Globalization, Population Aging and Ethics
by
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Globalization, aging and ethics

Globalization has several dimensions, including the demographic, economic, political and cultural. In this article, I will touch on each of these dimensions of globalization as they have unfolded in developing countries over the last 20 years. I will focus primarily on an analysis of the economic and political processes of structural adjustment policies imposed on these countries by international financial institutions—(the International Monetary Fund [IMF] the World Bank), with the strong backing of Western countries, and the impact of these policies on the capacities of these countries to meet the needs of their citizens, especially their rapidly growing populations of elderly persons. In the last section, I will discuss the ethical implications of these developments and the outline of an ethical framework(s) for addressing these implications effectively. This perspective rejects the assumption that globalization, with all of its positive and negative effects, is the product of inexorable economic and historical forces operating at levels and through processes beyond the reach of ethically informed and motivated interventions or that ethical perspectives and actions are culture specific and any effort to apply them in a broader cross-cultural context is just another form of imperialism. As Sen (2000) has convincingly demonstrated, concepts of freedom and justice have emerged and taken hold for extended periods in non-Western societies over the last several hundred years: The forms of expression may vary, but the essential principles are similar across many cultures. Globalization emerged from the colonial-postcolonial period, but represents a qualitatively new stage in international, political, economic and cultural relations. (Pieterse, 2000, p. 9)

... imperialism was territorial, state driven, centrally orchestrated and marked by a clear division between colonizer and colonized; and none of these features apply to contemporary globalization. Contemporary accelerated globalization is multidimensional, non-territorial, polycentric, and the lines of inclusion/exclusion are blurred and run between the middle classes and the poor North and South. Imperialism was multidimensional but ultimately driven by a single-minded intentionality. Unlike imperialism, globalization involves multiple intentionalities and criss-crossing projects on the part of many agents. (Pieterse, 2000, p. 76)

Economic globalization, structural adjustment

Since the early 1980s, the IMF and the World Bank began to require developing countries, which were seeking relief from huge debt burdens and interest payments they were increasingly unable to make, to adopt a program of free-market liberalization based on the following structural adjustments.

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1. Deep reductions in public spending, ostensibly to control inflation. These reductions have mainly occurred in health, education and welfare programs.
2. Remove restrictions on foreign investments and liberalizing imports, which would presumably increase competition and make local economies more efficient.
3. Privatize state enterprises and dramatically deregulate all economic activities in order to facilitate more efficient allocation and use of resources through market mechanisms.
4. Devalue the currency to make exports more competitive and generate more money to pay foreign debts.
5. Cut and constrain wages and deregulate the labor market in order to attract more local and foreign investment.

By the mid-1990s, virtually all of the countries in South America, Africa and much of Asia had implemented these policies, and through export-first policies had been extensively integrated into the world market which is dominated by the North (developed countries). The imposition of these neoliberal policies substantially reversed the economic strategies pursued by developing countries from the 1940s until 1980, a period of relatively high growth rates in many developing countries. These strategies included fair prices for commodities through price agreements, institutional trade preferences for goods from developing countries, preferential treatment of local investors, the use of trade policy, including selective protectionism, as an instrument for industrialization and preferential consideration for the transfer of technology to developing countries. The reversal of these strategies has occurred through a number of mechanisms, including in the General Agreement on Trade in Services (GATS) which gives foreign service providers, from telecommunication firms to lawyers and educational services, the same rights and privileges as their domestic counterparts. The Trade in Intellectual Properties Agreement (TRIPS) may greatly diminish the ability of developing countries to use imitation technologies, which are critical to their industrialization initiatives, and give global pharmaceutical companies greater control, through extensive patents, over the plants that grow in developing countries and that the companies use to develop medicines. The imposition of these neoliberal policies on developing countries has made it increasingly difficult for them to exercise independent initiatives in the development of their own economies and the implementation of policies designed to increase the productivity of their work force and to protect their vulnerable populations.

The state in developing countries has been substantially changed in the process of implementing structural adjustment policies.

After reconversion, deregulation, and liberalization, the neoliberal state reconstituted its social bases precisely among the excluded, informal sectors of society, along with a kind of legal and illegal poor bourgeoisie. It countered the phantom of communism, which the middle and working classes had used as their threat during their rise, with the phantom of generalized exclusion and majority unemployment of workers and members of the middle class, now bereft of a center and deprived of youthful combativeness.

The new dependent state was able to persuade many workers to prefer exploitation to exclusion. This has led Fernando H. Cardoso (now president of Brazil) to say that the phenomenon to fear is no longer exploitation but exclusion (Cardoso, 1991: 138) while Hinkelammert maintains that the essential feature of current Third World
population is that it is surplus. Neither statement is based in reality, for what is in fact happening is that exploitation and exclusion have combined in an unprecedented way in world history: the oppressed who work harder for less, combined with those who are surplus, having neither work, welfare, solidarity, nor anything else. The model does not stop there. The new state’s dominion enjoys the power of the market and the oligopolies, as long as it satisfies their substantive demands and is subject to them as if to the “hand of God” when it occurs to some heterodox neoliberal or sleepless populist to oppose their designs. At such times, it is the state itself that is most exposed to the onslaughts of fearful markets and aggressive capital, particularly now that it has dismantled the social and national institutions that protected it from natural or induced destabilizations.
(Casanova, 1996, p. 45)

It is instructive to note that these neoliberal policies did not characterize the historical spread of capitalism in Western countries over the last 200 years. Every developed country has used extensive state intervention in its economy to achieve growth and prosperity, especially regulation of foreign commerce.

The U.S., in fact, maintained the highest tariff barrier in the world for the one-hundred-year period from the 1840s until just before World War II, in order to protect infant industries. MacEwan (1996) points out that:

During the Industrial Revolution of the late 18th century, British industry flourished behind tariff barriers averaging 50% in manufacturing sectors. After World War II, while Japanese tariffs were not high, the government maintained tight direct controls over both imports and direct foreign investment, encouraging the development of Japanese-owned firms in such key industries as automobiles and computers. In addition, developmental states have used a variety of fiscal and monetary mechanisms, specific subsidies, and, at times, state-sponsored firms to pursue national development. Financial regulation has often been an important component in this package of national development policies. In some cases, states have pushed their country’s firms toward an external orientation and achieved success through export-led growth; South Korea provides the most important recent example. In no case, however, has successful export-led growth been directed through “free trade,” as is called for in the neoliberal project. (MacEwan, 1996, p. 52)

And Boron (1996) notes that:

... the economic history of the last 200 years does not offer a single example of a country that has escaped either backwardness or underdevelopment by following the model of neoliberal reforms that the World Bank and IMF today so heavily promote. Their best-known representatives cannot provide a single historical example to support the supposed truth contained in the economic recipes of the Washington consensus. None of the most successful examples of the postwar period—Germany, Italy, France, Japan, and later Spain, Korea, and the Asian NICs, not to mention China—adhered to the free market precepts that the World Bank and the IMF propagate with so much zeal around the world and that exercise so much influence on the governments of Latin America. (Boron, 1996, p. 321-322)
And Chang (2001) supports this perspective when he states that:

... with the catechism of the World Bank and the International Monetary Fund in their hands, our governments are destroying education and public health, exacerbating social inequality, increasing the proportion of the structurally and marginally poor of all types that cannot be “reconverted” and creatively incorporated into the modern economy. The problem arises when, following the neoliberal logic of export-led growth, that some workforce must go out and compete in the world markets with countries, like those of Southeast Asia, that did not adhere to the thesis of the Washington consensus and instead invigorated their national states, increased government expenditures on health and education, invested massively in research and development, launched ambitious programs of reconversion of the working population, and encouraged exports through subsidies and incentives of all types. (Chang, 2001, p. 10)

The ability of the IMF, the World Bank and the Western countries that disproportionately benefit from the practices of these organizations, to impose a neoliberal regime on countries of the South, is largely based on what Amin (1996) calls the “five monopolies” of Western countries, which creates an extremely unequal competitive environment almost entirely to the advantage of the developed countries. These monopolies are briefly described below.

- **Technological monopoly.** With the extensive support of the state, especially military spending in the U.S. and broad funding of research and development activities in Europe and Japan, the West controls over 90% of all technological development and application and developing countries are falling further and further behind with the implementation of trade agreements like the TRIPS Treaty.

- **Financial market monopoly.** The liberalization of rules governing the flow of financial capital has made it the most globalized component of the world economy. Information technology, in combination with liberalization, makes it possible for finance capital to move in huge quantities (hundreds of billions daily) around the world at the push of a button, creating a state of permanent instability in most of the world, especially in countries outside the West which have little financial capital of their own.

- **Monopoly access to the planet’s natural resources.** This monopoly is increasing by taking the form of potent control, facilitated by the TRIPS Treaty, over the indigenous resources of developing countries. Amir (1996) points out that:

  The dangers of the reckless exploitation of these resources is now planet-wide. Capitalism, based on short-term rationality, cannot overcome the dangers posed by this reckless behavior, and it therefore reinforces the monopolies of already developed countries. Their concern is simply not to let others be equally irresponsible. (Amin, 1996, p. 4)

- **Media and communications monopolies.** These monopolies are the principal vehicles for the growing uniformity of culture (Western), the emergence of materialistic values, individualism and consumerism everywhere, which undermine solitary structures,
including families and villages, and the erosion of opportunities for the expression of dissent and democratic development.

- Monopolies of weapons of mass destruction and the capacity for extended conventional warfare. With the collapse of the Soviet Union, the U.S. is the only superpower with a military budget greater than the total budgets of the next ten biggest military spenders. According to Amir the collective impact of these Western monopolies:

  ...annuls the impact of industrialization in the peripheries, devalues their productive work, and overvalues the supposed value added to the activities of the new monopolies from which the centers profit. What results is a new hierarchy in the distribution of income on a world scale, more unequal than ever before, subordinating the industries of the peripheries, reducing them to subcontracting. This is the new foundation of polarization, presaging its future forms. (Amin, 1996, p. 4)

What has been the effect of these monopolies and their expression through the neoliberal policies of structural adjustment on the developing countries in South America, Africa and parts of Asia? Has globalization delivered on its promoters promises of a win-win scenario for both the developed and developing countries? Some developing countries, especially the Tiger economies of Southeast Asia and South America (Brazil has benefited, at least for limited periods of time). The Tiger economies were deeply shaken by the flight of Western capital in 1998 and have yet to fully recover and Indonesia has continued to decline. On the whole however, most developing countries have yet to experience any sustained significant success in the global economy and many have experienced essentially continuous decline over the last 15 years, including virtually the entire continent of Africa.

According to Casanova (1996), capital flowed from North to South from the end of WWII until the mid-1970s. Since then:

  ...the South has suffered a net hemorrhage of surplus: the terms of trade became increasingly adverse, interest rates skyrocketed, credit terms were shortened, capital fled, debt service grew in relation to the value and volume of exports, and payments became harder to meet because of devaluation, which requires that each dollar be bought with a greater volume of local currency. (Casanova, 1996, p. 41)

This reversal of capital flow is at least partially responsible for the fact that the growth of Latin American economies declined from 5.7% in the 1960s, a period now culminated against as dominated by statist to less than 1% in the 1980s, as neoliberal policies became dominant and fluctuating rates between negative growth and 3% during the 1990s. The poverty rate in Latin America declined to 40% during the 1970s. Since then, however, it has slowly climbed and now exceeds 50%. These trends have led to a growing division between the rich and the relatively affluent and the impoverished masses of Latin America:

  ...who do not even meet the minimal conditions for becoming an exploitable work force. Class oppression and exploitation are not their immediate problem: that would reside, paradoxically, in their unfitness for being exploited. Earlier, in the older
modalities of capitalist accumulation, the exploitability of the masses was universal, as child labor attests. Furthermore, there existed at least one contact point between the bourgeois and the proletarian: the factory. Today, this has practically disappeared, given the growing deindustrialization generated by the growth of the service economy and—where this phenomenon has yet to materialize—by the impetuous displacement of living labor by the work congealed in machines, a feature already clearly noticeable throughout Latin America’s capitalistic societies.

The result of this gigantic reconversion is a society that in reality is no longer the same. It is a society, the neoliberal capitalism of end of the 20th century, but at the same time it is two distant societies, irreconcilable, estranged, feebly articulated, and whose integration becomes—vicariously and perversely—through the fetishized and illusory route of television, an exceptionally powerful factor in our societies, capable of “inventing” presidents and destroying leadership that is adverse to it. (Boron, 1996, p. 329)

Boron claims that structural adjustment policies over the 15 years have essentially created a new sort of society in Latin America. These policies have let to:

... fragmented societies, marginalization of the masses, a rupturing of the social fabric and disintegration of integrative mechanisms, capitulation of national sovereignty, degradation of politics, etc. All this goes far beyond a mere “adjustment.” Further, the most lamentable aspect is that, in the experience of our continent, the transition from dictatorship to democracy was accomplished by maintaining essentially the same economic policies that the dictatorial regimes imposed with blood and fire. The task of social reconstruction that stands before us is immense. (Boron, 1996, p. 330)

According to the most recent United Nations Human Development Report (1999) the socioeconomic gap between developing and developed countries and the gap between countries within the developing world are continuing to widen, with the poorer countries becoming almost totally marginal to the global economy, even, ironically, as they became more integrated into and dependent on it. The process of marginalization is evident in the prices of primary commodities, the mainstay of many developing countries’ export economies which have fallen to their lowest level in over 150 years. The report shows that:

- More than 80 countries still have per capita incomes lower than they were a decade ago.
- The assets of the world’s top three billionaires are more than the combined GNP of all least developed countries and their 600 million people.
- The income gap between the fifth of the world’s people living in the richest countries and the fifth living in the poorest was 74-to-1 in 1997, up from 60-to-1 in just 1990, and 30-to-1 in 1960.
- By the late 1990s, the fifth of the world’s population living in the highest income countries had:
  - 86% of world GDP; the bottom fifth had 1%
  - 82% of world export markets; the bottom fifth had 1%
  - 68% of direct foreign investment; the bottom fifth had 1%
  - 74% of all telephone lines; the bottom fifth had 1.5%
In short, during the past decade the concentration of income, resources and wealth among people and corporations in the countries of the North has steadily increased. The recent wave of corporate mergers and acquisitions is concentrating industrial power in transnational megacorporations and eroding competition at an accelerating rate. For example, the top ten companies in pesticides now control 85% of the market, and the top ten companies in communications control 86% of the market.

According to Sassen (1998), these trends toward growing inequality of wealth and the concentration of corporate power are products of:

The primacy ascribed to the neoliberal policy framework and its social Darwinian values polarize more than did their antecedents. Globalization has furth ered marginalization in the sense that it excludes certain groups from playing a central role in the growth mechanisms of the world economy and achieving meaningful participation in decision making (to the extent that political control is being exercised at all). Under globalization, marginalization is a pattern of differentiation characterized by spatial exclusion, yet not limited to it. Entire zones of the global political economy, except for their dominant strata, and pockets in the developed world are left out. The boundaries of marginalization are also being redrawn in nonterritorial forms of distinction based not only on ethnicity, race, gender, and age, but also increasingly on access to information between those who are networked and those who are not—although for Africa, the two forms of exclusion, spatial and nonspatial coincide. (Sassen, 1998, p. 67)

The neoliberal policies of structural adjustment have not only reduced real wages in many developing countries, they have also contributed greatly to reductions in social wages—public goods such as provisions for education, healthcare and old care. The forced reductions in public expenditures, social, health and education services, and the privatization of many of these services (the minimalization of the state) has created a “crisis of care” in many developing countries, even as the populations in need of care, especially children and the elderly, continue to grow at very high rates. For example, Mexico has steadily dismantled its public health care system over the past 15 years by reducing eligibility levels and financing, and encouraging higher income workers to purchase private healthcare insurance. As a result, the gap among Mexican access to healthcare of an adequate quality has widened and U.S. managed care companies (Aetna and Cigna) are becoming the dominant providers of care to Mexico. (Fisk, 2000, p. 63)

According to the United Nations Human Development Report (1999), tax revenues declined in response to structural adjustment and economic stagnation in the poorest countries from 18% of GDP in 1980 to 16% by the mid-90s, which is creating a growing gap between these countries’ capacity to meet the social, health and educational needs of their citizens and the inexorable growth in populations needing these services. Without stronger governments and more public support for care services, such as care for the elderly, including substantial assistance from the North, this gap will grow and make an increasing number of countries virtually ungovernable as misery and chaos spread.
Sassen (1998) may have identified a hopeful development in the changing nature of the state under pressure from globalization, which could eventually empower civil societies and create opportunities for more democratic control of political and economic processes within domestic and international environments. Sassen’s view is not dissimilar from Hardt and Negri’s (2000) analysis of the potential for empowerment of the “multitudes” who constitute the growing population of poor and dislocated peoples within both the developing and developed (immigrants, legal and illegal) countries.

...there are signs that in an intersubjective sense and in objective ways as well, the national state is becoming a transnational state. In a transnational state, citizens imagine their identities in terms of more than one state—e.g., as is the case with some diasporic populations—and actively participate in the politics of two or more countries, which is permitted by the laws and voting procedures in certain contexts. The challenge, then, is to rethink the concept of national democracy and bring it in line with a form of politics in which boundaries are not eradicated, but are blurred or complicated by transborder arrangements, some of them authored by the state, and others rooted in economy and culture and either sanctioned by a reluctant state or not at all legitimated by the state.

In this transformation, a vital issue is the matter of access. How can global governance be recast so that civil society may participate meaningfully in the steering processes and economic growth mechanisms. Of a powerful structure—globalization—that has the potential to deliver to the many—not merely the few—aggregate economic gains (including a cornucopia of consumer goods), technological advances, greater information, new knowledge, and an escape from long-established forms of social control. There cannot be much assurance of the eventual outcome of an open-ended, historical process, but making clear the dynamics, knowing the constraints, and imagining the possibilities, if only a glimmer of the prospects, mark the direction that may help to put humankind on the right path. (Sassen, 1998, p. 182-183)

**The growth of elderly populations in developing countries**

It is a widely recognized fact that the population of developed countries is rapidly aging as fertility rates drop and longevity increases. What often goes unrecognized, however, is that the elderly populations of developing countries are growing even faster and that by 2025 most elderly persons will be living in developing countries. In European countries the growth in the percentage of the population 65+ from 7% to 14% (1990) took 50 to 100 years. In most developing countries, however, the doubling in the percentage increase in elderly populations will occur in less than 30 years. The increase will occur even though fertility rates will not drop to anywhere near the current European or U.S. levels.

United Nations population projections estimate that by 2025 only 25% of the world’s population will be in the 0-14 age group and nearly 14% will be in the 60+ group. The UN also projects that the weight of children in the populations of less developed regions will simultaneously decline to 26%, with the weight of the elderly reaching nearly 12%. In more developed regions the weight of the older population will surpass that of the young, with 20% of their inhabitants in the 0-14 age group and 23% aged 60 or over. At the same time, absolute numbers of persons 60+ world-wide are projected to jump from 376 million in 1980 to 1,121
million in 2023, with more than 70% living in less developed regions. (Human Development Report, 1999, p. 8)

<table>
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Source: U.S. Bureau of the Census

The growth of elderly populations in Western countries has generated considerable concern about the sustainability of public pensions and healthcare programs like social security and Medicare after 2025, with calls from the right for some form of privatization. If these trends continue, however, and are able to avoid a long-term economic downturn and meager growth rates for years on end, qualitative changes in their major aging policies will not be economically necessary. Qualitative change, if it occurs, is more likely to be a product of political rather than economic forces, such as a successful political attack on the role of the state and the major pillars of the retirement system. Any sign, however, that such changes, if they were to occur, were causing a return of the impoverishment and health status levels that characterized the lives of many elderly in the pre-welfare state era (pre 1960 in the U.S.) would generate a backlash and reimplementation of broad public programs. The one exception to this scenario may be Japan, which has a very rapidly growing elderly population and economic stagnation that has, as yet, proven impervious to correction. Japan may be in for a major restructuring of economic and social policies.

But what will the developing countries do with even larger populations of elderly persons and many fewer resources with which to meet their socioeconomic and healthcare needs? Current resources to meet these needs are just a small fraction (less than 10% in most countries) of expenditures for aging programs in the developed countries. Even these scant resources, as noted in the United Nations Human Development Report (1999), have been reduced from
previous levels through cuts in revenues and expenditures caused by structural adjustments over the last 20 years. None of these countries have any programs comparable to Social Security and Medicare and the even more generous programs of many European countries. And, it is not just a matter of the developing countries experiencing a larger increase in the number of elderly over the next 25 years. The elderly in developing countries will not only outnumber those in developed countries—they are and will be incomparably poorer and less healthy than those in the West.

Even if the governments of developing countries wanted to contain poverty away from the elderly by paying a small sum as a pension to each person, the numbers of older people is so large that the total budget becomes huge. For example, if the Government of India decided to pay INR $100 each month to each older person by year 2005, the monthly budget should be INR $8,840,000. Such a sum is unimaginable for any country. Moreover, the INR $100 pension is not even enough for one meal a day. In developing countries, there is no organized collection of pension from younger people which can help pay for the elderly of today.

Although we have far more data on the health conditions of the elderly in developed countries, we do know that they suffer from the same chronic conditions as do the elderly in the West, especially arthritis, high blood pressure, heart disease, stomach ulcers and lung diseases. Preliminary data and speculation based on what we know about the origins of chronic ailments indicate the elderly in developing countries have similar and probably higher rates of chronic disease than their counterparts in developed countries. We know, for example, from the SEAR Cross-National Study, that 60% of the elderly in Thailand and 49% in Indonesia suffer from arthritis, compared to about 40% in the U.S. and the costs of caring for these conditions in the developed countries is high and growing; it is estimated that it will cost $30 billion in adjusted dollars to care for those with Alzheimer’s in the U.S. by 2030. (Human Development Report, 1999, p. 1)

We also know that resources for healthcare and the availability and accessibility of health services are very limited in developing countries compared to developed countries; and without extensive assistance from the West, they will become even less available for hundreds of millions of elderly in the future.

Although services/programs of nongovernmental organizations and charitable agencies are gradually emerging, the number, scale and scope of their activities are far beyond their capability to accommodate the health care needs of the vast number of the elderly population. Increasing technological advances in the field of medicine has created a demand for their utilization. However, their availability comes at a huge cost which many older people and the governments of developing countries are not able to afford. This creates a dilemma between availability and affordability. Compared to a developed country, reported illness among elderly in SEAR countries is much higher whereas utilization of health services is considerably lower. (Human Development Report, 1999, p. 1)
The gap between the growing need for chronic and long-term care for the frail elderly and the availability of care is made increasingly greater by the movement of younger adults to urban areas and the growing isolation of their parents and grandparents in rural communities.

"Third way" alternatives

Some members from among the political and economic elites of the developed countries (Henry Kissinger, George Soros, Bill Clinton) and some officials with the IMF and World Bank have begun to express concern about the negative effects of neoliberal globalization on developing countries, including their growing inability to respond to the needs of their most vulnerable populations with the shedding of what meager safety net programs these countries may have once had. For the most part, this concern is addressed to the needs of children and the falling wages and human capital potential of the working populations. Very little, if any, concern has been shown for the elderly and even many experts on aging are unaware of the fact the elderly in developing countries will far outnumber those in developed countries by 2025.

But even this general concern for the growing poverty and inequality in the global economy has not generated any serious debate about qualitatively modifying the neoliberal model by instituting mechanisms of state intervention and a more rational, less ideologically driven approach to privatization and minimalization of the public sector. These cautious skeptics of the win-win scenario for the global economy are looking for some means of regulating the international movement of finance capital and mitigating the extreme poverty of developing countries that would be a “third way” alternative to the laissez faire economics and social philosophy of neoliberalism and Keynesian welfare state approaches. They have not, however, put forth any serious proposals for increasing the capacity of developing countries to meet the socioeconomic and healthcare needs of their citizens. They do not, for example, support the Tobin tax on the movement of finance capital across borders, which could generate billions for social and healthcare programs and education in the developing countries. They have, in short, proposed nothing to keep global society from slipping further into what has been referred to as a three-tiered social structure, where the

The first tier is made up of some 30-40% of the population in core countries and less in peripheral countries, those who hold “tenured” employment in the global economy and are able to maintain, and even expand, their consumption. The second tier, some 30% in the core and 20-30% in the periphery, form a growing army of “casualized” workers who face chronic insecurity in the conditions of their employment and the absence of any collective insurance against risk previously secured by the welfare state. The third tier, some 30% of the population in the core capitalist countries, and some 50% or more in peripheral countries, represents those structurally excluded from productive activity and completely unprotected with the dismantling of welfare and developmentalist states, the “superfluous” population of global capitalism (see, iner alia Hutton, 1995; Hoogvelt, 1997).

Within this polarized social structure, the Third Way is seeking to secure a firm social base in the first tier, to draw in the second tier, and to contain the third tier. (Sassen, 1998, p. 167-168).
It would appear then that there is a major gap between the concerns expressed by these members of the elite and their willingness to support the kinds of initiatives that will be required to address them effectively. The needs of the developing countries, including perhaps, most alarmingly the huge growth in their elderly populations over the next two decades, many millions of whom will be frail and dependent and without the traditional family and community supports of the past, cannot be met without the resources these counties do not now have and will have even less of in the future unless current global trends are reversed. To date, the third way globalists have not even fully acknowledged the hard realities of this growing discrepancy between human needs and resources in the developing world, much less offered any proposals that might stand a chance of resolving or even containing this spreading economic, social and moral catastrophe. We can no longer ignore the fact that these consequences of globalization represent as much of a test of the West’s moral statute as colonialism did in the pre-war era.

The ethics of globalization

Can ethics and moral reasoning play a politically efficacious role in helping remedy the grave inequalities in the global economy and in creating/restoring the capacity of the developing countries to meet the needs of their vulnerable populations, including the frail elderly? Can ethics help create the conditions for more democratic control of market forces, which is essentially a matter of political agency? Can, for example, the concept of autonomy which has played a pivotal role in Western ethical thought from the Greek philosophers, to Kant and the social contract theorists and John Rawls (2000) in the modern era, be applied effectively in the context of global political and economic relations? According to Sassen (1998), it can.

The core of autonomy is self-determination—a tenet that resonates with contemporary liberalism, as illustrated by aspects of John Rawls’ theory of justice (1993). The principle of autonomy implies that agents have the capacity for critical reflection and, notwithstanding structural pressures, the right to choose among options. Exercising this right requires some control over conditions and actions. The principle of autonomy thus means political and economic self-governance by the majority, and allows for freedom and equality in pursuit of the “common good” (Held 1995, 146-47; and on the coupling of globalization and democratic theory, Rosow 1999). Building autonomy from below should not be confused with fencing off and attempting to erect a fortress against the world. (Sassen, 1998, p. 204)

Building autonomy from below, however, can become a source of systematic resistance to structural adjustment policies that strip countries of their capacity to meet the needs of their people. In order for any effort, however, to make ethics an important part of the debate about globalization and a means of holding the “third way” advocates accountable for the limitations of their perspective, I think, it will be necessary to go beyond, or to contextualize the concepts of national autonomy and the right to self-determination. We also need an ethical framework for thinking about equality and social justice in relationships between countries in the emerging global environment.

I think John Rawls’ liberal theory of social justice offers at least a preliminary means of developing a framework for addressing equality and justice in the global context. Rawls himself has not applied his theory to the international environment. In his view, any notion of justice can
be pursued only through political institutions with much greater authority over the social and economic life of individuals than can or should be created internationally. Furthermore, individuals rather than peoples, or countries should be considered the morally relevant units in the context of global justice and that tolerance, within limits, should characterize relations among nations and societies. Tolerance should be limited to nations that do not violate basic human rights and do not take aggressive actions against their neighbors.

I respect Rawls’ reluctance to extend his theory of ethics beyond the boundaries of existing political authority and I recognize the value of tolerance in international relations. I believe, however, that his theory has considerable heuristic value in helping us think about the ethical implications of the growing inequality between developed and developing countries and the increasing inability of the latter to meet the basic needs of their people as I will try to demonstrate.

Rawls’ fundamental position is that inequalities are arbitrary and cannot be convincingly defended in ethical terms. Elimination would make the most disadvantaged (the poorest) even more disadvantaged. That is, socioeconomic inequalities are acceptable only to the extent that the prospects of the least well off are as optimal as they can reasonably be expected to be.

Inequalities cannot be justified through some utilitarian calculus that allows advantages to the better-off to balance out or outweigh the disadvantages to the least well-off as some economists do in focusing only on GNP growth rates or per capita wealth and ignoring increasing levels of inequality or impoverishment among the worst-off members of a society. According to Nagel (1999):

His position is a direct challenge to the utilitarian answer and its modern version, cost-benefit analysis, according to which we should add up the pulses and the minuses and try to choose policies that produce the maximum amount of total benefit, aggregated from the advantages and the disadvantages to all persons affected. This method, Rawls has famously said, does not take seriously the distinction between persons. Tradeoffs across lives should be avoided, and replaced by a system of priorities for the most serious needs and interests, even if this means improving the condition of a less fortunate minority before that of a more fortunate majority. . . . Rawls’s ideal of justice would minimize the disadvantage to members of a society caused through the social structure by factors that are not their fault. (Nagel, 1999, p. 39)

If we were to extend this radically egalitarian standard of social justice beyond individuals within nations, to the increasingly unequal relationships between countries with the global economy, we would have to conclude that the global economy is fundamentally unjust insofar as most of the best-off countries continue to grow richer and the worst-off countries become poorer. The injustice of these increasingly unequal relationships is compounded by the growing inability of the worst-off countries to meet the needs of their people, especially the most vulnerable among them. It would strain credulity to claim that efforts to reduce this inequality and improve the capacities of developing to meet the socioeconomic and health needs of their populations would make them even worse-off; that the vast inequalities in the global economy somehow make the prospects of the least well-off as optimal as they can reasonably be expected to be. The argument is sometimes made that the sweatshop economies of developing countries are just a
prelude to economic growth and prosperity. The data, however, showing increasing poverty in developing countries and growing inequality between them and the North over the last 20 years do not support this view.

In the context of the global economy, Rawls' theory of social justice is substantially compatible with the ethics developed by liberationist theologians and philosophers in South American over the last three decades. The major contribution of the liberationists has been to add socioeconomic rights to the human rights agenda, making it an effective resource for an ethical critique of the global economy and a more politically efficacious framework for action. From the early 1970s into the 1980s, the liberationists were critical of the human rights movement with its virtually exclusive focus on certain procedural, juridical rights. As important and fundamental as the right to not be tortured and the other juridical rights are, the liberationists were concerned about the absence of socioeconomic rights from the human rights agenda. The struggle to create greater socioeconomic equality for the rural and urban poor of South America had been the priority of the liberationists, many of whom were Catholic priests at the village level, since the 1960s and they did not want this priority superceded by privileging legal rights alone.

By the early 1980s, liberationist theorists began to move beyond criticism of the human rights agenda toward the expansion of the concept of human rights which incorporated their broader vision of social justice and their affirmation of the foundational right to life of the poor. According to the liberationists, the human rights agenda must include a “preference for the poor,” the least well-off (Rawls), if it is to make a substantive difference in the lives of the masses who have never been included in the social contract, and who make up the greatest number, but have never been included in the greater good. This broader vision of human rights anchored in a “preference for the poor” gives the liberationists the ethical leverage they need to address the main deficiencies of the conventional human rights philosophy—absence of a systemic vision of justice, moral absolution of the North and the condemnation of conflict regardless of socioeconomic hardship and inequalities. They are able, in short, to turn the human rights agenda into an ethical framework for the pursuit of greater equality among nations as well as between people within nations and to:

... highlight rights of the poor that force people to interrogate systems—rights such as the right to work, the right to participate in political and economic systems, and the right to transform society, as well as the right to equality. Furthermore, liberation theologians stress the importance of using this discussion to break down the established dichotomies of rights discourse: the rights of the poor are both in personam, as poor individuals are able to demand relief from specific abuses, and in rem, as society must create structures that can provide this relief more generally. They are both concrete, a set of actual substantive entitlements that the poor can demand, and abstract, providing ethical norms to guide public discourse. (Engler, 2000, p. 360)

Ethics alone, of course, will not cause the kind of changes needed to stabilize the global economy and reduce the enormous inequalities between the developed and developing countries and increase the capacity of the latter to meet the needs of their citizens. Ethics can and must, however, play a necessary, if far from sufficient, role in addressing these issues. One does have to believe with Martin Luther King that the arch of history is long, but it bends toward justice, to know that ethics and moral reasoning have played very important roles, along with economics
and politics, in major conflicts throughout history, including the American Revolution, the struggle over slavery and the Civil War, totalitarian versus democracy in Europe, and the civil rights movement in the U.S. The writings of Abraham Lincoln from the late 1830s up to the second Inaugural Address clearly shows the evolution of the ethical thinking, embedded in legal, social and political analysis, that substantially shaped the outcome of the debate over slavery. These are examples of the kinds of ethical thought that can also play an important role in determining the future of the global economy and its impact on the countries and people who have been most negatively affected by the unequal relationships that have come to characterize globalization.

I think Rawls’ theory of justice and the liberationist philosophy give us some purchase on the creation of an ethical framework, which can be used to critique current practices in the global economy and to generate more humane policies. Other ethical perspectives may prove to be even more effective. The point is to take ethics seriously in the context of globalization and begin the work that needs to be done. Planned command and control economies have failed, in part, because of their ethically indefensible consequences, including oppression and the destruction of freedom. Purely laissez faire policies, however, with their destructive inequalities and Darwinian ethics will not work any better in the long run. More ethically sensitive and defensible policies can produce better outcomes, not just in terms of the quality of life of people in developing countries, but also in terms of a more stable and sustainable world economy.

The role of ethics is implicit in Casanova’s (1996) view of the unmet gap between analysis and action in the context of globalization.

No matter how profound and precise the analysis of what is happening, a radical analysis will not by itself lead to effective political action. At the moment of action, it turns out to be very difficult to structure an alternative policy. Even repentant neoliberals are unable to do it easily, as are reformists or revolutionaries, should they attempt to act. The lack of bridges between what might be called radical analysis and alternative political action leaves analysis standing alone as no more than deliberation, protest, or complaint, having no effect. That rate rupture between scientific and political discourse occurs today, perhaps more than ever, between analysis of what is really happening and what should be done so that the human species may save the planet by putting an end to the excesses of consumption and hunger. (Casanova, 1996, p. 46-47)

The operative phrase here is “what should be done,” a fundamentally ethical matter that cannot be evaded through analysis alone or ideologically driven notions of inevitability. Ethics and moral reasoning have a major role to play in creating a consensus for even a minimal initiative to reduce the inequalities of the global economy, which would include commitments for long-term aid and development, extensive debt relief and greater involvement of developing countries in the governance of international agencies in exchange for enforceable labor rights and environmental standards in all countries.
References: