

From *What Now* to *What Next*

Reflections on three decades of international politics and development

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It was no mere coincidence that *What Now*¹ was launched just when the world was witnessing momentous events, which would soon define a new era. The globe had just been convulsed by the Oil Price Shock of 1973, marking the end of the era of cheap petroleum and the Second Industrial Revolution based on it. The Golden Age of Capitalism – which began with the end of World War II and which unleashed unprecedented prosperity and a reduction of inequalities in the Northern countries, and some rise in incomes in the newly independent Southern countries too – was in eclipse. The high noon of conventional post-War developmentalism was coming to an end. The dollar-gold link stood severed and the dollar began to decline.

Indeed, in the mid-1970s, global capitalism itself seemed vulnerable. Dire warnings came from the Stockholm Conference on the Human Environment in 1972. Soon came Susan George's *How the Other Half Dies* circulated at the World Food Conference of 1974 and the revelations of Barnett and Mueller's *Global Reach: Power of the Multinational Corporation* (1974), one of the first major studies of the TNCs. Put in the context provided by the Club of Rome's *The Limits to Growth* and *The Ecologist's* 'Blueprint for Survival' (1973), these spoke of a serious crisis of viability and sustainability of the global capitalist system.

Politically too, many developments highlighted the growing global sense of solidarity, unity and justice, including opposition to General Pinochet in Chile, who had overthrown Salvador Allende in a violent coup. Richard Nixon was ousted as the President of the United States in 1974. Portugal began to withdraw from its colonies in Africa. And the Vietnam War drew to an end in 1975. These historic retreats marked a new shift in the movement for decolonisation and national liberation, especially from Asia towards Africa.

Civil society was yet to emerge as a major player in world affairs. But new social movements were already in the ascendant: environmen-

¹ *What Now: Another Development, Development Dialogue* 1975:1/2, Dag Hammarskjöld Foundation, Uppsala, 1975.

talism, feminism, indigenous people's self-assertion, anti-racist mobilisation, grassroots democracy, etc. The counter-cultures that took root in the 1960s flourished well into the 1970s. And new ideas about re-ordering the world along equitable and just lines were abroad.

One of the most powerful of these was the project for a New International Economic Order (NIEO), which would redress North–South inequalities and make development a right of the world's peoples. Another seminal idea was that environmental protection and sustainability impose 'outer limits' upon economic growth and consumption; these limits must be respected.

Many of these ideas and projects were strongly *state*-centric. At the national level, they placed much faith in the power of the First System – the new, still evolving structures of the national state, and its ability, both independently, and through institutions like the Non-Aligned Movement, to bring about progressive social change. The key instrument would be Keynesian state intervention and import-substituting industrialisation. Full-blown neoliberalism and Structural Adjustment Programmes sponsored by the World Bank and the International Monetary Fund were not yet on the agenda.

At the international level, the focus of these pro-reform ideas was squarely on the United Nations, its specialised agencies and other multilateral bodies, including the Bretton Woods institutions. Central to them was development, although this meant rescuing development from its own epigones.

What has actually emerged in place of these visions and proposals is a world that is better in some respects, considerably worse in many more respects, and, in a few respects at least, a monstrosity. Today's world is more unjust; more skewed in the concentration and distribution of wealth between and within countries;² more cruel to its underprivileged people; more than ever in the grip of predatory capitalist corporations; more violent, strife-torn and turbulent; and more divided than ever before along religious, ethnic and social faultlines.

Planet Earth may be on the brink of an ecological catastrophe through global warming, itself related to runaway consumption of fossil fuels and other exhaustible materials, especially on the part of the rich. In place of the peace that the ending of the Cold War promised to bring, the world could well suffer yet another century of war. This could be



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2 UNDP, *Human Development Report 2005*, 'Trends in Global Income Distribution, 1970-2000', Oxford University Press, 2005.

far bloodier than the terrible century – human history’s most violent – that has just gone by, leaving some 180 million people dead.³

Understanding the world 30 years on

Today’s globalised world is deeply contradictory. On the one hand, there is growing interdependence, exchange and interaction between many different parts of the globe. On the other hand, there are huge swathes of land that are virtually excluded from any meaningful interaction with the rest of the world. They have experienced stagnation or decline, want and insecurity, mounting social chaos, and even outright economic and political devastation through war and famine. About two-fifths of the world’s people live in such societies.

Humanity’s accumulated knowledge and its access to resources and technology have advanced adequately for it to abolish poverty, mass deprivation and drudgery, not to speak of degrading forms of labour. Yet, about a third of humanity lives on less than two dollars a day. Some 1.2 billion people have to make do with just one dollar a day.⁴ Malnourishment and starvation are prevalent in scores of countries.

Again, the world has never been more ripe for democratisation, equity and balance in its social and political arrangements. Yet, on the other hand, patterns of domination, hegemony and concentration prevail in countless areas: skewed social relations, entrenched inequalities between classes and sexes, warped economic structures, despotic forms of corporate control, manipulative politics within countries, and, of course, structurally unequal relations between the global North and the global South.

Over the past 30 years, the world has undoubtedly registered impressive gains in the average life expectancy of its population (from 60 years at birth, to 67 years). Infant mortality has decreased substantially (from 96 to 56 per 1,000 live births).⁵ Modern medicine has helped reduce the toll on human health from several communicable diseases. But malnourishment remains widely prevalent among children and

3 See Kolko, G., *Another Century of War?*, New Press, New York, 2002.

4 See various annual editions of United Nations Development Programme, *Human Development Report*, Oxford University Press. Also see the latest *Report on the World Social Situation 2005: The Inequality Predicament*, Department of Economic and Social Affairs, United Nations (www.un.org/esa/socdev)

5 UNDP, *Human Development Report*, Oxford University Press, 2004.

lactating mothers even in countries that have experienced an overall rise in health indices.

The use of chemical fertilisers and pesticides may have helped raise crop yields through Green Revolution techniques since the mid-1970s. But the use of chemicals has had harmful effects, including a fall in the average sperm count among males⁶ and the spread of new diseases.

Literacy rates have more than doubled in the developing world – no mean achievement for some 2 billion people. But there has been a substantial erosion of traditional knowledge of the local environment and micro-climate – and hence of people's ability to cope with adverse natural phenomena such as floods.

Some changes for the better

Thus the global balance sheet 30 years after *What Now* is not wholly negative or bleak. Rather, it is mixed, with many positive features, which are however outweighed by negative developments. Consider some positive aspects of the balance sheet:

The process of decolonisation and independence has continued despite the general pattern of domination and hegemony by powerful states. Thus, apartheid was replaced by majority rule in South Africa and several small states won independence in Africa and the Pacific. The last vestiges of classical colonialism will soon be eradicated. Freedom has at last opened up the possibility of participatory democracy and brought millions of hitherto disenfranchised people into public life – for the first time ever. This, like the spread of formal or minimal democracy based on periodic elections to an estimated 60 per cent of the world's countries, is not an insubstantial achievement.⁷

Another gain is the growth of pluralism and cultural diversity in a majority of the world's countries. Thus, today almost no country is ethnically or culturally homogenous. The world's nearly 200 coun-

6 See Carlsen, E., Giwercman, A., et al., 'Evidence for decreasing quality of semen during the past 50 years', *British Medical Journal*, Vol. 305, 1992, pp. 609–613, and Swan, S. H., Elkin, E. P., et al., 'Have sperm densities declined? A reanalysis of global trend data', *Environmental Health Perspectives*, Vol. 105, 1997, pp. 1228–1232.

7 In 1989, the number of countries with electoral democracy was 69. In 2004, it had increased to 119. See 'Freedom in the World 2005: Civic Power and Electoral Politics', Freedom House. (www.freedomhouse.org/research/survey2005.htm).

tries include some 5,000 ethnic groups. Two-thirds of the total have more than one ethnic or religious group making up at least 10 per cent of the population.⁸



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Of the 182 countries recently surveyed (incidentally, by the CIA), only 30 have minority ethnic and religious groups accounting for 10 per cent or less of their population. In another 42 countries, their share is between 10 and 25 per cent. And in 110, it is 25 per cent or more. The last two categories account for 69 per cent of the world's population.⁹ In many Northern countries, the number of migrants has steadily risen, as has diversity in their sources of origin. Their political representation has increased too, albeit unevenly.

Despite the persistence of skewed global economic structures and unequal trade-related treaties that seek to cut the industrialisation ladder from under their feet, some countries (most notably in Southeast and East Asia, and to a limited extent, in Latin America) have managed to achieve industrial growth and improve their public services and social welfare. In general, standards of living, including access to health, food, shelter and education, have improved for perhaps a third, if not a half, of the population of the global South over the past 30 years.

Similarly, although deforestation rages on in the Amazon basin and in parts of Southeast Asia, some other parts of the world have in recent years witnessed a modest to moderate improvement in their forest cover and quality of air – after a long period of decline. Urban congestion and pollution have decreased in some countries. Although the growth of renewable sources of energy is still far too slow in relation to their potential, it is noteworthy in countries such as Denmark, the Netherlands, Germany, India, and even China (the world leader in solar-thermal technologies).

At an altogether different level, the end of the Cold War has resulted in a receding of the risk of full-scale nuclear war or a nuclear exchange between the Superpowers, which could have led to unspeakable devastation, indeed mass extermination. Aggressive US nuclear policies and Washington's bellicose response to the September 11, 2001 attacks have set back the prospect for global nuclear disarmament for the moment. But other forces, including pro-disarmament governments, civil society groups and a worldwide Mayors' Campaign for Peace, will not let that agenda vanish altogether.

8 UNDP, *Human Development Report*, Oxford University Press, 2004.

9 *Ibid.*, and CIA, *World Fact Book*, Potomac Books, Dulles, 2005.

Although the expected peace dividend has not materialised, the end of *bloc* rivalry has meant the cessation of many proxy wars in the Third World, and some reduction in military expenditures in Europe and some other parts of the world. Although internal conflicts have not ended, there has been some progress in the cessation of hostilities and conflict resolution in many countries.

Some of these changes are admittedly reversible. But the very fact that they have occurred is significant and points to the optimistic possibilities in today's world, despite all its flaws and embedded inequalities. Typically, such positive developments have come about not merely as the result of, or as an adjunct to, 'normal' social, economic and political processes, but because of *conscious* pro-active efforts and special initiatives launched to correct imbalances caused by those processes. Thus, it is not reliance on the market and market-led growth that has enhanced welfare in many countries, but protective social security measures on the part of the state, or the creation of rights and entitlements for the underprivileged.

A heartening development is the growing *resistance* to corporate globalisation and the 'natural' tendency of capital to build on the existing structures of inequality and widen it further. For instance, left to the mercy of commercial interests alone, forestry practices based on high-intensity logging would have quickly destroyed all virgin rainforests and a good deal of plant biodiversity. Yet, governments have intervened just in time to save some of these rainforests and control logging. Similarly, the public has intervened to promote equitable urban transportation policies and discourage private transport – thus contributing to a reduction of pollution levels. Again, the promotion of renewable energy sources involves not just financial encouragement, but universal interest-based arguments.

At another level, it was never going to be easy to keep the disarmament flag flying in the face of US recalcitrance and refusal to undertake any reasonable arms-reduction commitments, but the peace movement has interrogated and challenged the terms of this militarist discourse.

A critical question is how these positive trends might be sustained and strengthened, and how some of them might be given institutional expression and support.



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Many more changes for the worse

Undeniable as these positive changes are, they pale in comparison with the negative trends that have dominated global developments over the past three decades. Consider a few salient indicators. North–South disparities have greatly worsened. Measured as the ratio of average incomes in the industrialised and developing countries, they have risen from roughly 30:1 at the end of World War II, to 60:1 in the 1970s, to over 90:1 now.¹⁰ Gross and growing imbalances characterise the structure of the world economy. Industrial wealth is concentrated in fewer than 50 countries. The distribution of technology and patents is more skewed than ever before.

The vast majority of the world's peoples continue to live in predominantly agricultural and biomass-based societies. Terms of trade between what they export – largely, primary commodities – and what they import – processed goods, manufactures and services – have steadily moved against them. The emergence and growth of new technologies, which were supposed to have the potential to reduce North–South gaps – such as telecommunications, computers and information technology – have in many ways led to wider disparities. The Digital Divide is an ugly reality. About a third of the world is sinking into chronic stagnation and decline and faces a bleak prospect for the foreseeable future.

This global economic apartheid is mirrored both in the South and the North by growing internal chasms within societies. The Northern countries, which half a century ago promised their peoples full or near-full employment, universal access to the amenities of life, including health, education, and shelter, and a decent degree of social security, have retrogressed from that goal and increasingly become 'one-third–two-thirds' societies. One-third of their population is affluent and secure; another third is marginalised, depressed and has only a grim future; and the rest hovers uncertainly between the two strata.

In the South, many countries are rapidly becoming 'one-eighth–seven-eighths' societies – where only about the top one-eighth of the population is economically secure and is incorporated into the modern economy and benefits from globalisation, while the rest of the

¹⁰ See various editions of UNDP, *Human Development Report*. According to the 2005 edition of the report the richest 20 per cent of the population account for 74 per cent of the income while the poorest 20 per cent account for 2 per cent of the income.

population remains deprived of basic amenities and afflicted by poverty and disease. The prospect of redressal of these gross imbalances is rapidly receding.

Much of the global South, home to four-fifths of the world's population, remains plagued by communicable diseases and disorders caused by water-borne pathogens, which were controlled or eradicated in the North long before powerful new medicines were invented. And yet, the South's peoples also face the onslaught of 'new', lifestyle-related, afflictions such as heart disease and strokes. More than 2 billion people are simply unable to realise their rudimentary potential and capabilities as human beings.

At the beginning of the 21st century, the world finds itself in great turmoil and conflict. One and a half decades after the Cold War ended, the number of armed conflicts raging around the world has indeed decreased from a high of about 50 to roughly 30. But this is still unconscionable. More than half the total number of armed conflicts recorded during 1946–2003 remained active in the post-1989 period. As if to nullify this trend, armed conflicts have become more ferocious and bloody. The post-Cold War world has witnessed an unprecedented number of genocidal wars, especially in Africa. Most armed conflicts have been internal (in 2003, 26 out of 29) rather than inter-state.¹¹

This state of the world speaks of great social churning and disorder, economic uncertainty and decline in many countries, displacement and out-migration of large numbers of people, growing ethnic tension and conflict, a considerable weakening of democratic political structures, proneness to violence, greater militarisation of daily life, and widespread violations of human rights in perhaps close to half the countries of the world.¹²



In many ways, the true faultlines do not run between the global North and the global South or the First and Third Worlds. Rather, they run between different classes and social groups in both parts of the world.

11 See Harbom, L., ed, *States in Armed Conflict 2003*, Department of Peace and Conflict Research, Uppsala University, 2004.

12 The Carnegie Endowment for International Peace and the Fund for Peace (US) have recently developed a 'Failed States Index', based on 12 criteria. These include mounting demographic pressures, massive movement of refugees and internally displaced persons, a legacy of vengeance-seeking group grievance, chronic and sustained human fighting, uneven economic development along group lines, sharp and/or severe economic decline, criminalisation or delegitimation of the state, progressive deterioration of public services, widespread violation of human rights, security apparatus as 'state within a state', the rise of factionalised elites, and the intervention of other states or external actors. In their recent report, carried in *Foreign Policy* (July-August 2005), they have identified as many as 60 different ›

A good deal of the responsibility for this appalling state of the world lies in the failure of governance and the growing crisis of the state in many countries of the global South. However, this is inseparable from and has been greatly aggravated in recent years by the skewed structure of world trade, unequal investment regimes, failure of aid, and the galloping process of globalisation under a meanly neoliberal policy regime, which works against the South.

Neoliberal globalisation has weakened the state in scores of countries to a point where it has lost the capacity to provide even a modicum of public services, or intervene to correct gross imbalances in society. The world has never been more turbulent and unequal than it is today.

Corporate concentration and the global consumer

Some of the greatest inequalities take the form of growing asymmetries between the vast power of large corporations and the feeble economic strength of whole nations: the combined sales of the top 200 firms are 18 times the annual income of the 1.2 billion people – roughly one quarter of humanity – who live in severe poverty. The sales of the top 200 companies comprise nearly a third of the economic activity in the world; in absolute terms they are higher than the combined GDP of all but 10 countries of the world. Such monopoly control has enabled corporations to earn unimaginable profits: Between 1983 and 1999, the revenues of the top 200 firms grew 362 percent, allowing the small elite that controls them to enjoy unprecedented levels of wealth.¹³

However, in many ways, the true faultlines do not run between the global North and the global South or the First and Third Worlds. Rather, they run between different classes and social groups in *both* parts of the world. There is a South within many countries of the North – a largish chunk of society that is characterised by chronic poverty, unemployment and economic disempowerment. And there is a North within the South, which is comprised of enclaves of affluence, privilege and high consumption of resources comparable to the

- › countries under the 'failed state' category. Among the notable countries are Saudi Arabia, Turkey, Indonesia, Iraq, Bangladesh, Venezuela, Pakistan, Ukraine and Nigeria. The Fund's longer list comprises 76 countries, with the additional inclusion of India, China, Thailand, Malaysia, Brazil, Mexico, Algeria, Morocco and Libya (www.fundforpeace.org).

¹³ Cavanagh, J., and Anderson, S., *Top 200. The Rise of Corporate Global Power*, Institute for Policy Studies, Washington D.C., 2000.

consumption pattern of the elite of the Northern or OECD (Organization for Economic Cooperation and Development) countries.

The size of the affluent class in the South countries has been growing. According to a Merrill Lynch estimate, as many as 3.3 million of the world's 7.6 million super-affluent people with financial assets exceeding USD1 million each (excluding immovable property) live in the Southern countries.¹⁴ This super-affluent group is only one small component of the globalised consumerist class that has now crystallised across national boundaries and continents.

Another study estimates that the size of this consumerist class, with an average per capita income of USD7,000 (in purchasing power parity), is about 1.7 billion people. Remarkably, about one-half of them are located in countries of the global South!¹⁵

The wealth and income disparities between North and South are only one part of the pattern of domination/subjugation and concentration. Another, perhaps even more profound, asymmetry lies in the North's depredations upon the global environment and the transfer of the resultant burden to the South.

A new global division of labour is being consolidated: polluting, dirty and hazardous industries and activities are being shifted to the South. These also include cotton cultivation, shrimp-farming in hatcheries, mining of hazardous ores and minerals, and the growing of fishmeal for, say, the 'clean' salmon of the North. The South is the prime location for the production of toxic chemicals and fertilisers, not to speak of disposal and dumping of industrial and municipal wastes. The North reaps the benefit of this division even as it consumes about three-fourths of the planet's resources.

Climate change is here!

At the same time, global overconsumption of resources – in particular, fossil fuels – is causing climate change at an alarming rate. The effects of the change are not internationally uniform. The brunt of the damage will be borne by the most vulnerable people – for instance, in coastal Senegal and Bangladesh, in parts of the Indian Ocean and



Global warming, or a generalised rise in ambient temperatures across the world, is not some distant prospect. It is already causing the Himalayan snow-caps to thin, causing unprecedented and unpredictable floods in countries such as Nepal, Bhutan, Bangladesh, India and China.

¹⁴ Merrill Lynch and Capgemini, *Eighth Annual World Wealth Report*, 2004.

¹⁵ World Watch Institute, *State of the World 2004: Consumption by the Numbers 2004*, (www.worldwatch.org/press/news/2004/01/07). See also studies by the Wuppertal Institute of Climate, Energy and Environment, Germany (www.wupperinst.org).

the South Pacific, and in parts of the Caribbean. The poor in these countries are liable to be affected far more catastrophically by climate change than people living in the North.

Global warming, or a generalised rise in ambient temperatures across the world, is not some distant prospect. It is *already* causing the Himalayan snow-caps to thin, causing unprecedented and unpredictable floods in countries such as Nepal, Bhutan, Bangladesh, India and China. Should this process continue unchecked, over 2 billion people in Asia, whose main source of surface waters are the rivers originating in the Tibetan plateau, will be affected in dire ways.

The risk of a major atmospheric catastrophe is not fully appreciated by the general public, but insurance companies are well aware of it. *Storm Warning*, a report released in late 2002 by Munich Re, the global insurance concern, calculates the overall economic losses from natural and man-made catastrophes in 2002 at a staggering USD55 billion, compared to USD35 billion in the previous year.¹⁶

At a less catastrophic level, global warming is leading to the spread of diseases like malaria into regions where it was unknown (such as the Horn of Africa). Even a small rise in sea levels will first destroy nature's protective barriers such as mangroves, and thus greatly magnify the effects of storms, cyclones and tidal waves. At a more advanced stage, rising water levels will submerge low-lying areas, threaten extensive damage to farms and fisheries, and destroy livelihoods. There could be no greater environmental iniquity than this disastrous phenomenon in the South caused mainly by the North's overconsumption.

¹⁶ See 'Munich Re 2003 Catastrophe Study – Fatalities up 450 Percent: USD15 Billion Insured Losses', *Insurance Journal*, 30 December 2003. As Dr Gerhard Berz, head of Munich Re's Geo Risks Research Department, states: 'Catastrophe losses are mostly caused by extreme weather events. This was the case in 2002 too. The experience that has been gathered over the years shows that buildings and infrastructure are usually not sufficiently designed to cope with the high strains of extreme weather events. The evidence points to critical extreme wind speeds and precipitation being exceeded with increasing frequency, so that for this reason alone there will inevitably be a stark increase in the loss burdens as well. 2002 was, along with 1998, the warmest year since temperature readings began – and this is evidence of the still unbroken trend of global warming.' The full report is available at www.munichre.com.

The neoliberal juggernaut

And yet, the juggernaut of neoliberal developmentalism and consumerism rolls on, powered by governments and multilateral institutions with a stake in policies that favour the privileged and discriminate against the weak. This is the case despite the fact that the principal assumptions and axioms on which neoliberalism is based have been comprehensively discredited or falsified by actual experience. The economic dogma underlying bourgeois developmentalism and neoliberal globalisation remains unshaken by experience or reality.¹⁷

The triumph of neoliberalism did not come about ‘naturally’ or through the spontaneous decline of Keynesian and neo-Keynesian ideas, or more broadly, through the eclipse of schools of economic thought that see a major role for the state and public action in growth and development.

Rather, the victory was planned and organised consciously by right-wing think-tanks and foundations, which identified and zeroed in on key institutions, media corporations and individuals. They carefully cultivated and funded projects and people who would serve as ardent advocates of that specific ideology. Susan George estimates that as much as USD1 billion has been spent by foundations to promote and sell neoliberal ideas over the past decade or so.¹⁸

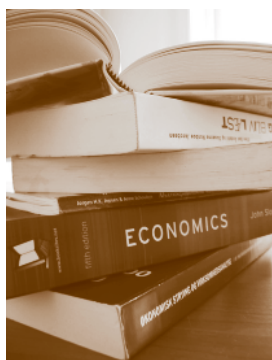
Some of the think-tanks are clearly identifiable, such as the Adam Smith Institute in the UK and the Heritage Foundation in the US. They played a crucial role in the ideological ascendancy of Ronald Reagan and Margaret Thatcher and drafted neoliberal propaganda material, which was carefully targeted at the corporate media, especially of the News Corporation variety owned by Rupert Murdoch. Sponsoring semi-academic policy-oriented conferences was an important means of gaining adherents to neoliberal ideas from within the university system.

Equally important has been the role of corporate-sponsored event management groups such as the Davos-based World Economic Forum, which receive astounding amounts of publicity in the media as some kind of ‘neutral’ economic ‘experts’, when they are mere extensions or outriders of large multinational corporations.

Thus, in the prevalent establishment discourse, all schools of econom-

17 This point is further elaborated in Gilbert Rist’s article in this volume, ‘Before thinking about *What Next: Prerequisites for alternatives*’.

18 George, S., *Another World is Possible if...*, Verso, London, 2004.



In the prevalent establishment discourse, all schools of economics and political economy barring the neoclassical stream have been deliberately marginalised.

ics and political economy barring the neoclassical stream have been deliberately marginalised. Within the neoclassical spectrum, only the more doctrinaire of New Right schools have been privileged. Meanings of terms such as ‘radical’ and ‘reformer’ have been inverted (especially in the former Communist states), and ‘reform’ (literally, to make things better) has been unethically substituted for the neoliberal restructuring or warping of economies.

Today, the (artificial) hegemony of ‘free market’ ideas seems complete and unshakeable. But it is worth recalling that the ‘free market’ is itself a less-than-legitimate, manipulative, conjoining of two quite different terms – namely, *free enterprise* or *laissez-faire*, with its well-known pitfalls in unduly rewarding only one kind of economic activity, and the *market system* of organising the economy, with all its irrationality, periodic crises, immense destruction of resources, enormous wastefulness and harm to human welfare.

The rise to dominance of economic neoliberalism represents a momentous change in the basic dynamics and character of capitalism in favour of extreme dualism. It carries to completion or consummation the process of transformation of social relations and political decision-making described by Karl Polanyi.¹⁹ Neoliberalism’s sway marks a clean rupture in the conjunction between growing mass production and mass consumption, which was characteristic of Fordism and the US model of capitalism prevalent until the last quarter of the 20th century.

Capitalism thrived for three centuries not only on exploiting ‘backward’ economies and exploiting their natural resources; it also widened and deepened the ‘home market’ and raised the level of consumption of ordinary people, including the working class. Thus, mass prosperity and high corporate profits could go hand in hand for a long time.

This is no longer the case. Under the new ‘model of regulation’, capitalism has adopted technologies, labour processes and methods of production that suit or promote social dualism and growing economic disproportion between workers, on the one hand, and managers and shareholders, on the other, and also between stockholders and top executives, who have come to acquire extraordinary powers. The emphasis is no longer on cheap mass-produced goods that become affordable by the non-affluent because of the economics of scale and low costs and thus deepen the home market. Rather, it is on a high and quick return to capital.

¹⁹ Polanyi, K., *The Great Transformation*, Beacon Publishers, Boston, 1957.

Hundreds of companies have consciously adopted no-union or anti-union policies. McDonald's and Wal-Mart are only two notorious examples. They are, however, among the United States' biggest employers and are being emulated by scores of corporations all over the world. For a century or more, the working class was able to institutionalise into legal guarantees and Constitutions some of its biggest gains, achieved through prolonged, painful and bitterly fought struggles – including the rights to form a union, to minimum wages, to collective bargaining and in many countries, to a decent dignified life with social security.

As union densities fall in one OECD country after another, these gains are rapidly eroding.²⁰ The power balance between workers and employers has shifted sharply in favour of the latter. In many countries, employers have launched an offensive to undermine workers' fundamental rights.

Workers' bargaining power has badly shrunk under neoliberalism's onslaught, while the Chief Executive Officer (CEO) has emerged omnipotent in 'shareholder-value capitalism'. *Executive Excess*, a report of the Institute for Policy Studies, Washington, finds that after two years of narrowing, the CEO-to-worker wage gap in the US has again been widening. The ratio of CEO-to-worker pay reached 301:1 in 2003, up from 282:1 in 2002. If the minimum wage had increased as quickly as CEO pay since 1990, it would today be USD15.76 per hour, rather than the current USD5.15 per hour.²¹

Neoliberalism has also brought about a major shift in the balance of power between 'old', labour-intensive, 'mass-worker'-oriented and 'heavy' industries, and 'new' or 'light', technology- and 'knowledge'-intensive industries (and importantly, services).

Increasingly, heavy industries that use mass-production methods and an army of blue-collar workers, such as extractive or metallurgical production, bulk chemicals, textiles manufacture, clothing, and shoe-



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²⁰ OECD *Employment Outlook*, OECD, Paris, 2004.

²¹ See Institute for Policy Studies, 'Executive Excess 2003: CEOs Win, Workers and Taxpayers Lose' (www.ips-dc.org). One rationalisation offered for high executive pay is that CEOs bear tremendous risks and responsibilities for their companies. Yet this report finds that CEOs are far more financially secure than those risking their lives in war. Average CEO pay is 56 times more than the pay for a US Army general with 20 years' experience (USD144,932) and 634 times more than the pay for a starting US soldier (USD12,776).

making, have shifted away from the ‘centre’ of the world economy to the ‘periphery’ in the global South.

The North is concentrating within its borders high-value-added activities, which are, relatively speaking, less raw materials-intensive, demand a high level of skill and are more amenable to computerisation and automation. Even where the developing economies may have made a mark in new service sector areas like Information Technology, the global division of labour remains skewed: low-value-added activities are ‘outsourced’, while the top end of the value chain is controlled from within the North.

A contrived triumph

There are many ways of understanding the ascendancy and acceptance of neoliberalism by powerful states and the greater concentration of corporate power. Neoliberalism has held sway not because it has been successful in legitimising capitalism and making it palatable or acceptable to the world’s peoples, but despite it.

A number of factors explain its dominance: the collapse of the Soviet Union and the seeming disappearance of practical alternatives to the ‘free market’ system, the emergence of new, more aggressive technologies, political-ideological changes in the Euro-trans-Atlantic countries (aided in no small measure by intellectuals and institutions such as universities, themselves allied to power), the transformed role of the mass media as purveyors not of information and reasoned views, but of propaganda and ideological prejudices, and the undermining and silencing of multilateral institutions that once provided an alternative perspective, including the United Nations Conference on Trade and Development (UNCTAD), the Centre for Transnational Corporations, and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

However, perhaps the single most important reason is *political*: the momentous change wrought by the collapse of the Soviet Union. With this disappeared a restraining or ‘civilising’ influence on capitalism, which right since 1917 forced it to look for ways of self-legitimation through consensus, ‘populist’ programmes such as Roosevelt’s New Deal, or a welfare state system based upon the sharing of wealth and prosperity on a broadly social democratic model. Quite simply, for the past one and a half decades, capital has been under no pressure to make concessions to labour or seek legitimacy and credibility for itself. It can rule unfettered. What has been the effect?

In Western Europe and Japan, neoliberalism has meant a *forced reduction* of the role that governments, development finance institutions and banks played during the boom years of the post-War period (when the German and Japanese ‘miracles’ happened) by *directing* investment into industries, technologies and other activities considered desirable.

In the newly industrialising ‘Asian Tiger’ economies, which boomed from the 1970s to the mid-1990s, neoliberal policies were imposed during the Asian Financial Crisis of the late 1990s to bring about massive policy shifts and a redistribution of assets in favour of global finance capital.²²

In Central and Eastern Europe and the former Soviet Union, neoliberalism meant economic slowdown and depression, which impoverished millions of people. It involved the creation and implantation of a new class of private capitalist entrepreneurs, the acceptance of obscene inequalities, and the liquidation or wholesale transfer of gigantic assets (for example in gas and oil, and countless other industries) from the state into private hands. The beneficiaries were typically mafia-style operators and outright criminals, many of them part of the former *Nomenklatura*.



Natural resources, which could not be colonised and commodified in three centuries of capitalism, are now being privatised and put on the market. These include water, land, beaches and even air.

22 Bello, W., *A Siamese Tragedy, Development and Disintegration in Modern Thailand*, Food First Books and Zed Books, London, 1999.

The world over, the neoliberal onslaught has led to the desocialisation and privatisation of wealth on a historically unprecedented scale. Natural resources, which could not be colonised and commodified in three centuries of capitalism, are now being privatised and put on the market. These include water, land, beaches and even air.

These ‘new commodities’ add to the list of public services such as transportation and port operations, all the way to education, which are already on the divestment block. Such privatisation can only have the most harmful consequences in widening inequities of access to services, and raising their costs. This will result in extreme forms of deprivation and further impoverishment of underprivileged people. This has been the experience in both North and South with the privatisation of water.

The WTO as inequality’s new handmaiden

The World Trade Organization (WTO) has contributed to the process in numerous ways – by bringing issues such as investment policies, services, and intellectual property rights and patents into ‘trade-related’ agreements that have the force of international treaty law and are binding on governments. The rich OECD countries continue to mouth the rhetoric of ‘free trade’ even while they subsidise their uncompetitive farmers to the extent of USD400 billion a year, and further inflict an annual loss of USD700 billion on the South by erecting protectionist barriers on imports of its goods and services.²³

Double standards on ‘free trade’ apart, WTO deliberations under the recent Doha Round are an attempt to prise open the economies of the South for industrial exports and service sector firms from the North. The North offers small concessions in the form of reducing agricultural subsidies, but only to demand greater ‘non-agricultural market access’. This means the South will be under pressure to give ‘national treatment’ to Northern corporations in areas as varied as banking, insurance, education and water supply. Already, under the Uruguay Round, the South had to change its patent laws drastically and create or facilitate monopolies in areas of public importance such as pharmaceuticals.

None of this has bestowed genuine social, moral or political legitimacy on the deeply undemocratic, hierarchical and crudely Social-Darwinist system that rules the world under neoliberalism’s sway. In-

²³ See various UNCTAD and Oxfam (UK) reports on the North’s protectionism (www.unctad.org and www.oxfam.org.uk).

deed, as iniquities have grown, so have social discontent and strife, both within the boundaries of states and between them. The decline or disappearance of socially cementing and legitimising ideas such as socialism and collective welfare has spurred preoccupation with other identities, especially ethnic and religious ones.

Growing dangers of identity politics

The most worrying form of such *identity politics* is fundamentalism of varying kinds. This has grown enormously over the last decade or more. States, political organisations or groups of people under the sway of one kind of fundamentalism have entered into an increasingly hostile relationship with groups fired by other kinds of fundamentalism.

The most extreme manifestation of this tendency lies in a rise in Islamic *jihad*-inspired extremism after the September 11, 2001 attacks on the US, followed by a massive retaliatory response from Washington in the form of two wars and illegal detention and harassment of suspected terrorists and their associates – and the rise of yet more groups driven by revenge against the US for its excesses.

Religion-driven fundamentalism has provoked and served to legitimise state-level extremism and fundamentalism. This cycle of violence and counter-violence runs uninterrupted as cesspools of social grievances – themselves rooted in injustices suffered by vast numbers of people – grow in size and impact.

Violence, whether driven by identity-based prejudice or practised by the increasingly powerful coercive apparatus of the state, has become a *central fact* of life at the beginning of the 21st century – when things could have been different. The principal objectives of violence remain domination and subjugation of citizens, repression of human rights, enforcement of oppressive economic policy regimes, and punishment for those who transgress the dictates of the neoliberal state. At the national level, this is most starkly reflected in the curtailing of civil liberties, and growing militarisation of state and society.

A major casualty of this violent world is cultural liberty. The UN Development Programme (UNDP) estimates that almost 900 million people – around one in seven persons in the world – belong to groups that are discriminated against or disadvantaged as a result of their identity, and face cultural, economic or political exclusion. Over 500 million of them belong to groups that are estimated to face



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‘living mode exclusion’, including restrictions on religion, language, ceremonies and appearance.²⁴

Another form of violence and militarisation, especially at the regional level, is the festering of bloody conflict between ethnic groups that sometimes cut across national boundaries, as in the former Yugoslavia. In recent years, some of these conflicts have become genocidal in nature. It is improbable that any other epoch of world history has witnessed *genocidal conflict* on the same scale as the past 15 years.

At the global level, the trend towards greater violence and coercion is most clearly manifested in the United States’ ambition and effort to set up a Roman-style Empire, based primarily on military force, in which Washington’s war on and occupation of Iraq and its Greater Middle East Initiative are only the first steps. The US has embarked on a project to dominate the world in ways that were inconceivable just 10 or 15 years ago.

US project of empire

When the Cold War ended, some of America’s influential policy-makers and shapers saw a unique opportunity in the transient ‘unipolar moment’ in the world, when for the first time in close to a century, there existed no real competition to the US. Thus, argued the authors of the *Project for a New American Century*, the US must extend the ‘unipolar moment’ indefinitely by raising America’s military expenditure and increasing its weight within NATO and other Western military institutions to acquire global strategic supremacy or dominance.²⁵

Washington must then wield its expanded authority to reshape the world as it pleases. Although the authors of the *Project* – including former Defence Advisory Board chairman Richard Perle, Deputy Secretary of Defence Paul Wolfowitz and Jeb Bush (the President’s brother) and other luminaries in the Bush administration – were extremely powerful within the Republican Party, and in general, the Pentagon Establishment, their ideas were considered far too ambitious, if not outlandish, by many in the late 1990s.

Then, George W. Bush came to power and September 11 happened. Suddenly, the *Project* became ‘realistic’ and implementable, even in its more extreme components such as the Ballistic Missile Defence pro-

²⁴ See UNDP, *Human Development Report*, 2004.

²⁵ See www.newamericancentury.org

gramme, which dangerously changes the rules of the nuclear deterrence game. The *Project's* most important recommendation, even before 9/11, was that the US should invade Iraq and redraw the Middle East's political map.²⁶

Bush implemented the first part of the recommendation in the teeth of opposition from the world community, including many of Washington's allies – at the risk of wrecking the Atlantic alliance. The consequences have been disastrous not just for the Iraqi people, but for global security and the international order centred in the United Nations. Washington went to war without authorisation by the Security Council and thus undermined the UN Charter – a cornerstone of the global order.

Washington has set an extraordinarily negative precedent for the rest of the world, which is being followed in the Middle East by its close ally, Israel. Israel has embarked on an attempt to annex Palestinian territory by force – with tacit approval from the US. It has imposed a system of encirclement and enclosure upon the Palestinian people similar to apartheid in South Africa. Once the idea of legality, legitimacy and order in international relations – as distinct from chaos and anarchy – breaks down, all manner of brigandage is encouraged, and roguish behaviour can win impunity.

The worst irony of the present situation is that the US policies and conduct have made it less rather than more secure, even as it has weakened the multi-ethnic and plural character of its own society and greatly militarised the state.

The US military power was pretty much unmatched during the first decade after the Cold War, when it emerged as a bigger military spender than the *next 15 major powers put together*. Today, the US accounts for one-half of the world's total expenditure of USD800 billion on armaments. America alone has the capacity simultaneously to fight two wars in different parts of the world, patrol the seven seas with its aircraft-carrier-centred armadas, conduct surveillance and espionage over any part of the world from space, and rapidly transport hundreds of thousands of troops over continental distances by day and night.

And yet, Washington's *political power* is nowhere near its awesome military strength. With all the power of persuasion, bribery and coercion



There is very little effective resistance to Washington's hegemony even from Western Europe despite the EU's considerable economic, financial and political clout – let alone from the rest of the world.

²⁶ See, for instance, Drew, E., 'The Neocons in Power', *New York Review of Books*, Vol. 50, No. 10, 12 June 2003.

at its command, in 2003 it could not muster the majority needed to pass the ‘second resolution’ on Iraq at the Security Council. Not just Mexico, Pakistan and Chile, even Cameroon, Guinea and Angola refused to toe the US line.

The concentration of global political power in the hands of a just a few states is a fact. Besides the OECD countries and a few former major powers such as Russia, these include ‘emerging markets’ like China, India, Brazil and South Africa, and exclude the bulk of the world’s countries and peoples.

The reality of this skewed distribution of power became manifest during the July–August 2004 Geneva negotiations of the WTO, when the rich states managed to break the unity of the G-20 group of developing countries, which had successfully defied them a year earlier at Cancun. The US, European Union (EU) and Australia successfully split India and Brazil away from the rest of the G-20 by including them with themselves in the ‘Five Interested Parties’ group and imposed an unbalanced and unequal ‘Framework Agreement’ upon the global South.²⁷

There is very little effective resistance to Washington’s hegemony even from Western Europe despite the EU’s considerable economic, financial and political clout – let alone from the rest of the world. The prospect of genuine reform of the global governance system towards greater democratisation and representation, which was much debated during the UN’s 50th anniversary celebrations, has definitely receded. If there is any change in the composition and powers of the Security Council, it will be less the result of a democratic impulse to broaden the Council’s representative character than of bargaining among the already powerful and the ambitious craving a place at the world’s High Table.

The structured inequality and skewed distribution of power prevalent globally is also reflected domestically in many societies through hierarchical organisations and institutions and the incorporation of pre-modern forms of social oppression, prejudices and ideologies in the ruling ethos.

²⁷ Under the Agreement, the rich countries will gradually cut farm subsidies. In return, the developing countries will free trade in services more or less immediately and give the North guaranteed non-agricultural market access by importing its manufacturers. This would seriously hurt nascent industries in many Southern countries. Opening up trade in ‘services’, which are being redefined to include water, electricity, education, etc., could adversely affect large numbers of people in the South.

Patriarchy and discrimination

Examples are institutionalised forms of racism, xenophobia, caste oppression, and other forms of discrimination based on birth or descent. Customs that were considered repugnant to an enlightened conscience, such as bride-burning, ‘honour killings’, *sati* (burning the widow on a dead husband’s pyre) and female circumcision, and above all, female foeticide and infanticide, are on the increase.

Some issues concerning discrimination based on descent were debated at the UN-sponsored World Conference against Racism in Durban, South Africa, in 2001, which richly documented the prevalence of such discrimination. However, the negative attitude adopted towards the Conference by many powerful states, including the US, robbed its deliberations of much of their impact. At any rate, many international commissions and bodies have investigated such discrimination through UN forums.²⁸

Female foeticide is a particularly pernicious practice, which requires the determination of the sex of the foetus at a relatively early stage of development, by using sophisticated techniques, and subsequently, abortion of the female foetus. This necessitates the *active collusion* of the medical profession and speaks appallingly of its ethical standards, and of the prevalence of blatant forms of illegality.

The obsession with having a male child is especially powerful in China and India, the world’s two most populous societies and among its fastest-growing economies. In India, sex ratios in young children (0–6 years) have fallen to alarming levels such as 850 girls to 1,000 boys in many states. This is one of the ugliest faces of patriarchy and male supremacism.

Patriarchy remains a truly global phenomenon cutting across national, ethnic, linguistic and climatic boundaries and differences. This not only remains a shameful legacy of the past. It is doubly reprehensible because it has acquired new, technology-driven, sophisticated, ‘modern’, even fashionable, contemporary forms.

²⁸ See, in particular, various annual reports of the UN Commission on Human Rights. The group *Women Living under Muslim Laws* has produced a large amount of evidence of the prevalence of anti-women practices in dozens of countries (www.wluml.org). On the issue of caste, see *Broken People*, a report by Human Rights Watch, US, and several reports of (India’s) National Commission on Dalit Human Rights. Many national bodies such as the UK Commission on Racial Equality have noted with distress a rise in xenophobia and racism.

A unifying thread pertaining to social attitudes and mores runs through these patterns of domination and concentration. This is the growing acceptance among social elites of inequity and discrimination as inevitable, unavoidable, indeed legitimate. For instance, even in the relatively more democratic societies of the world, there is growing tolerance of *cascading inequalities of access*.



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Poverty at birth denies people opportunities at each stage of life: low weight at birth, poor access to nutrition in childhood (thus reducing the potential for a healthy adult life), restricted access to literacy and elementary education, low skill acquisition, reduced employment and income opportunities, and eventually, poor access to minimal livelihood security with the prospect of near-destitution in old age.

Within this perverse framework, which sees inequality as inevitable, there is a complete failure to make any connection between equity and justice for all, and see the freedom of each individual as a precondition for the freedom of others. This view *severs democracy from equity* and from equal, universal access for all citizens to certain social goods. It also tolerates grotesque economic disparities and prevalence of mass deprivation and poverty – indeed, conditions of mass-level economic servitude and bondage approaching slavery. That this should be the state of humanity at the end of this second millennium is an abiding disgrace.

Multiple forms of erosion

Coupled with the processes of domination and concentration are multiple processes of *erosion* – of natural wealth, the environment, cultures and languages, of security and, worst of all, of democracy. Some of the erosion is well documented, or at least conceptually well understood. For instance, numerous species of life are disappearing at an alarming rate.²⁹ Dialects and languages too are becoming extinct at an alarming rate. Fifty to ninety per cent of the existing 6,000 languages are likely to become extinct over the next 100 years. But some forms of erosion are not even properly acknowledged – for instance, the erosion of words and meanings, or the erosion of (social) confidence.³⁰

29 'Extinction rates based on known extinctions of birds, mammals and amphibians over the past 100 years indicate that current extinction rates are 50 to 500 times higher than extinction rates in the fossil record. If "possibly extinct species" are included, this increase to 100 to 1000 natural (background) extinction rates', Baillie, J., Hilton-Taylor C., et al, *A Global Species Assessment*, Cambridge, 2004.

30 UNDP, *Human Development Report*, Oxford University Press, 2004.

Certain kinds of erosion are related to processes of modernisation, the creation of new identities and formation of national states and tightly-knit, if not monocultural nation-states. These marginalise and displace ‘vernacular’, small and ‘remote’ identities, languages and dialects by suborning them under bigger umbrella groups, if not single languages – as happened in France, Italy or Ireland two or three centuries ago. Similarly, several kinds of culture – folk forms and traditions in particular – have suffocated and died a death during processes of ‘nation-building’, industrialisation and modernisation.

The casualties include countless crafts, skills, various ways of designing, building and using homes and public spaces, methods of conserving water (or heat), types of music, musical instruments, forms of singing, visual patterns, and ways of weaving fabrics, shaping metal or paper, or making natural dyes. Folk songs, which are hundreds of years old and related to particular seasons and cycles of nature, are disappearing under the impact of the commercial culture promoted by the electronic media and cinema.

Similarly, traditional forms of knowledge about soils, crop farming, medicinal plants, grasses, forest trees and animal husbandry have greatly eroded. They are not valued at all, or are severely undermined by ‘standard’ forms of modern ‘technical’ or ‘expert’ knowledge, which alone are recognised by states and laws.

Again, notions of aesthetics and beauty not tied to commercial considerations and promotion of cosmetics and other ‘lifestyle’ products have suffered a serious decline. Under the growing influence of the consumerist culture propagated by the media, ‘standardised’ notions and forms of beauty, often sanitised and embellished into Caucasoid forms, are taking hold among people-turned-into-consumers, who take their cue more from international beauty contests than from their immediate surroundings and physical types.

This loss, immense as it is, is the result of long-run processes that go back to the classical colonial period in many countries, and to over a century ago in most parts of the world. But there is another particularly grievous form of erosion, which derives from relatively recent processes. This is the rapid depletion of humanity’s *natural capital* and its base of resources, without enough regeneration.³¹ In some cases, the loss is permanent and irreversible. The causative processes are at once far more aggressive, deeply colonising, contemptuously intoler-



Traditional forms of knowledge about soils, crop farming, medicinal plants, grasses, forest trees and animal husbandry have greatly eroded.

31 See ‘Millennium Ecosystem Assessment’ (www.millenniumassessment.org).

ant of any diversity or ‘deviation’, and more intimately tied up with organised corporate interests than ever before.

For instance, the depletion of plant genetic resources under the impact of new seeds manufactured in corporate laboratories in the past 20 years has proved far faster and more thorough than either the introduction of ‘modern’ agriculture with irrigation in the early 20th century, or the Green Revolution technologies of the 1960s, with their emphasis on high-yielding varieties of seeds and high inputs of water, fertiliser, pesticides and energy.

Similarly, the damage done to the environment through the dumping of toxic wastes (including bio-medical wastes), or from the overflowing of ‘natural sinks’ from overproduction of carbon dioxide and other greenhouse gases, is incomparably greater than the harm caused by all human activity for the preceding 2,000 years. (Contemporary ‘high-technology’ wars, too, leave their own special and lasting damage, as in the case of depleted uranium shells and Agent Orange.)

Rapidly growing consumption of fast foods, especially McDonald-style hamburgers and deep-fried potato chips, has resulted in deforestation in the Amazon as a result of conversion of forests into ranches. Virgin rainforests, with their immense and irreproducible biodiversity, are being brutally felled, to be replaced on a gigantic scale by pastures on which to raise cattle for use as red meat in industrialised food. The devastation of the Amazon basin is the most dramatic and revolting form of the environment’s pillage in living memory. In many other parts of the global South, too, forests are being replaced by cropland in microclimates that are singularly unsuitable for cereal cultivation.

Aggravating this process of ecological devastation is the construction of the gigantic dams such as Three Gorges in China and Sardar Sarovar (on the Narmada) in India. More than 500 such dams have been built or are under construction in the world, mainly in the developing countries.³² Most such projects involve the massive denudation of land, displacement of people and hydrological changes.

³² In addition, there are 45,000 large dams (15 metres high or more) in the world, which have displaced some 40–80 million people. See World Commission on Dams, ‘Dams and Development: A New Framework for Decision-Making’, 16 November 2000.

Threats from monoculture

The fragile environment of Planet Earth has had to bear this terrible burden. Even more damaging has been the imposition of monocultures, as in the case of eucalyptus plantations, or just one variety of food crops where dozens, even hundreds, existed not so long ago. (In India, for instance, 3,000 varieties of rice were grown half a century ago. Now only about 12 varieties account for 80 per cent of all paddy sown.)

This kind of erosion extends to loss of diversity in people's dietary habits, with an overemphasis on one kind of cereal or (red) meat in place of the breathtaking variety of grain, pulses, nuts, leaves, roots, fruits, leguminous vegetables and other nourishing matter (for example, bambooshoots or betelnut) that until recently used to be (and in many cases still are) part of the daily diet in the South.

Monoculture is even more menacing in another, deeper way. The erosion it represents is not just the limited one-time loss of living species, but a disruption of ecological balances, and changes in the micro-climate – and hence the disappearance of *yet more species* and other adverse effects. This adds to losses from ozone depletion and global warming, already set in rapid motion by industrial activities and overconsumption of natural resources beyond the earth's absorptive or rejuvenating capacities.

As important as this natural erosion is the erosion of social and legal rights integral to democracy, such as the right to health, to other minimum needs and certain basic services – eventually leading to a decline in the quality of, or loss of, livelihoods. Neoliberalism's impact on public services, compounded by callous or non-performing states, has been extremely corrosive. Not only have public services been cut back or withdrawn in societies which pioneered them with some pride (e.g. the National Health Service in Britain); they are in dire shape in much of the South.

As weak, corrupt and undemocratic governments in many Southern countries become even more dysfunctional or reach the status of failing or failed states, they can no longer generate the financial and administrative wherewithal to provide a modicum of services to their people, like health, water and electricity supply, education and transportation.

A particularly noteworthy form of erosion of rights pertains to health. The global public's health is now endangered by new developments

like the (socially determined) spread of HIV-AIDS and non-provision of treatment for it, and the administration of ultra-neoliberal ‘shock therapy’ to the former Soviet Union, which has led to a contraction of 8 to 10 years in the average person’s life expectancy owing to massive pauperisation, malnutrition, lack of protection from pathogens and extreme weather conditions, and growing incidence of mental disease and psychological distress leading to alcoholism. The collapse of state-run medical services, along with exorbitant increases in cost of drugs, has further aggravated the problem.



Rights to the freedom of expression and association, the right to privacy, the right to be protected against surveillance, arbitrary arrest and detention. Many of these rights are being drastically pruned, bypassed or blatantly violated.

Another example is the spread of malaria and tuberculosis in many Southern countries where they were declared to have been eradicated or controlled decades ago. The causes for this are not natural, but social and political: inappropriate agricultural practices, overirrigation, water-logging, lack of drainage, poor design of anti-malaria programmes (with an overemphasis on drug therapy, rather than prevention), rising costs of drugs due to new patent laws under WTO auspices, and lack of political will to address the needs of the people or defend their fundamental rights – if not outright apathy.

This process of erosion of health is not confined to the Third and (former) Second World. Even in the world’s highly industrialised societies such as the US, over 45 million people do not have adequate health insurance.³³ Besides, the wellbeing of large numbers of people is undermined through chemical and vehicular pollution, toxic contamination of water and food (through the overuse of pesticides and fertilisers in vegetable farming and of drugs and hormones in meat production), and environmentally related cancers and leukaemia, etc.

No less important is the consumption of fast foods containing large amounts of saturated fats, sugars and calories, but with little roughage or micronutrients. This is itself driven by aggressive marketing and promotion, especially targeted at children, as well as the illusion of ‘convenience’ in the context of high-entropy, energy-intensive lifestyles. At work here is what has been called ‘voluntary servitude’ to labour (especially drudgery or uncreative employment) which leaves people with little time to cook and eat wholesome food. The fact that a third of all Americans are obese is a sorry reflection of these social pathologies.

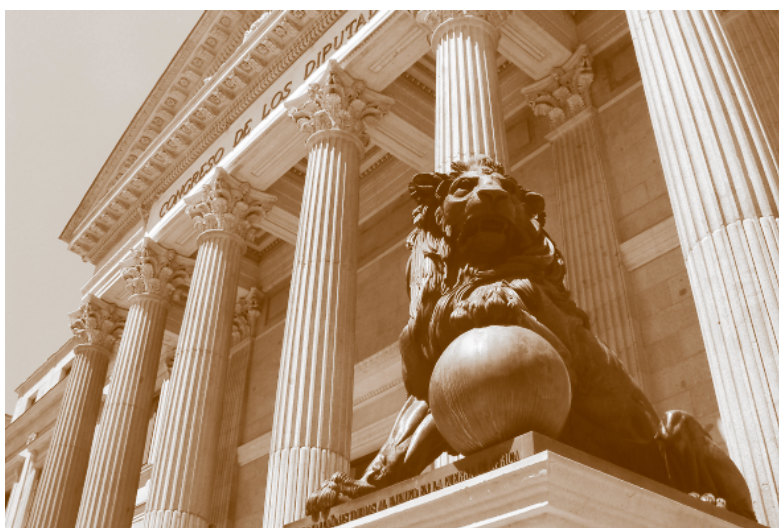
³³ ‘Income, Poverty, and Health Insurance Coverage in the United States: 2003’, Current Population Reports p.60-226, US Department of Commerce, Economics and Statistics Administration, Washington D.C., 2004.

One can similarly talk about the erosion of other rights, too, especially labour rights (won after hard and bloody battles over decades), but also rights to the freedom of expression and association, the right to privacy, the right to be protected against surveillance, arbitrary arrest and detention. Many of these rights are being drastically pruned, bypassed or blatantly violated even in countries that pride themselves as great democracies – typically, in the name of ‘security’ and protection against ‘terrorism’, etc. The US is a prime example of such erosion with its draconian Patriot Act. Yet, ironically, it is precisely this erosion of rights and freedoms that is making Americans more and more *insecure*.

Human security and confidence in decline

Real security, or human (or comprehensive) security, cannot even be understood in mainly military terms. Nor is it about security from ‘external’ threats and dangers, real or imagined. Rather, it is about food security, assured rights to health, education and shelter, employment security, security of income, gender security, security of the human person. Such security cannot be achieved by military or police methods, or through a proliferation of privately held firearms.

Human security can only come through entitlements that help the development of people’s capabilities and their human potential to the full, through universal welfare and social security for all, through freedom from strife, and through a high degree of social cohesion. Given the retreat from social security and welfare agendas in much



Although there has been an increase in the number of states that hold some kind of elections and lay claim to democracy, the quality of public participation in politics in most of them remains distressingly low.

of the First World, and the absence of these in most other parts of the globe, a substantial erosion of human security has taken place in recent years.

However, even in the limited sphere of military security, the global record is poor. Some 30 armed conflicts, especially internal ones, rage in many countries and regions. The world today is more militarised than, say, a decade ago. A major war rages today in West Asia, to which no end is in sight. The situation in that entire region has become extremely volatile. In international politics as a whole, strategic considerations play a large role in relations between states.

Even more dangerous, the use of force has become an important component and instrument of the foreign policy of major powers such as the US and Russia. Among the world's elite, there is growing belief in and acceptance of the use of force to resolve conflicts. Their peaceful resolution is increasingly ruled out. The importance of the United States' contribution to this violence- and war-obsessed mindset cannot be exaggerated. Growing militarisation of society in many countries further aggravates the problem.

Amidst this distressing general trend, there is a growing danger of nuclear proliferation, both through the possible 'horizontal' spread of nuclear weapons to other countries, and via the 'vertical' route, that is, through the further refinement of, and planned use of, nuclear weapons. North Korea, Iran and Pakistan, with its nuclear materials and centrifuge enrichment black market, all fall within the first category. (Even South Korea now admits it experimented with uranium enrichment in the 1980s.) Other countries such as Libya, which likewise tried to acquire nuclear technology (albeit of a rudimentary nature), set a negative example for others.

Meanwhile, India and Pakistan are moving towards the induction and deployment of nuclear weapons and nuclear-capable missiles – further heightening the nuclear danger in 'the world's most dangerous place'. Although this is still a subject of speculation, the possibility of Israel threatening or even attacking Iran militarily on account of its suspected nuclear programme must not be dismissed. Israel itself maintains its policy of nuclear ambiguity, and more important, its own large nuclear arsenal, believed to contain 200 or more weapons – a major breakout, like India and Pakistan, from the nuclear non-proliferation regime, and a more bellicose or warlike one than them.

The US has had the single greatest disruptive influence on the exist-

ing global nuclear ‘balance of terror’ thanks to its Ballistic Missile Defence (BMD) programme and plans to develop new ‘tactical’ nuclear weapons such as ‘bunker-buster’ bombs. BMD will sooner or later provoke a greater effort from China to build long-range ballistic missiles in large enough numbers to penetrate the limited ‘shield’ that the US hopes to build with a highly ambitious, but as yet unproved and extremely difficult technology of detecting hostile missile launches and then intercepting them. (This also spells the militarisation of space – a highly fraught proposition.) A major expansion of China’s nuclear weapons programme may draw a similar response from India – and lead to a new Asian nuclear arms race.

Compounding these processes is the erosion of popular confidence in the possibility of righting wrongs and making the world a better place. The North’s will to resolve global problems has definitely weakened over the past two decades. In powerful states, the quality of political leadership is poor or falling. Cynicism has spread among the public, which is reflected in growing political apathy and declining turnouts in elections. Although there has been an increase in the number of states that hold some kind of elections and lay claim to democracy, the quality of public participation in politics in most of them remains distressingly low.

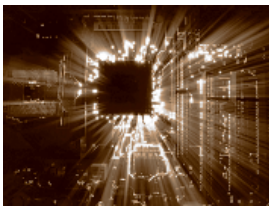
Countering the erosion of democracy

Thanks to neoliberalism’s sway, and to some of the social and political processes discussed above, there has been a contraction of the public sphere and a degree of popular disempowerment. This is not confined to the 100 or so failing or failed states that are unable to muster even a modicum of coherence, maintain basic law and order or provide any service to the public. Rather, the erosion of democracy is pervasive, further compounded by various ideologies of exclusion, such as racism, ethnic chauvinism and religious bigotry, and by xenophobia. The quality of governance has declined in many countries. The need for rejuvenation of democracy has never been greater.

Bleak as the foregoing analysis is, the global scenario does have some redeeming features, or more modestly, a few silver linings. Humanity’s learning process has not ground to a halt. Nor have people become merely passive observers of processes that disempower them or rob them of their rights and reduce their welfare or security. Governments have not uniformly or universally become dysfunctional and hostile to their citizens.

Again, the triumph of neoliberalism has not gone unquestioned or unchallenged. Indeed, historians such as Eric Hobsbawm believe it may be short-lived;³⁴ market fundamentalism could soon yield to less cruel, less destructive and more sensible policies in which governments and communities will have a greater role.

However, one *great gain*, which outweighs most others, has been an all-round spread and heightening of environmental awareness and the recognition that market-led and corporate-dominated processes of growth cannot carry on indefinitely without destroying ecological balances and causing calamities.



There is growing, critical, understanding of technology among the global public, coupled with holism and an awareness of the interrelatedness of social and natural processes.

There have been other, related, major gains too. For instance, there is growing consciousness of the need to oppose patriarchy and discrimination against women and to ‘mainstream’ gender issues. Thus, governments and international/multilateral institutions and, in some instances, even corporations, which are usually conservative and slow to change, have come to embrace equal opportunity policies, and have enacted laws and codes against sexual harassment.

Similarly, notions of transparency and accountability in governance have acquired wide currency. They have entered the mainstream discourse and have even drawn support from leading donor agencies and some otherwise conservative governments (such as the United Kingdom’s). Citizens’ charters and movements are now able to demand answers from ruling institutions in ways that were earlier inconceivable.

Many governments are giving formal expression to the right to the freedom of information through specific laws, and a significant number have come to accept and defend the freedom of expression. These developments have the potential to generate some shifts (albeit at the margin) in power structures and power balances – in favour of the people.

There is growing, critical, understanding of technology among the global public, coupled with holism and an awareness of the interrelatedness of social and natural processes. The mystification and deification of technology and gigantic projects have given way to more sober and balanced approaches, at least partly under the pressure of popular movements. For instance, large dams and other projects that displace huge numbers of people are no longer popular or accept-

³⁴ See Hobsbawm, E., *The Age of Extremes*, Joseph, London, 1994, and *The New Century*, Little, Brown and Co., London, 2000.

able. Even the World Bank had to withdraw from the Narmada dam project. The utilitarian calculus, which justified the uprooting of vulnerable people such as tribal communities for ‘the greater common good’, is now interrogated more and more critically everywhere.

Certain technologies, especially computers and the Internet, have facilitated instant, low-cost communication among citizens’ groups and social movements. This has created new forms of solidarity.

‘Post-materialist’ ideas, which reject the pursuit of greed and self-interest, as well as other forms of counter-cultural lifestyles and modes of association and interaction (such as communal living, sharing of habitats, transport pools, building non-profit collectives of artists, musicians or activists, and the use of barter or non-monetary forms of accounting for work in cooperative transactions) have acquired currency, especially, among young people.

Projects such as building a ‘green economy’ with no waste flows, and ‘zero-carbon’ or ‘carbon-neutral’ approaches even to cultural events are attracting more and more people. Noteworthy too are campaigns to reclaim roads for pedestrians and cyclists from cars and (especially, and rightly, hated) sport utility vehicles.

Civil society resistance: the New Hope

A collective, overarching expression of these trends is found in that great, indeed *spectacular*, phenomenon of our time: the unstoppable rise of civil society and citizens’ organisations as major actors in the world and within national boundaries. It is in these civil society movements that some of the most powerful and sustained forms of resistance to the hegemonising, homogenising, dominating and disempowering processes discussed in the previous section are to be found. People’s resistance is an irrepressible fact of contemporary life. Resistance has time and again prevented the worst possible scenarios and dystopias from materialising.

Thus, for virtually every trend and process that has contributed to change for the worse in the world, one can cite opposition and resistance, and a drive for change for the better.

No neoliberal policy, whether of unbridled liberalisation, privatisation or globalisation, has gone unresisted. Governments that brazenly privatised water and electricity distribution have faced so much protest and opposition that they had to roll back such measures or suffer



People’s resistance is an irrepressible fact of contemporary life.

their effective sabotage – in South Africa, Colombia, Guatemala or the United States.

No World Trade Organization conference or meeting, whether of ministers or top officials, has escaped protest from civil society organisations. When such protest combines with resistance from Southern governments, as it did at Seattle in 1999 and Cancun in 2003, the WTO agenda is beaten back. The same holds true of G-8 and OECD summits, the World Economic Forum's conferences at Davos, and the European Union's deliberations.

The US and the UK went to war in Iraq in violation of the UN Charter and without the Security Council's authorisation. But so powerful was the citizen protest against the war, especially on 25 February 2003 when 25 million people demonstrated in more than 100 cities, that even pro-war conservatives had to announce the birth of 'the world's Second Superpower' – public opinion and the civil society mobilisation for peace.

Again, the US has no intention whatever of honouring the 'unequivocal' and categorical commitment to nuclear disarmament it made at the 2000 Nuclear Non-Proliferation Treaty Review Conference. But that will not prevent the global peace movement from pressing for that demand in every conceivable way – through advocacy and lobbying, public education and criticism of the duplicity of the nuclear powers, and street-level protests or 'direct action' like entering nuclear weapons bases to physically 'inspect' and disarm them.

Fast food and McDonaldisation of nutrition may be a growing trend. But campaigns for 'Slow Food' and organic farming and Jose Bove-type 'direct action' against genetically modified crops are also growing – and with uncontested moral force.

The global corporate media is extremely powerful. But there is growing resistance to it, too – from small publishers, independent radio and TV channels, and Internet-based listserves and websites. These ruthlessly expose the double standards and prejudices of the self-styled 'mainstream' media and undermine its credibility – week after week, day after day.

Finally, a great new space has emerged where all resistance movements can meet and interact. This is the World Social Forum (WSF), a unique expression of a new form of democracy. The WSF originally began as a counter to the Davos World Economic Forum (WEF),

set up by the world's 1,000 biggest and most influential corporations. The first WSF, held in January 2001, in Porto Alegre, Brazil, was timed to coincide with the WEF.

Since then, the WSF has acquired an *independent* identity and a life of its own. Participation in it has increased fivefold from the original level. In January 2004, about 100,000 people attended the WSF in Mumbai. The WSF has developed into a festival of ideas and a moving feast of debates, conferences, seminars, workshops, music, theatre and film as well as alliance-building and solidarity.

The WSF is not an organisation but 'an open meeting place for reflective thinking, democratic debate of ideas ... free exchange of experiences and inter-linking for effective action'. Its participants are civil society movements 'opposed to neo-liberalism and to domination of the world by capital and imperialism ... [and] committed to building a society centred on the human person'.³⁵ These movements are working to demonstrate that the path to sustainable development and justice lies in people-centred and self-reliant progress, not in bogus 'free market' doctrines.

Even the WSF's critics cannot fail to be impressed by the energies it has unleashed. The WSF is a powerful, massive, people-centred answer to conservative cynics who peddle Social Darwinist dogma. It is a celebration of the people – their humanity, their rights, their aspirations to justice, and their creativity.

It is on these initiatives, these inspiring examples of resistance, and these great surges of sentiment in favour of popular empowerment, that an alternative perspective for a better world must be built. The rudiments of an alternative are already in place.

³⁵ See www.forumsocialmundial.org.br.



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