

Globalisation and the poor

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ON A VISIT TO DELHI ONE FREEZING WINTER, I WATCHED CONSTRUCTION WORKERS AS THEY ERECTED AN OFFICE TOWER THAT WOULD HOUSE ONE OF THE FAMOUS COMPANIES IN THE GLOBAL COMPUTER INDUSTRY.

The workers were inadequately clothed and their accommodation took the form of flimsy canvas tents. I found myself musing: what will this company do for these workers, most of whom have been drawn as casual labour from surrounding villages? Will they slap copyright laws on their software products so that the children of these workers, even if fortunate enough to go to school, could never afford them? And what justice is there in the concept of 'intellectual property rights' when it is the general public (both in the rich world and the poor) whose taxes are subsidising these corporations and their global operations?

Anyone who raised such questions before the autumn of 2008 invited dismissive cries of 'anti-globalisation fanatic', 'crazy leftie' or 'an old-fashioned socialist'. Today, it is Nobel laureate economists and conservative politicians who are daring to ask such questions openly. Not only the global economy, but globalisation itself, is said to be in crisis. Much of the hubris that attended the reckless decades of irresponsible financial speculation and corporate greed has taken a battering. Greed will never disappear from human affairs, but its justification in the name of 'economic rationality' will never be viewed with the same naïveté that it has since the 1950s.

Globalisation, like every other historical process in a fallen world, shares both in the goodness of human creation and the distortion of creation by sin and evil. Its benefits and threats are equally real, and are intertwined in a complex variety of ways. For every benevolent aspect of globalisation, there is a malevolent side that threatens to overwhelm the good. It is thus a Janus-faced entity, a paradoxical phenomenon that reflects the paradoxical nature of the human condition.

The liberalisation of trade between nations has great potential for the development of the creativity *of* the poor and opportunities *for* the poor. On the other hand, unequal power relations and divergent internal policies sabotage this potential. So-called 'free-trade' treaties are always biased in favour of rich nations which demand that the poor remove all their agricultural subsidies and open their markets to the heavily subsidised agribusinesses of the rich world. Moreover, the unemployed in rich nations are usually protected by social welfare. Their counterparts in poor nations are not. For the latter, loss of competitiveness often means literal starvation. The putative gains to poor nations are offset by rising inequalities, both locally and globally, and the attendant social unrest. Most of the luxury consumer goods and electronic items that fuelled the credit bubble in the West were manufactured by women working in unsafe and exploitative work environments in countries such as China, Bangladesh and Vietnam. The 'swine flu' pandemic sweeping the world even as I write is a direct consequence of the intensive 'animal production' methods that Mexico develops to feed the insatiable appetite for spare ribs on the part of US consumers.

There is also the suffering caused by deliberate policies pursued by the rich countries and the international financial institutions that they control. Thus, when Indonesia was hit by economic collapse in 1997, foreign creditors were bailed out with billions of dollars but the government, under pressure from the International Monetary Fund (IMF), refused to pay the far smaller sums required for food and fuel subsidies for the poor or for those workers whose wages plummeted. The latter were not responsible for causing the crisis in the first place. They suffered the consequences of irresponsible choices made by foreign speculators. The foreign creditors were bailed out by the IMF, and those who had an overwhelming case for compensation were left to suffer.

This is the same IMF, still unreformed and unrepentant, that was promised \$750 billion at the G-20 summit in London in June 2009. It needs no great effort of the imagination to know who will get the lion's share of this wealth. While their own nations try to spend their way out of the recession, IMF economists are still pushing their 'one size fits all' remedy of cutting subsidies and slashing public spending on poor governments facing massive social turmoil.

Enthusiasm for power-at-a-distance, encouraged by the new communication technologies that lie at the root of globalisation, has always been popular. None of us is immune. It is so easy to forget that what is 'freedom' for me may be experienced differently by others elsewhere.

Oliver O'Donovan gives an everyday example: 'When I have entered my credit card number and double-clicked on the "confirm" box, some packer somewhere has to act on my order, some driver struggle through the traffic on the motorway, some postman find my front door. For me, as for the slave-owners of the early modern colonies, it is all too easy to overlook those on whom the gratifying of my desires depends, and to succumb to the illusion that the tips of my fingers on keyboard and mouse have freed *them* from the constraints of place, too!'¹

Just business and the poor

Insofar as market capitalism encourages such values as innovation, personal responsibility and an equitable sharing of risk, it is surely to be welcomed by Christians. Competition and self-interest can have beneficial, though unintended, market outcomes. But this presupposes an overarching moral framework in place that is not itself determined by markets. Apart from the moral framework (trust, promise-keeping, truth-telling), economists have long pointed out that market efficiency depends on certain conditions, such as 'reciprocal information' and 'perfect competition', and where these are lacking, markets fail.

In the real world, in contrast to the hypothetical world of economics textbooks, these conditions rarely apply. Powerful advertising manipulates human desires so that customers are never sovereign; supply does not usually reflect demand but, rather, vested interests; and, in international trade, rich nations use their political muscle to distort markets and secure special favours for their industries. Business leaders who are most vociferous about 'minimum government' when their profits are soaring are the first to run to governments for 'bail-outs' when competition hits them hard. The playing field is never level. Those who enter the market with more power leave it with even more.

Since the Reagan–Thatcher era, the conditions of economic globalisation have encouraged the worst forms of capitalism to flourish worldwide. Namely, speculative financial flows across borders that are unrelated to

either production or trade; sweat-shop factories and companies that 'externalise' the damage they inflict on the environment; mergers and acquisitions that lead to oligopolies that push small businesses out of the market; mega-malls that bankrupt neighbourhood shops; small farmers forced off the land by giant agribusinesses; American-type massive pay differentials in companies, and business practices that sacrifice loyal workers for bigger profits.

International trade needs a framework of just rules, and in democratic societies the rule-makers must be accountable to the people. For all its weaknesses, the World Trade Organization (WTO) offers a better hope for the developing world than a system in which bilateral deals are struck between the strong and the weak. Every country has one vote in theory, but, in practice, there are secret deals that rich countries make with each other to protect their own interests. American and European corporate lobby groups outnumber organisations from Third World countries by as much as six to one. Moreover, Third World countries often send incompetent bureaucrats to argue their case, whereas the rich nations can send high-priced legal experts. Thus, the disparity in bargaining power is enormous.

Global warming and the poor

God is committed to the flourishing of his creation. He bestows the sustenance of life, the sunshine and the rain, on the just and the unjust (Mt 5.43–48). To imitate this God is to live a life dedicated to respecting and enhancing the integrity of life in all its forms.

The climate system unites us rich and poor, men and women, black and white. A relatively stable planetary climate over the past 15,000 years is what has enabled not only mammalian life, but settled agriculture and human civilizations, to flourish. The climate reminds us that we belong to one world. We are all dependent on the 'carbon cycle'. We are neighbours to one another, wherever we happen to live.

Human beings are now the main climate-shapers. Anthropogenic climate change threatens the greatest collapse of the earth's ecosystems in the history of the human species, from the Poles to the tropical rainforests, and the extinction of nearly half the earth's species of plants and animals.

Global warming represents the theft of the global 'commons' by the rich world. The rich pollute the atmosphere and 'commons', stealing from the rest of humankind their means of survival, let alone their well-being. The atmosphere and the oceans have become the medium by which wealthy corporations, governments and individuals transfer their harmful activities to other regions and peoples. The 12 countries considered least at risk from climate change, because of their industrial wealth, have together set aside \$72bn to help themselves adapt to global warming while pledging a meagre \$400m to help poor countries. Ninety-nine per cent all deaths from weather-related disasters and 90 per cent of the total economic losses are and will be borne by developing countries.²

Christian responsibility

Many of the world's poor are Christians, particularly in sub-Saharan Africa, and parts of South Asia and Latin America. Unfair trading practices on the part of the US, Japan and the EU, and the privatisation of public natural resources by multinational companies threaten to lock their societies into chronic poverty. At the same time, poor nations disproportionately bear the costs of economic globalisation – widespread financial instability, tax evasion, severe climatic events, dwindling natural resources, the migration of

locally trained professional elites to the West, and the undermining of nascent democratic institutions. It is the poor who suffer from the wars raging over oil, platinum or diamonds – wars in which Western companies and banks are deeply enmeshed.

What is the responsibility of rich Christians in ensuring that all human beings have access to the things that they themselves take for granted, whether it be food security or affordable medical treatment? A prophetic challenge is necessary, through word and action, to a global economic regime that encourages greed, wastefulness and exploitation. Thus, the challenge of globalisation is fundamentally ethical and political. Faithfulness to God's mission of justice and peace requires the global Church to respond to that challenge collectively and through its individual members.

This implies, for example, that we support with practical help those agencies that work transnationally to care for refugees, combat the trafficking of women and children, promote human rights and the protection of the biosphere; and that national governments and powerful transnational actors such as the United Nations, the World Bank, the IMF and the WTO are challenged to become more participatory and truly accountable.

As George Monbiot wrote a few years ago: 'The men who run the world are democrats at home and dictators abroad. They came to power via national elections that possess, at least, the potential to represent the will of their people. Their citizens can dismiss them without bloodshed, and challenge their policies in the expectation that, if enough people join \square in, they will be obliged to listen. Internationally they rule by brute force. They and the global institutions they run exercise greater economic and political control over the people of the poor world than its own governments do. But those people can no sooner challenge or replace them than the citizens of the Soviet Union could vote Stalin out of office. Their global governance is, by all the classic political definitions, tyrannical.'³

Transnational corporations, through relatively few in number, influence the lives and welfare of billions of people. Yet their accountability is limited to their shareholders, with their influence on national and international policymaking kept behind the scenes. If they were subject to an international accounting authority as well as to international human rights instruments (in the way that governments are), their positions would become more transparent, and their social responsibility subject to greater public accountability.

It is hard for the law-abiding, peace-loving Swiss citizens who walk the streets of Zurich and Berne to admit that beneath their feet lies the wealth of many poor nations. Banking anonymity and offshore tax havens (several of which are British protectorates) encourage tax evasion, corruption and money laundering on a massive scale. It is impossible to tackle political nepotism and corruption in poor countries when the global banking system aids the embezzlement of public funds and theft of public assets. It is only after the loss of tax revenue in EU countries and the recent subprime disaster that Western governments have exerted pressure on Lichtenstein, Swiss banks and other institutions to relax their secrecy rules. It is only when the rich suffer that change is likely to happen.

Given that the Church is the only truly global community in the world, it is imperative that Christians recover their political imagination and act, not primarily as citizens of their own nations, but as citizens committed to a global common good.

In conclusion, the resurrection of Jesus signifies God's intention to redeem the earth, and her oppressed creatures, from the evil domination of principalities and powers. It is God's decisive 'Yes' to our humanity – this embodied, interdependent humanity. We bear witness to this hope by concrete actions on behalf of those poor or voiceless human and non-human creatures whose prospects are threatened today.

Notes

1. Oliver O'Donovan, *The Ways of Judgment* (Grand Rapids, MI/Cambridge: Eerdmans, 2005), p. 260.

2. See the first comprehensive study of the human impact of global warming published by the Global Humanitarian Forum in June 2009, available at www.ghf-geneva.org/. Here are some of their other conclusions: climate change is already responsible for 300,000 deaths a year and is affecting 300 million people; economic losses due to climate change amount to more than \$125bn a year – more than present world aid; by 2030 climate change will cost \$600bn a year and tens of millions of people 'will be driven from their homelands by weather disasters or gradual environmental degradation – the problem is most severe in Africa, Bangladesh, Egypt, coastal zones and forest areas'.

3. George Monbiot, 'Out of the wreckage', *Guardian Weekly*, March 6–12, 2003, p. 11.

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