

GLOBALIZATION, POVERTY, AND TERROR

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It is difficult to go beyond the grief, the bewilderment, the horror, and the anger generated by the events of September 11. And yet, as intellectuals, we need to try to make sense of terror. We need to try to understand why is it that some human beings are so full of anger and hatred that they would commit atrocities and wage a new form of war against the United States.

I have been asked to try to answer this question this evening in the context of globalization and world poverty. Globalization has raised controversy and generated competing views on its effects.

Peter Martin of the *Financial Times* offers the mainstream conceptualization of globalization. He defends and defines it as "the accelerated integration of previously marginalised societies." Moreover, he contends that: "This process is a true collaboration across borders, across societies, across cultures—not the false collaboration of spurious North-South dialogues and bureaucratic elites." Globalization, in Martin's view has "produced an enormous degree of improvement in human happiness in those countries which have taken advantage of the opportunities it provides." This transformation, he concludes, "will produce exactly the opposite of the effects that its left-wing critics claim. It will lead to an irreversible shift of power away from the developed countries to the rest of the world."

In his book, The Consequences of Modernity, Anthony Giddens, offers a less Panglossian definition of globalization. In Giddens' view, globalization represents "the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa." Globalization indicates therefore a fundamental acceleration, on a worldwide scale, of the sheer pace of social, cultural, and economic change.

The global movement of capital and in particular finance capital characterizes this acceleration. Finance capital moves freely across nations by electronic means, and such mobility generates truly global movements in exchange rates, interest rates, and stock prices. Competition, production, and speculation have become globalized. This in turn has led to a profound shift to profit-maximizing behavior at the expense of collective welfare. In the words of George Soros, the philosopher-capitalist: "the hallmark of the current form of global capitalism, the feature that sets it apart from earlier versions, is its pervasive success: the intensification of the profit motive and its penetration into areas that were previously governed by other considerations." "We must recognize," Soros, argues, "the growing role of money as an intrinsic value."

The triumph of money as an intrinsic value is only one aspect of the phenomenon; globalization is also a departure from the international economy that prevailed until the mid 1980s. Then,

nation-states had a significant amount of control over their domestic economies and politics, and thus could regulate their relationships to global capitalism. Today, with globalization, such controls and regulations are evaporating. In other words, globalization seems to emasculate the nation-state, particularly Third World nations. Globalization places the interests of agents of unregulated economic liberalization over both the state and society.

This is not to say that globalization is a linear process. In my opinion, globalization is in fact a dialectical phenomenon generating contradictory tendencies. But why would globalization with its universalistic pretensions fuel contradictions? It seems to me that this is the inevitable consequence of the huge disparities of wealth and power that characterize the global political economy. Globalization has engendered explosive patterns of social polarization within and between nations. For instance, the 358 billionaires of the world have assets estimated at \$760 billion which is as much wealth as the bottom 45% of the world population, that is about 2.7 billion individuals. You can put it in a different way: the three richest people in the world own assets that exceed the combined gross domestic products of the world's poorest 48 countries.

Obscene patterns of poverty and inequalities amidst ostentatious wealth are thus the very stuff of our global system. They raise basic issues of morality and ethics for the prosperous areas of

the world. We need to be asking whether the current inequalities are legitimate and just? Can something be done to achieve some degree of human decency?

Basic education for all would cost about \$6 billion a year, a very limited sum when compared to the \$8 billion spent annually for cosmetics in the United States alone. Installation of water and sanitation for all would cost about \$9 billion whereas \$11 billion is spent annually on ice cream in Europe. Basic health care and nutrition for all would cost \$13 billion; that is \$4 billion less than what is spent on pet food in Europe and the United States.

When animals in industrialized nations receive better treatment and resources than a large segment of humankind, there is clearly something wrong with the worldwide distribution of wealth. When dire poverty is so pervasive and yet \$35 billion is spent on business entertainment in Japan; \$105 billion on alcoholic drinks in Europe; then indeed there must be something wrong, very wrong with existing institutions and patterns of power.

Another negative potential consequence of globalization is the paradoxical intensification of nationalistic and localistic sentiments. The savage inequities of globalization create parochial forms of resistance rooted in an imagined past that never was. This may explain why globalization may go hand in hand with the emergence or re-emergence of ethnic and religious fundamentalisms and the

fragmentation of nation-states into multiple micro nation-states. The very homogenization of culture brought about by globalization foments counter-reactions grounded in the exaltation of difference and local particularisms.

Today we observe that the nation state is both weakening and strengthening. On the one hand, nation states are eroding in many parts of the Third World because they are losing any meaningful sovereignty over their own internal economic and security affairs; they have become utterly dependent on international financial institutions for their material survival. On the other hand, the nation-state is getting stronger precisely because globalization generates such acute inequities that the stability of the world system requires the preservation of bounded political units in which dominant classes can devise strategies of containment. Such strategies need not take on openly coercive forms; they may in fact rest on processes of democratization. In my view, the recent wave of Third World democratization comprises a reconfiguration, rather than a rupture with previous relations of power. Democratization is quite compatible with the persistence and expansion of global inequalities. Democratization may indeed legitimize them.

Thus, the profound distress of abject poverty juxtaposed with the frivolities of conspicuous consumption, not to mention the reality of mass powerlessness in the face of continued elite domination are the opposite faces of the same global coin. In this sense,

globalization is not fundamentally different from 18th, 19th, and 20th century imperialism. To put it more clearly, globalization is nothing more than the intensification of some of the longstanding manifestations of imperialism. The current decline of national sovereignties is after all a logical continuation of colonization. Existing world inequities have their roots in the earlier imperial division of labor along racial and class lines. The transnationalization of Western culture is the direct descendant of earlier policies of "assimilation," and the internationalization of capital is nothing new, it has merely been accelerated and deepened by technological advances. Similarly, if imperialism fostered economic dependence while at the same time generating movements of de-colonization, and multiple forms of nationalism, globalization is bringing about a loss of sovereignty while at the same time prompting democratization and localization. All of these historical outcomes contain simultaneously patterns of accommodation and capitulation as well as resistance to the dominant forces of the world economy. Therefore, it seems to me, that globalization has not displaced the old categories of analysis. On the contrary, class, nationalism, ethnicity, gender, and race are still essential tools to understand existing disparities of power.

These disparities have led to revolutionary upheavals, brutal repression, and conditions of despair and resignation. The present historical conjuncture invites terrorism, and other pathological forms of violence such as so-called "ethnic cleansing." Such madness generates an overwhelming sense of the absurdity of it all. We may

want indeed to shout with Shakespeare's Macbeth that the world "is a tale told by an idiot, full of sound and fury, signifying nothing."

And yet, we cannot give in to a sense of absurdity. The current predicament demands serious thinking and an understanding of the role and responsibilities of the industrialized world. Deciphering these responsibilities is a matter of self-interest for the West and America in particular. For despite its military and economic hegemony, the US represents, alongside the industrialized world, a minority of the globe. Out of a total global population of about 7 billion inhabitants, only 1.2 billion people live in the rich industrialized countries.

Present unbalances of power cannot persist indefinitely; they are bound to generate explosive confrontations. The question then is whether we can avoid these confrontations by devising humane alternatives to the current global realities. That will not be easy; entrenched and powerful interests in both industrialized and developing nations are opposed to these alternatives which in turn require sacrifices that most of us are unlikely to contemplate.

And yet hope is not necessarily dead. The recent collapse of many third world dictatorships has indicated that in spite of obdurate limitations, there are signs of progress and that people need not and do not put up with injustice permanently. Human beings have the capacity to overthrow oppressive regimes and usher in improved and

more humane forms of governance. Thus, while exploitative structures can be at times paralyzing, they are not immune from the liberating struggles of collective action.

To that extent, the world is also full of a sense of new beginnings. There are minorities in all societies which are actively pursuing more humane cooperation, more equality, and an expansion of democratic rights. It seems to me that the task at hand is to move silent majorities in the direction of these minority voices. This is possible given that the maintenance of the existing global status quo is an invitation to disaster. The possibility of waves of terrorism, ecological catastrophe, and limited nuclear exchanges, is such that radical change could occur on a purely utilitarian and self-interested way. The reality of "globalization" has made the so-called "good life" of the West imaginable to all and yet accessible to few. It is this gap between imagination and access that raises frustrations and invites conflicts. And it is the economic, political, and military methods used by Western powers and corrupt Third World elites to preserve that gap that fuel resentment and hatred.

Globalization is thus full of contradictions; it generates tendencies of universalism and yet leads to re-assertions of profound particularisms because universalism itself is to a large extent an illusion. What we have in fact is the coexistence of a minority of rich nomads moving freely around the globe and an overwhelming majority condemned to confining spaces of poverty or the dangerous

exits of Global Boat People. Such unequal patterns of migration and existence cannot persist indefinitely; they are bound to generate explosive situations.

Thus, at the dawn of the new millennium, the era of the supposed global village, disparities are more extreme than ever before. Large segments of humanity live in conditions of dire poverty and forced displacement, and die premature deaths as a result. We live in a world of obscene inequalities profoundly divided by class, ethnicity, and race. While these conditions are neither an excuse nor a full explanation for terrorism, they certainly nurture this ugly, murderous beast. I am afraid, however, that while bombs and other forms of military reprisals will satisfy our primal desire for revenge, they will not prevent the beast from continuing to fly and multiply. Terrorism is a morbid symptom of a decadent world order.