift from global production of commodities to that of services, particularly financial services. These new developments are the result of huge advances in electronic technology, which have brought about an extraordinary compression of space/time and the rapid formation of the so-called global village.

If one looks positively at the performance of the present global economic system, it has certainly generated unprecedented wealth. From a negative viewpoint, this wealth has been poorly distributed to the extent that several dozen poor countries at the bottom of the global village's social pyramid have less income and wealth than fewer than one dozen individuals at the top. It is at least partly due to this grotesque distribution that, despite the latest technological improvements and spectacular increases in productivity, 1.3 billion people - approximately one-fifth of humankind - are still living in conditions of extreme poverty, lacking sufficient food, clean water and the minimum of health and educational facilities.

Mechanisms linking global development with poverty and environmental degradation

It is possible to identify three major mechanisms that systematically link issues of global growth to issues of poverty and ecology.

1. Social dumping

In frantic attempts to reduce costs, multi-nationals locate their operations in countries where labour is not only cheap but also extremely docile. Moreover, poor countries, desperate for investments, try to outdo one another in offering foreign capital not only the lowest possible wages, but also the suspension of rules and restrictions related to humane work conditions and the protection of the environment.

The result of this kind of double competition is not only large-scale damage to the environment but also the destruction of human resources. It is not, therefore, surprising that millions of children are working full time in unacceptable conditions instead of going to school - circumstances that recall the worst of slavery.

2. The political economy of global food production

The process of food production shows an overall shift from the traditional balance between low productivity, low starvation risks and low environmental damage to a global imbalance of high productivity, extreme forms of poverty and extensive ecological damage.

The massive use of chemical fertilisers and pesticides, and discoveries in biotechnology and genetic engineering, initially increased agricultural productivity to such an extent that it seemed that the scourge of human hunger would be wiped out all over the world. This so-called Green Revolution has proved to be a mirage. Increasing inequalities, as well as extreme specialisation, have again created a situation in which poor cultivators are worse off than before. The Green Revolution has increased productivity and wealth but the dominance of monocultures and the rapid proletarianisation of the peasantry have led to extreme

insecurity and abject forms of poverty for large sections of the world's rural population. Traditional agricultural production may have yielded low productivity but at least the direct producer usually had a small piece of land where he could grow food for his or her household.

In addition, wholesale use of fertilisers and pesticides has resulted in soil degradation and food deterioration while new technologies, engaged in the manipulation of the DNA of plants and livestock, are creating risks with long-term consequences that we are unable to assess.

3. Global consumerism

Mass media has an extraordinary impact on lifestyles all over the world. It is capable of reaching people in the remotest corners of the earth, and television in particular has become a major element in the creation of values, identities and life-styles. With just a few economically powerful individuals controlling large chunks of global media and television networks, and operating entirely according to criteria of profit, public figures such as Rupert Murdoch are likely to have more influence on the secondary socialisation of the young than parents, teachers and priests put together. The concentration of what Bourdieu calls symbolic capital in the cultural sphere¹ is as unjust and grotesque as the concentration of wealth in the economic sphere.

Given its power, it is not surprising that consumerism reigns supreme, even among the poor of the earth, even among those who do not have the means to adopt Western patterns of consumption. These people are brought into the global consumer culture on an imaginary plane, while being excluded from it on the plane of hard economic reality.

This clash between imaginary inclusion and actual exclusion results in a situation whereby the deprived and marginalised frequently sacrifice basic needs in order to acquire luxury goods advertised on the television screen. It also creates a situation in which the have-nots are as reluctant as the haves to adopt energy-saving, environment-friendly lifestyles.

The haves constitute a formidable global consumerist class of approximately one billion people whose consumption patterns lead rapidly to the exhaustion of non-renewable resources, as well as to vast environmental damage. Since the majority of these individuals live in liberal-democratic polities, they use their voting rights to ensure that any serious attempt to introduce more environment-friendly policies (via petrol taxation, for example) will fail.

As a consequence, both the one-sixth who consume wastefully and the five-sixths who, because of the culture of global consumerism, aspire to do likewise, are creating an impasse that will acquire dangerous dimensions once the economies of populous countries such as China and India reach the stage of mass consumption.

These three mechanisms linking global growth to global poverty and environmental destruction constitute a formidable negative spiral. They are not new, but they have acquired a fresh momentum, an alarming dynamic, which fully justifies the metaphor of a run-away world. We are moving at huge speed out of human control into the unknown.

Strategies of renewal

Is there any way of reversing this negative spiral? Could further globalisation be affirmatively linked with the elimination of absolute levels of poverty and the re-greening of the earth?

The neo-liberal Right holds that progress towards further liberation of world markets will eventually solve both poverty and environmental problems. As more wealth is generated globally, some of it is bound to seep downwards: the "trickle-down effect". Poverty will gradually disappear and as poor countries become richer, they will be able to cope effectively with the environment. Just as rich countries have managed to cleanse their water supplies with the aid of anti-pollution technologies, so poor countries will be able to do the same. More free trade, so the argument goes, leads to greater wealth and eventually to a greener world.

This neo-evolutionist optimism rests on very shaky foundations in my opinion. When markets are left to operate strictly according to their own logic, they fail to solve the distribution problem. They generate not only unacceptable forms of inequality but also, in most cases, new forms of extreme poverty.

The neo-Marxist or socialist position, on the other hand, is overshadowed by darkest gloom. The view is that because of the unprecedented mobility of global capital and the relative immobility of labour, trade unions are declining; the victims of globalisation are unable to organise effectively and challenge the global status quo; and the nation-state itself is going through a process of terminal decline, incapable of controlling the huge and powerful networks of multi-national capital.

I believe that the pessimism of this position is as unwarranted as its neo-liberal opposite. While the nation-state has indeed lost some of its functions, it has also gained new ones. In terms of the resources it extracts from its citizens, for example, it is tending to grow rather than to diminish.

This is easier to understand if, instead of focusing reductively on the nation-state and its relationship to the global situation, we look at nation-states in their plurality.

If multi-nationals constitute a network of formidable economic players, nation-states themselves form a network that has to be taken seriously. Indeed, it is not at all certain which of the two is the most powerful and most capable of restricting the activities of the other.

The present neo-liberal character of the global system did not come about accidentally; it was deliberately constructed by a handful of powerful political actors. The implication of this is that a shift from the present unjust and unregulated global capitalism to a more humane, regulated one is not only desirable but also possible.

Some aspects of the globalisation process are irreversible, the new communication technologies amongst them. However, there are other aspects of globalisation that are less impervious to change and as growing interdependence can lead to less, as well as more, exploitation and domination, it should be possible for the present, neo-liberal type of interdependence (with its peripheralisation or exclusion of the majority of humankind from the wealth-creating process) to be transformed into a socially more inclusive interdependence.

The present dominance of market logic over all spheres of social life could be exchanged for a situation in which the logic of competition will co-exist in balanced interdependence with the logic of solidarity in the social sphere, the logic of democracy in the political sphere, the logic of autonomy and self-realisation in the cultural sphere, and the logic of environmental protection in the ecological sphere. This may sound utopian but becomes rather less so when one remembers that a small percentage of the income and wealth of the world's richest individuals could, if properly used, entirely wipe out absolute levels of poverty everywhere in the world.

Effecting the change

Is it possible to identify the actors who can effect such a change? Pessimists argue that no anti-systemic movements from below seem to be emerging and that the victims of the present global system are unable to organise and resist. However, these pessimists are wrong in supposing that social transformation can come only from below. Change from above is also feasible.

There are three types of capitalist trajectory:

- the American, which combines economic dynamism with very high job insecurity and growing inequalities;
- the Asian, which is equally dynamic, highly authoritarian and which, despite its recent crisis, is on the ascent;
- the continental European type, which is less dynamic but more humane than American capitalism

and less authoritarian than its Asian counterpart.

There is a serious divergence of interests between the United States and the European Union. The global system today favours the former and creates severe difficulties for the latter. The transcendence of neo-liberal globalism presupposes the further economic, social, and political integration of Europe along social-democratic lines.

European political élites are faced with the following dilemma: accept the neo-liberal rules of the global game, in which case they will be forced, against the wishes of their electorates, to dismantle their welfare arrangements in order to become more competitive; or challenge the status quo and push for a social-democratic type of global regulation, a regulation within which the process of wealth creation will be socially inclusive and environment-friendly.

The objection that such a system is not possible, and that today's "casino" capitalism is here to stay, has more to do with ideology than with reasoned analysis.

Given that the majority of victims of this negative spiral are unable to organise and fight for its reversal, the only actor that has both the power and a vested interest in humanising the global system is the European Union, provided that it proceeds rapidly with its political and social unification while safeguarding and further promoting its early post-war achievements and values.

A social pact

I believe that shifting from a neo-liberal to a social-democratic regime of global regulation is the fundamental precondition for transforming the present negative spiral into a positive one that will link global growth to social inclusion and environmental restoration. It is only in conditions of regulated competition that a global social pact between the haves and the have-nots can be achieved. This is true for aid as well as for production and consumption.

It is not only necessary to dramatically increase the quantity of resources allocated to poor countries, but also to ensure that the aid is not appropriated by political élites more interested in self-enrichment than in developing their countries. This can be achieved by focusing on projects that bypass the anti-developmental, kleptocratic states found in most poor countries. Where this is not possible, donors should insist on strict auditing and on close, direct monitoring by competent outsiders of how the aid is used. Arguments about national sovereignty are simply ideological devices to facilitate uninhibited looting.

Such a global social pact requires concessions from both sides: transparency on the part of poor countries and generosity on the part of the rich. The transition from a negative spiral to a positive growth-distribution-ecology spiral presupposes both a more humane regime of global regulation and mutual concessions from both poor and rich countries. It is impossible to persuade the South to adopt environment-friendly, sustainable strategies for agricultural and industrial production without massive Western assistance with research, development of alternative technologies, finance and implementation. It is equally impossible to persuade the South to opt for environmentally-sound consumption patterns without a drive for more frugal, less wasteful consumption practices in the North.

Despite consumerist media propaganda, there is much evidence that young people all over the world are tending increasingly to adopt post-materialist values and outlooks. They tend to be less interested in hoarding commodities and more interested in living a worthwhile, life-enhancing existence; they tend, in other words, to live less in the mode of having and more in the mode of being. That being so, there is still hope for our common world.

Note

1 P. Bourdieu, *Distinction*, Routledge, London 1986.