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**THE MORAL CHALLENGE OF GLOBALIZATION:
PRINCIPLES FOR HUMAN DEVELOPMENT**

Speech Presented at York University

by

Dr. Oscar Arias

Former President of Costa Rica

CERLAC Colloquia Paper

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Abstract

Globalization has brought significant changes to our political economy, which in turn have affected human development and the search for peace. In order to strive for a world that is compassionate and equitable, globalization must embrace more than technological advances, sophisticated markets and the increasingly rapid movement of people and information. The challenge is to embrace global citizenship - to think about security, democracy, and justice on a worldwide scale.

I want to thank all of those at York University who have made this visit possible. It is indeed an honor to come this evening and to exchange ideas with such a distinguished audience of students, educators and community members.

I want to discuss with you some of the recent changes in our political economy that have greatly affected our struggle for peace and human development. I am sure that you have seen many times the images of the Berlin wall coming down, watched commentators pronounce the end of the cold war and heard that a new era has begun. Indeed, few terms are as important today as “globalization”.

Though only a small number of individuals take time to examine this concept closely, many feel entitled to invoke it regularly. Not only is “globalization” used to characterize our present age, it also seems to carry the weight of destiny. Certainly, technological advances and the emergence of sophisticated markets have increased the affinity between different global societies, allowing for rapid transportation of people and information.

But globalization points to several other distinctive phenomena as well. Traditional economies are changing. For some, the new economic system means being able to make investments with a global perspective, minimizing labor costs and maximizing profits. For many others, it means facing the end of job security and at the same time witnessing the reappearance of "sweatshops". Government structures must also adapt to a "new world order". Conventional states find themselves weakened in the face of transnational agreements and fluid capital. The 1.5 trillion dollars that race around the planet daily are largely unaccountable to any accepted form of public oversight.

This globalization is a Janus-faced beast, offering unimaginable prosperity to the well-educated and well-born while doling out only misery and despair to the worlds' poor. The frantic quest for quick riches has created a hollow, speculative economy, unattached to human labor and unaccountable to human need. Investments are not made over the long term, designed to help small businesses get started and help people improve the infrastructure of their communities. Instead, bankers pit foreign currencies against one another, investing for days or even just a few hours. They create immense profits for the most privileged, but leave a devastating trail of destabilization and misery in their wake.

Recently, we have seen that the global economic order is subject to panic and rapid fluctuation. As wealthy financiers lost money in weakened East-Asian economies, in Indonesia or in Brazil pundits and bank officials began to speak of a “crisis”. But even now, only months after traumatic devaluations have begun, there seems to be a consensus that this downturn was only a small setback in a well-functioning system.

But I tell you this evening that there is a much deeper crisis underlying the financial panic, one that this consensus of experts overlooks. I say that it is an economic crisis when nearly a billion and a half people have no access to clean water and a billion live in miserably substandard housing. I say that it is a leadership crisis when we allow wealth to be concentrated in fewer and fewer hands so that the world’s three richest individuals have assets that exceed the combined

gross domestic product of the poorest forty-eight countries. I say it is a spiritual crisis when, as Gandhi said, many people are so poor that they can only see God in the form of bread and when other individuals seem only to have faith in a capricious God whose “invisible hand” guides the free market. I say it is a moral crisis when 40,000 children die each day from malnutrition and disease. I say it is a democratic crisis when 1.3 billion people live on incomes of less than one dollar a day, and in their unrelenting poverty are totally excluded from public decision-making.

We know that in times of crisis many falter; they think only in terms of the individual and fail to accept their human obligations. But this cowardice is a choice. It is our choice, but we do have another option. Instead of permitting the dominant values of selfishness, military build-up, and a love of money to prevail, we can choose to reclaim our most noble aspirations. This means affirming some of the ethical maxims that guide virtuous communities but that have been too quickly overlooked in recent times: that all people have a right to work for a living wage; that all have a responsibility to think sustainably, to live in harmony with the natural environment; and that all people should have equal opportunity to access educational, cultural, and financial resources.

At the same time that we look back to these established principles, we must seek to broaden the scope of our moral concern more than ever before. In recent years, as the world has emerged from the painful experiences of colonialism, genocide, and superpower tensions, the nascent structures of an international humanism have appeared. The challenge of the current generation is to embrace this global citizenship - to think about security, democracy, and justice on a worldwide scale.

The first step toward global thinking requires that we adopt a definition of peace that goes beyond the shortsighted demands of national security. To this end, the United Nations Human Development Program stresses the need for us instead to think of peace in terms of human security. This distinction bears frequent repetition. Human security is not just a concern with weapons; it is a concern with human life and dignity. The martyred Salvadoran Archbishop, Oscar Romero, expressed this idea eloquently. He told his people that “the only peace that God wants is a peace based on justice”.

Indeed, how can we say that there is peace when thousands are made to work in dehumanizing conditions? How can we say that there is peace when the United States builds more prisons and fewer schools? How can we say that there is peace when millions go hungry? In the age of globalization, those who make peaceful changes in our economy, politics, and morality impossible will make inevitable the future conflicts arising from the unacceptable inequalities that I described earlier.

The second step in global thinking is to expand our understanding of democracy. Too often, democracy is discussed only in its most formal mode. People are satisfied that democracy has a place in the constitution of the state, but make no room for democracy in the constitution of their own souls. They do not let it affect their daily interactions, their personal relationships, or their professional ambitions.

For this reason, some of our greatest leaders have called for profound changes in our values. But a democratic revolution is not merely sentimental and individualistic. Yes, it demands changes in the way we live and the way we understand ourselves, but it also promises to change the structures that govern our society. For at its core, democracy is a radical philosophy of civic participation. It is the faith that through public dialogue and inclusive deliberation, ordinary individuals can build ever-better systems for living together. Democracy rests on the need for all citizens, not only the most powerful, to be able to influence meaningfully the political and economic institutions that affect their lives.

As you begin to renew your faith in democracy, each of you must reconsider the privileges you enjoy as citizens in a prosperous country and as beneficiaries of this fine university. You must embrace the responsibility that comes with this privilege. In this democracy there is no room for guilt but only for compassion. The point is not to feel guilty about the gifts you have received, but to always feel committed to the struggle to guarantee that all people may live such dignified lives. There is no place for resignation but only determination. Though world problems may seem overwhelming, you must be determined to make your mark against poverty and inequality. There is no stopping at simple charity but instead you must expand your solidarity. Your concern for the health and well being of others must spread through all lands.

While we must reclaim the democratic values that inspired the Enlightenment revolutions, we must also go beyond the comfortable limits of traditional civics and grapple with the international challenges of the day. We have already seen that developed nations, while claiming to protect democracy in the developing world, have too often protected only a narrow, nationalistic self-interest. We can no longer afford to think in terms of a simple nationalism. In the global era, true democrats must also be humanists. For when you believe that people controlling their own lives is a truly sound basis for this nation, you begin to recognize the inherent dignity and worth of people in other lands as well - people struggling to exercise their right of self-determination and to forge their own development models.

Indeed, this leads us to a third crucial component of global thinking: reformulating our views of economic justice. We must remember that true democracy is not merely the distribution of political power but also the distribution of economic power. Sadly, in this age of huge corporate mergers this fact is too often overlooked. It is overlooked by many policy makers and business people who quietly solidify a global economic order based on cynicism and individual profit. But for many poor and working people throughout the world, it is an obvious fact.

On his recent trip to Mexico, Pope John Paul II addressed this situation and spoke out against a capitalist system far removed from religious and democratic values. He argued that “the human race is facing forms of slavery which are new and more subtle than those of the past... and for far too many people, freedom remains a word without meaning”.

Perhaps what makes the economic exploitation and hardship of our day more insidious is the fact that it exists alongside tremendous wealth and abundance. Citizens of the United States spend eight billion dollars a year on cosmetics - two billion more than it would cost to provide basic education for everyone in the world if these funds were redirected. Europeans spend eleven

billion dollars a year purchasing ice cream, yet we know that only nine billion dollars a year would be adequate to assure water and sanitation for all people.

To change these unacceptable trends, our society must begin viewing global systems from the perspective of society's most downtrodden populations: the culturally subjugated and the economically dispossessed. In our democratic faith we must reject condescending or trickle-down solutions to world problems and instead highlight movements that allow ignored and depreciated populations to become political actors.

Do not doubt that such movements have accomplished much. The United Nations Development Program reports that in the past 50 years, poverty has decreased more than in the previous 500 years. Infant mortality in the developing world is one-third what it was in 1960. During this same period of time, life expectancy in the poorest countries has been extended more than fifteen years, owing largely to a revolution in women's health.

Providing another important example of moral progress, two Latin American nations have recently taken historic steps toward ending traditions of entrenched militarism that impeded democracy and exacerbated poverty. Following the restoration of democracy to Panama in 1989, I worked on a campaign to abolish this country's national army, as Costa Rica itself did in 1949. The campaign was successful and as a result, Costa Rica and Panama now enjoy the safest border in the world. More recently, I have helped promote promising legislation in Haiti, the poorest country in the Western Hemisphere. This country too, has fully de-funded its armed forces. Further, if Haiti approves the elimination of its military in a new constitution, it could continue to dedicate resources to crucial development needs. Progress in these two nations has shown the world that Costa Rica is not a unique case. The abolition of national armed forces is truly a viable option for many countries.

I share these facts with you not so that we may grow complacent and stop working, but to convey a sense of the momentous possibilities for progress. Did it not take a movement of scorned but persistent abolitionists to end the scourge of slavery? Let us similarly join together to end the scourge of poverty. Did not relentless advocates for independence succeed in ending colonialism? Let us now join in solidarity with the oppressed people of the world so that all may know the benefits of living in a truly democratic society.

I have told you that a renewed focus on human security through democracy and economic justice will be the basis for a profound shift in our ethical thinking. However, to say that a fundamental change in values is necessary is not to avoid concrete policy proposals. Rather, by putting our values up front, we are able to turn to the problems of the day with new vitality and insight. Truly, we must allow our public policy to grow out of our ethical conviction.

I argue that the richest and most powerful nations have a special responsibility to promote trade and aid policies that truly empower the developing world. Unfortunately, many developed countries have shied away from this responsibility. UNICEF reports that total aid from the world's seven richest nations has been cut by 30 percent since 1992. This is a decrease of fifteen billion dollars a year.

Debt forgiveness should be part of an expanded program of just humanitarian support. From 1982 to 1990, debtor countries in the South paid their creditors in the North 6.5 billion dollars in interest and 6 billion dollars in principle payments per month - as much as the entire developing world spends on education and health. Yet their debts were sixty percent greater in 1990 than in 1982.

Debt is a severe problem in Africa, where overwhelming obligations prevent the world's poorest countries from investing in human security. But this issue is also of profound concern in other parts of the world. Honduras and Nicaragua, the two countries hit hardest by Hurricane Mitch, have a combined foreign debt of over ten billion dollars. Last year, each paid approximately one million dollars a day to service its debt.

Some argue that forgiving these debts would disrupt the economy and show unfair preferences. But these arguments ignore several important precedents. The United States forgave Egypt seven billion dollars of its debt after the gulf war. Great Britain still owes fourteen billion dollars in deferred loans from World War Two. In truth, many developing countries have seen that outstanding loans represent for some creditors a means of gaining unfair leverage in trade negotiations.

Previous debt relief efforts have been slow and ineffective. Too often, they have made adoption of restrictive financial measures the prerequisite for receiving aid. Similarly, too often these punitive conditions have favored wealthy investors rather than impoverished citizens. I argue that to end these ineffective restraints and to ensure that forgiven debt money is not spent on more deadly weaponry, a reinvigorated debt relief effort should reward countries that reduce their military spending and devote funds to human development. Thus, I am very pleased that Prime Minister Chrétien is advocating a similar approach, proving himself a true leader in the arena of debt-forgiveness. Indeed, Canada's resolve provides a hopeful indication that the world's most developed nations may move in this direction at the upcoming G-8 summit in Germany.

While formulating just aid policies and forgiving debts will be important aspects of our struggle for human development, we must also focus our efforts on controlling a world military-industrial complex removed from democratic restraint and humanitarian standards. Without a doubt, military spending represents the single most significant perversion of worldwide priorities known today. In India and Pakistan, in Indonesia and sub-Saharan Africa, in the former Yugoslavia and many other nations, bloated military budgets have led to profound deprivation and human suffering. Unfortunately, half of the world's governments dedicate more resources to defense than to health programs. Such distortions in national budgets contribute to poverty and hinder human development. War, and the preparation for war, is one of the greatest obstacles to human progress, fostering a vicious cycle of arms buildup, violence and poverty.

In order to understand the true human cost of militarism as well as the true impact of unregulated arms sales in the world today, we must understand that war is not just an evil act of destruction. It is a missed opportunity for humanitarian investment. It is a crime against every child who calls out for food rather than for guns. It is a crime against every mother who demands simple

vaccinations rather than million-dollar fighters. The 780 billion dollars spent on weapons and soldiers in 1997 constitutes a global tragedy. If we channeled just 40 billion dollars each year away from armies and into anti-poverty programs, in ten years all of the world's population would enjoy basic social services such as education, health care and nutrition, potable water, and sanitation. Another 40 billion dollars each year over ten years would provide each person on this planet with an income level above the poverty line of their respective countries. Shockingly, this life-giving 80 billion dollars in annual funds would represent only ten percent of annual world defense expenditures.

World leaders must stop viewing militaristic investment as a measure of national well being. They must embrace multilateral efforts that recognize the complex and politicized nature of contemporary security questions. One key component of this task will be controlling the reckless distribution of weapons throughout the world. The sale of arms is big business. As a whole, military spending in industrialized nations is down from its peak of ten years ago, but weapons contractors in these countries have continued to produce billions of dollars worth of armaments and in fact, have increased their weapons sales abroad. Their new clients are the impoverished countries of the developing world, places where the majority of conflicts now take place. In this regard, the United States stands out as an extreme case, but it is by no means unique in the ethical shortcomings of its policy. Currently, the U.S. is responsible for 43 percent of all weapons sales in the world. From 1993 to 1997, 85 percent of U.S. arms sales to the developing world went to non-democratic governments.

In pursuing true solutions to contemporary defense concerns, and in creating policies that will allow us to focus on human security, we urgently need to work together as an international community to limit the availability and spread of deadly weaponry. Canadians have already been at the forefront of a crucial international step in this direction, playing an important role in the creation of the Ottawa treaty on landmines, which was signed last year. However, the international community needs to carry the success of the landmines initiative through to other, more comprehensive arms control initiatives.

For this reason, I have advocated an International Code of Conduct to control all conventional arms transfers. This agreement demands that any decision to export arms should take into account several characteristics pertaining to the country of final destination. The recipient country must endorse democracy defined in terms of free and fair elections, the rule of law, civilian control over the military forces and abide by accepted conventions on torture, civil rights, and international aggression. In addition, all nations would be required to report their arms purchases to the United Nations.

Many say that such a Code is impractical: impractical because it puts concern for human life before a free market drive for profits; impractical because it listens to the poor who are crying out for schools and doctors rather than to the dictators who demand guns and fighters. Yes, in an age of cynicism and greed, all just ideas are considered impractical. You are discouraged if you say that we can live in peace. You are mocked for insisting that we can be more humane.

But I am not alone in denouncing this cowardly status quo and in supporting an International Code of Conduct on Arms Transfers. Nobel Peace Laureates Elie Wiesel, Betty Williams, and Dalai Lama stood with me in presenting the Code last year. So did José Ramos-Horta, Amnesty International, the American Friends Service Committee and the International Physicians for the Prevention of Nuclear War. Since then, Archbishop Desmond Tutu and Rigoberta Menchú have joined this impractical group, as have Lech Walesa, Adolfo Pérez Esquivel, Mairead Maguire, Norman Borlaug, Joseph Rotblat, Jody Williams and one of last year's laureates, John Hume. In all, seventeen winners of the Nobel Peace prize have endorsed the Code. But more importantly, thousands of individuals, groups and community leaders have expressed their belief that a Code of Conduct is not only a morally sound idea but is a political necessity. It is these people and the force of their convictions that turn possibility into progress and impractical ideas into reality.

The International Code of Conduct on Arms Transfers builds on local efforts to regulate sales. Though much work remains, the activists have made genuine progress. On May 25th of last year, European Union foreign ministers agreed to the terms of Europe's first Code of Conduct on Arms Exports, which now remains to be implemented and strengthened in various key areas. On this side of the Atlantic, the U.S. Congress is fashioning a bipartisan plan for U.S. participation in a Code of Conduct effort. The deal will give President Clinton one hundred and twenty days to begin negotiating a multilateral agreement.

While these steps give reason for hope, activists must persevere to see that strong international measures are enacted and enforced. We know that lobbyists in the arms industry will do their best to see that codes of conduct on arms transfers will be weak and full of loopholes. Thus, those here and many others like you must generate the kind of popular pressure that will force elected representatives to strong and resolute action.

My friends:

When Voltaire wrote *Candide* over two hundred years ago, he was acutely aware of the moral obligations created by an integrating world. In this book, Candide meets a slave from the Americas who is missing both a hand and a leg. The slave's hand was cut off by dangerous machinery in a sugarcane mill; his leg was cut off by cruel masters to prevent him from escaping. As Candide looks on, the miserable slave tells him: "this is the true price of the sugar you eat in Europe".

If ethics required global thinking in Voltaire's time, think of how relevant this powerful anecdote is in the age of globalization. As Canadians, you have only to look at the label on your clothes and wonder if foreign garment workers labored for a just wage in order to see that you already participate in the global system that brings great wealth to some and great misery to many others. The question is not whether you will be involved in the ethical challenges of globalization, but what your contribution will be. Will you, in your apathy, be complicit in the injustices I have described? Or will you, with your action and your example, bolster the ranks of those fighting for human security?

In our age, the Cold War has ended. Its oversimplified dichotomies are now obsolete. Now, the likes of Stalin and Pol Pot, Suharto and Pinochet cannot be defended by any government. What is more, the new global era offers unique potentials for human unity. Thinking globally, we are able to draw from the best of the world's ethical and religious insights to emerge with a thorough defense of the importance of human rights, the sacredness of the Earth's ecosystems, and the dignity of meaningful work. A program for human development must recognize the opportunity that this globalization brings; it must draw strength and inspiration from the ethical victories of the day. For while the last decade has witnessed distressing levels of poverty, militarism, and consumption, it has also provided us with some exemplary scenes of human integrity - we have seen women rally for their rights in Beijing; we have seen a new era of peace come to Central America, and we have seen Nelson Mandela lead the South African people away from the horror of apartheid. Rather than allowing globalization to be defined by rampant speculation and persistent inequality, humanists demand that these victories, and the moral victories yet to come, must characterize our current era.

My friends, I tell you that human advances do not come when we wait to see if others will act. Human security will not be guaranteed if we always hope that someone else will step forward. Instead, progress begins when each of us starts to think globally and when each of us contributes to ending poverty and inequality. The struggle can only begin with a personal commitment from each of us. But it will not end there. The whispered resolve of the individual becomes the roar of collective action. Its righteous sound reverberates in the structures and institutions of a new society. Its voice is steady and its message is clear: we can act with compassion; we can be more humane; we can live in peace.