

A World of Extremes: Ten Theses on Globalization

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Doubts about the global economic order, which extend far beyond organized protests, have to be viewed in the light of the dual presence of abject misery and unprecedented prosperity in the world in which we live. Even though the world is incomparably richer than ever before, ours is also a world of extraordinary deprivation and staggering inequality.

This elemental contrast explains the widespread skepticism about the global order, and even the patience of the general public with the so-called "anti-globalization" protests, despite the fact that they are often frenzied and sometimes violent. Some general points need particular attention.

1. Anti-globalization protests are not about globalization: The so-called "anti-globalization" protesters can hardly be, in general, anti-globalization, since these protests are among the most globalized events in the contemporary world. The protesters in Seattle, Melbourne, Prague, Quebec and elsewhere are not just local kids, but men and women from across the world pouring into the location of the respective events to pursue global complaints.

2. Globalization is not new, nor is it just Westernization: Over thousands of years, globalization has progressed through travel, trade, migration, spread of cultural influences and dissemination of knowledge (including of science and technology).

The influences have gone in different directions. For example, toward the close of the millennium just ended, the direction of movement was largely from the West to elsewhere, but at the beginning of the same millennium (circa 1000 A D), Europe was absorbing Chinese science and technology and Indian and Arabic mathematics. There is a world heritage of interaction, and the contemporary trends fit into that history.

3. Globalization is not in itself a folly: It has enriched the world scientifically and culturally and benefited many economically. Pervasive poverty dominated the world not many centuries ago, with only rare pockets of affluence. In overcoming that penury, modern technology and

economic interrelations have been influential. The predicament of the poor cannot be reversed by withholding from them the great advantages of contemporary technology, the efficiency of international trade and exchange, and the social and economic merits of living in open, rather than closed, societies. What is needed is a fairer distribution of the fruits of globalization.

4. The central issue, directly or indirectly, is inequality: between as well as within nations. The relevant inequalities include disparities in affluence, but also gross asymmetries in political, social and economic power. A crucial question concerns the sharing of the potential gains from globalization, between rich and poor countries, and between different groups within countries.

5. The primary concern is the level of inequality, not its marginal change: By claiming that the rich are getting richer and the poorer getting poorer, the critics of globalization have, often enough, chosen the wrong battleground. Even though many sections of the poor in the world economy have done badly, it is hard to establish an overall and clear-cut trend. Much depends on the indicators and variables in terms of which inequality and poverty are judged.

However, even if the patrons of the contemporary economic order are right in claiming that the poor in general have moved a little ahead (this is, in fact, by no means uniformly so), the compelling need to pay immediate attention to appalling poverty and staggering inequalities in the world would not disappear.

6. The question is not just whether there exists some gain for all parties, but whether the distribution of gains is fair: When there are gains from cooperation, there can be many alternative arrangements that benefit each party compared with no cooperation.

Consider an analogy: to argue that a particularly unequal and sexist family arrangement is unfair, it does not have to be shown that women would have done comparatively better had there been no families at all, but only that the sharing of the benefits of the family system is seriously unequal and unfair as things currently stand.

7. Market economy is consistent with many different institutional conditions, and, in conjunction with the latter, can produce different outcomes: The central question cannot be whether or not to make use of the market economy. It is not possible to have a prosperous economy without its extensive use. But that recognition does not end the discussion, but only begins it. The market is one institution among many. Aside from the need for pro-poor public policies within an economy (related to basic

education and health care, employment generation, land reforms, credit facilities, legal protections, women's empowerment and more), the distribution of the benefits of international interactions depends also on a variety of global arrangements (including trade agreements, patent laws, medical initiatives, educational exchanges, facilities for technological dissemination, ecological and environmental policies and so on).

8. The world has changed since the Bretton Woods agreement: The present international, economic, financial and political architecture of the world, (including the World Bank, the IMF and other institutions), was largely set up in the 1940s, following the Bretton Woods Conference in 1944. The bulk of Asia and Africa was still under imperialist dominance then; tolerance of insecurity and poverty was much greater; the idea of human rights was still very weak; the power of NGOs had not yet emerged; the environment was not seen as particularly important; and democracy was definitely not seen as a global entitlement.

9. Both policy and institutional changes are needed: The existing international institutions have, to varying extents, tried to respond to the changed situation. For example, the World Bank, under James Wolfensohn's guidance, has revised its priorities. The United Nations, particularly under Kofi Annan's leadership, has tried to play a bigger role, despite financial stringency. But more changes are needed.

The balance of power that reflected the status quo in the 1940s also has to be reexamined. Consider the problem of management of conflicts, local wars and the spending on armament. The governments of Third World countries bear much responsibility for the outrageous continuation of violence and waste, but the arms trade is also encouraged by world powers, often the main sources of armament export. Indeed, as the Human Development Report of 1994 pointed out, not only were the top five arms-exporting countries precisely the five permanent members of the UN Security Council, but they were also, together, responsible for 86 per cent of all the conventional weapons exported during the period studied. It is not hard to explain the inability of the world establishment to deal more effectively with these merchants of death.

The recent difficulties even in getting support for a joint crackdown on illicit arms (as proposed by Kofi Annan) is a small illustration of a big obstacle related to the global power balance.

10. Finally, we have reason enough to support globalization in the best sense of that idea. But there are also critically important institutional and policy issues that need to be addressed at the same time. It is not easy to disperse the doubts without seriously addressing the underlying concerns that motivate those doubts.