Globalization, Population Aging, and Ethics, Part II: Toward a Just Global Society

Larry Polivka\(^1,3\) and Evelinn A. Borrayo\(^2\)

In “Globalization, Population Aging, and Ethics, Part I” (2001), we described how globalization, through the neoliberal policies imposed by international financial institutions (the International Monetary Fund, the World Bank) has substantially reduced the capacities of developing countries to meet the educational, economic, and healthcare needs of their growing populations. We also described how these needs will increase over the next several decades with the huge growth of the elderly population across Asia and Latin America. We concluded our analysis with a discussion of the ethical implications of this increasing discrepancy between resource capacity and human needs in the developing world and two perspectives (Rawls’s theory of justice and liberation philosophy, 2000) that could help sharpen the debate over the ethics of globalization. In this article, we summarize our analysis and discussion of Part I and include new information from additional sources. We then extend our discussion of the ethical implications of this analysis by describing a range of political and policy options that we think are consistent with the ethical perspective suggested in Part I and that have the potential to help reduce the widening gap between resource capacity and human need in many developing countries.

KEY WORDS: globalization; neoliberalism; aging; health; ethics; politics.

ECONOMIC GLOBALIZATION, STRUCTURAL ADJUSTMENT

Since the 1980s, the International Monetary Fund (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

\(^1\)Florida Policy Exchange Center on Aging, University of South Florida, Tampa, FL.
\(^2\)Department of Psychology, Colorado State University, Fort Collins, CO.
\(^3\)Correspondence should be directed to Larry Polivka, Florida Policy Exchange Center on Aging, MHC1715, University of South Florida, 4202 E. Fowler Ave., Tampa, FL 33620.
adopt a program of free-market liberalization based on the following structural adjustments:

1. Significantly reduce public spending, ostensibly to control inflation. These reductions have occurred mainly 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 in some form, 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 the 1980s, 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 imposition, however, of 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.

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 United States, in fact, maintained the highest tariff barrier in the world for the 100-year period from the 1840s until just before World War II, in order to protect infant industries.

The deeply asymmetrical relationship between the core Western countries and the peripheral countries in the developing world allows the former to use “free trade” strategies only when it is in their interests:
... the drift of the international economic policy of core countries in the 1990s has been marked by resistance to free-trade principles in sectors of critical importance to economies outside the core—agricultural products, steel, textiles and apparel—and by moves towards managed trade and "reciprocity" in a number of others. The effect of such protectionist and mercantilist methods is, typically, to generate chronic trade and current account deficits on the part of less developed countries... This is a pattern that all too often renders them vulnerable and unstable, hence incapable of generating sustained improvement in the well-being of their populations (Gowan, 2001, pp. 86–87).

The evolution of the global economy over the last several years has been driven less by the expansion of free international trade than the pursuit of "property rights of foreign capitals in other states" (Gowan, 2001, p. 87). Free trade has been subordinated to the goals of enhancing the ability of transnational corporations to gain ownership of domestic assets, to operate businesses on the same terms as domestic firms, to move money freely anywhere and end controls on private finance, to control rents on intellectual property, and to privatize domestic social and health services and utilities. The achievement of these goals throughout the developing world over the last two decades has made them increasingly vulnerable to sudden shifts in global monetary relations and financial markets. According to Gowan, these trends:

- in international trade and in the internal transformations of non-core political economies are thus very far from guaranteeing virtuous circles of cosmopolitan economic and social gains for the world's populations. There is overwhelming evidence of a huge and growing polarization of wealth between the immiserated bulk of humanity and extremely wealthy social groups within the core countries (Gowan, 2001, p. 90).

This polarization of fortunes within the global economy occurs as:

States are forced to open their economies to monetary and financial movements to which the employment conditions of their citizens become extremely vulnerable. Their elites are encouraged to impose policies which widen the gap between rich and poor. Economically weak countries are driven to compete for the entry of foreign capital by reducing taxes on the business classes—thereby undermining their capacity to maintain social and educational services (Gowan, 2001, p. 93).

According to Castells (1998), the global economy is increasingly based on a network of capital, labor, information, and markets linked up, through technology, to valuable functions, people, and localities around the world. The majority of populations in the developing, and substantial segments in many developed countries, have been "switched-off" from these global networks because of their lack of value for global informational capitalism. These populations constitute what Castells calls the "fourth world," where the only connection with the global economy is global crime which is organized to supply outlawed commodities in response to the incessant demand of individuals in affluent countries.

The current worldwide pattern of social exclusion has been generated by a new "laundered" form of capitalism that emerged under Keynesianism and social welfare capitalism after World War II. It is, however:
incomparably more flexible than any of its predecessors in its means. It is informational capitalism relying on innovation-induced productivity, and globalization-oriented competitiveness to generate wealth, and to appropriate it selectively. It is, more than ever, embedded in culture and tooled by technology. But, this time, both culture and technology depend on the ability of knowledge and information to act upon knowledge and information in a recurrent network of globally connected exchanges (Castells, p. 358).

The new global capitalist economy, operating through informational networks, is characterized by:

*a tendency to increased social inequality and polarization*, namely the simultaneous growth of both the top and the bottom of the social scale. This results from three features: (a) a fundamental differentiation between self-programmable, highly productive labor, and generic, expendable labor; (b) the individualization of labor, which undermines its collective organization, thus abandoning the weakest sections of the workforce to their fate; and (c) under the impact of individualization of labor, globalization of economy, and delegitimization of the state, the gradual demise of the welfare state (Castells, 1998, p. 364).

The international financial institutions, transnational corporations, and policymakers in core Western countries are developing the constitution of a single world economy which anticipates globally binding decisions based on the following neoliberal criteria as described by Ulrich Beck (2001):

...political reforms are to be geared to the standard of economic goals—low inflation; balanced budgets; the dismantling of trade barriers and currency controls; maximum freedom for capital; minimum regulation of the national labor market; and a lean, adaptable welfare state that pushes its citizens into work (p. 84).

Since the 1970s, globalization has not been characterized by general, worldwide economic growth but rather by overall stagnation and great variance in growth rate between regions, mainly between the North (developed countries) and the South (developing countries). According to Michael Mann (2001), this deep division is a function of "ostracizing imperialism" operating within the global economy (p. 54). Developed countries, through several instrumentalities including the IMF, the World Bank, and corporate managers, dominate the economies of developing countries through the imposition of structural adjustment policies and other initiatives and, at the same time, are making fewer investments and trading less with developing countries. Geographical areas containing more than 40 percent of the world's population will have only 5 percent of world trade by 2020, if current trends persist. Economic integration and growth are, in reality, limited to Northern developed countries, as the gap in wealth widens between the North and South.

The governments of many developing countries have undermined their own capacity to support economic growth by cutting investments in human capital resources, and decreased their legitimacy among their populations by cutting health and social services in order to chase a will-o' the-wisp in the form of foreign investments and trade. These strategies have made them increasingly incapable of resisting a Northern-defined form of globalization. Furthermore, Mann (2001) notes that:
... many Southern regimes are now staffed with "realists" and Chicago School economists, who argue that their government must do whatever it takes to attract foreign capital and trade, and abandon whatever protectionisms were previously in place. Few Southern elites resist their imperial masters. This displaces serious economic conflict away from the North-South division and situates it within each Southern nation-state, as realist elites are challenged by a discontented populace—or by corrupt or privileged patron-client networks, whose control of the state is threatened by the more positive side of neoliberal measures. Such three-way internal conflicts are now weakening the cohesion of many Southern societies and states, further reducing their capacity to resist. If economic development fails, collaborating elites become dangerously exposed to attacks that identify them as tools of foreign imperialists (p. 56).

There is little evidence that attracting foreign investment (capital), a central tenet of the neoliberal agenda for global development, has a positive impact on economic growth in developing countries. Jeffrey Kentor (2001) used cross-national comparison data from 88 developing countries to construct a series of structural equation models to determine the effects of foreign capital dependence and trade openness on economic development and inequality. He found that the higher the level of foreign capital dependence, the greater the level of inequality and population growth and the lower the level of economic development between 1980 and 1997. He also found, however, that mere trade openness leads to increased rates of economic development. He offers a four-fold explanation for the negative impact of foreign investment on economic development:

First, foreign investment dependence distorts the class structure of the host country by generating a small, highly paid class of elites to manage these investments and expanding the tertiary and informal sectors of the economy (Evans and Timberlake 1980; Kentor 1981; Timberlake and Kentor 1983). Further, some of the employments generated by these investments may be in low-wage jobs. Second, profits from these investments are repatriated, rather than reinvested in the host country, inhibiting domestic capital formation (Bornschier 1980). Third, foreign capital penetration tends to concentrate land ownership (Furtado 1970). Finally, host countries are likely to create political and economic climates favorable to foreign capital that limit domestic labor's ability to obtain more favorable wages (London and Robinson 1989) (p. 438).

The findings related to trade openness are encouraging but, as pointed out earlier, free trade has been increasingly subordinated to corporate ownership of domestic assets, which increases the dependence of developing countries on foreign investment with its deleterious consequences for economic development. Furthermore, trade arrangements over the last 20 years have been increasingly designed to give advantage to developed countries and transnational corporations, especially in the area of agricultural products and natural resources. According to The New York Times (2002):

... hundreds of millions of people in poor countries who grow food for a living are frozen out of rich countries' markets by "the greatest trade barriers" in the world, the ones imposed by rich nations, the World Bank says in a new report. No less a globalist than Mike Moore, the director general of the World Trade Organization, said in Monterrey that the agricultural subsidies paid out by the United States and the European Union costs the developing nations more than $250 billion a year in lost markets—more than five times the sum of all the aid they receive. The United States today spends twice as much directly subsidizing American agribusiness than it does aiding needy nations. All told, subsidies and other
support fertilizing the fields of wealthy nations run about $1 billion a day, or roughly six
times the amount spent on aid (Weiner, 2000, p. 4).

In addition to the manipulative use of trade barriers, developed countries have
been investing increasingly smaller amounts of capital in developing countries
(except China) and aid funds have declined substantially over the last 20 years,
especially since the end of the Cold War. A World Bank survey shows that:

... after growing furiously through the early 1990s, annual private capital flows to the
developing world fell from $300 billion in 1997 to just over half that level last year. Stock
and bond markets went into reverse after the 1997 Asian financial crisis, drawing more
money out of developing countries than they put in. Corporate foreign investment declined
only modestly, but is still below its 1997 peak (Kahn, 2002, p. 6).

The Times article also reports that the United States and China seem to have
benefited most from the global trend toward open markets. Americans can spend
more, save less, and import rather than export, due to the inflow of capital. The
article cites opponents of globalization who criticize the flow of surplus capital
from nations on the periphery toward the United States. The Times adds that foreign
aid from the United States to developing countries has dropped sharply since the
end of the Cold War.

Although the United States plans to increase its foreign aid by 50 percent
to $15 billion over the next three years, it will still be far less as a percentage of
GNP than the United States gave 20 years ago and represents a tiny increase from
0.10% of the national economy to 0.13%. The European Union will increase its
aid spending from 0.33% to 0.39% by 2006, a change of $20 billion. This level,
however, is still well below the 0.70% goal set by the United Nations, which would
represent an increase of $50 billion a year (Weiner, 2002).

On the whole, most developing countries have yet to experience any sus-
tained significant success in the global economy, and many have experienced
essentially continuous decline over the last 15 years, including virtually the en-
tire continent of Africa. In describing the views of several leaders of developed
countries expressed at the recent Monterrey World Conference on poverty, Kahn
states:

Globalization, or the fast-paced growth of trade and cross-border investment, has done far
less to raise the incomes of the world’s poorest people than the leaders had hoped, many
officials here say. The vast majority of people living in Africa, Latin America, Central Asia
and the Middle East are no better off today than they were in 1989, when the fall of the
Berlin Wall allowed capitalism to spread worldwide at a rapid rate (Kahn, 2002, p. 6).

According to the most recent United Nations’ Human Development Report
(1999), gaps are continuing to widen—both the socioeconomic gap between de-
veloping and developed countries and the gap between countries within the developing
world. The poorer countries are 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 levels in more than 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 neoliberal policies of structural adjustment have not only reduced real wages in many developing countries, but also contributed greatly to reductions in social wages—public goods such as provisions for education and health care. The forced reductions in public expenditures for 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.

**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. According to the United Nations’ Human Development Report (1999):

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 U.N. 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 (p. 8).
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 health care 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, let alone the 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.

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

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?

We think John Rawls’ (2000) 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’ fundamental position is that inequalities are arbitrary and cannot be convincingly defended in ethical terms, unless 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.
If we were to extend this radically egalitarian standard of social justice beyond individuals within nations, to the increasingly unequal relationships between countries within 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 nations 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 America 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 not to be tortured and the other juridical rights are, the liberationists were concerned about the absence of socioeconomic rights from the human rights agenda.

According to the liberationists, the human rights agenda must include a "preference for the poor," the least well-off (Rawls, 2000), if it is to make a substantive difference in the lives of the masses who have never been included in the social contract—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.

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 (pp. 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.

In the next section we discuss a number of models that could be used to begin bridging the gap between analysis and action, between ethics and politics in the global environment.

TOWARD A MORE JUST GLOBAL SOCIETY

Ulrich Beck (2001) has pointed out that neoliberal globalization is neither ethically defensible nor practically sustainable. Without fundamental modification, advocates of neoliberal global reform will fail to achieve even their own narrow aims. The structural adjustment policies of the IMF and World Bank have greatly facilitated achievement of the neoliberal goal of a borderless world for finance capital, but not for labor, which is largely trapped in developing countries governed by states with diminishing capacities to ensure their physical, social, and economic security. This is even true to some extent of states in developed countries with substantial populations that are largely excluded from the benefits of economic growth and victimized by increasing inequality. Under the neoliberal regime, capital is free to pursue opportunities of maximum return on investment (or disinvestments) with increasingly less responsibility for preventing or repairing the damage that accumulates in its wake.

According to Beck (2001), this accumulating damage eventually will make the neoliberal regime incapable of reproducing itself. Beck points to several sources of instability that are already evident in what he calls the “world risk society” and that continuing deregulation, liberalization and privatization will only make worse (p. 84):

- The series of financial crises in Asia, South America, and Russia;
- Unemployment, fragile employment, and “jobless growth”;
- Inequality, poverty, and exclusion within and among countries, and the connection of all this to conflict, security risks, and then the withdrawal of investors;
- Global environmental and technological risks;
• The downward trend of corporate taxes and the inability to finance common goods, nationally and globally;
• And finally, tensions between capitalism and political freedom, the market and democracy.

He goes on to point out that:

...of such hazards the neoliberal regime is counterproductive. Without taxation, no infrastructure. Without taxation, no proper education, no affordable health care. Without taxation, there is no public sphere. Without a public sphere, there is no legitimacy. Without legitimacy, there is no conflict management and no security. To close the circle: without forums for regulated (that is, recognized and nonviolent) handling of conflicts, both nationally and globally, there will be no economy whatsoever.

This is the central paradox of the neoliberal model of state and politics. On the one hand, it is oriented to the ideal image of the minimalist state, whose responsibilities and autonomy are to be tailored to the enforcement of global economic norms. ... On the other hand, deregulating the market and privatizing public assets does not mean a weak state. What is in prospect is a stronger state, for example, in matters of surveillance and repression ... Above all, such a state must make certain that mobility of capital is not matched by any comparable mobility of labor ... in order to attain the goal of neoliberal restructuring of the world, the power of the state has to be simultaneously minimized and maximized (pp. 85–86).

Malcolm Bull (2001) has observed that globalization appears to have created a world of increasingly unlimited risk (of social, economic, environmental, and physical vulnerability) without a corresponding means of control, other than an altruistic resort to military interventions, which often have the result of creating whole new arenas of risk and cost. In the wake of the September 11, 2001, terrorist attacks, Bull thinks that success in containing terrorism (one of the escalating risks partially attributable to neoliberal globalization) and avoiding a fiasco like the “war on drugs” will require global social inclusivity and reciprocity, and a form of international governance—a global authority—that would make inclusivity and reciprocity achievable. In his view:

If the U.S. wants to make the world a safer place, it will eventually have to offer, or force other governments to provide, the population of the entire world with the means to participate in global society. This will involve real constraints on the operation of the market, particularly finance capital. Tuesday 11, September 2001 may prove to be the date at which neoliberalism and globalisation parted company (p. 7).

Bull (2001) thinks that the emergence of a global authority is most likely to occur through the extension of U.S. sovereignty and the creation of a U.S.-led social welfare state, which would be infinitely more humane and cost-effective than a military approach to policing the Empire. For leftist critics who may find this scenario incredible, Bull notes that:

The international Left’s few successes of the past fifty years—decolonisation, anti-racism, the women’s movement, cultural anti-authoritarianism—have all had proper (and often official) backing from within the United States. The United States is no utopia, but a utopian politics now has to be routed through it. Anti-globalisation is often an argument for
the globalisation of American norms—why should workers in the Philippines have fewer
ingh rights than their American counterparts (p. 7).

It would appear, however, that current policies would have to be reversed
before the United States could even begin to contemplate a welfare approach to
the management of a global-risk society rather than a complete dependence on
a military response to terrorism. Recent tax cuts—which will total more than
$2 trillion once fully enacted, the slide from budget surpluses back into deficits
for the next several years, and the large increases in military spending may well
undermine the federal government’s capacity to maintain the current, relatively
limited, social welfare system during the next several years, and especially after
2010. In all probability, the United States is facing a major political struggle over
the future of the Social Security and Medicare programs for the elderly, whose
number will more than double over the next 25 years. Robin Toner (2002) in The
New York Times has already reported that the major policy debates of the future
are more likely to be influenced by the politics of aging than by any other factor.
If the United States is facing a major political debate over the status of its own
domestic social welfare program, it is difficult to envision how it can become
a leader in extending these benefits globally. It is not impossible, however, just
difficult. The costs and failure of military containment of sources of risk may, in
time, lead to new thinking about alternatives to neoliberal and military strategies
of managing globalization, including a global welfare system and new institution
for the regulation of the global economy, especially finance capital.

A model of what such a world might look like may be emerging in the form
of the European Union as described by Jurgen Habermas (2001) in terms of its
possibilities for transnational political action and policy development in the Euro-
pean context. For Habermas, the developmental trajectory of the European Union
contains the potential to protect Europeans against the threats of globalization,
including the erosion of the welfare state confronting nations struggling to remain
competitive in the global economy by cutting corporate costs (taxes). Preservation
of the welfare state is critical, given its role as the backbone of a society “still
oriented toward social, political, and social inclusion” (p. 9).

According to Habermas, the democratic governments of Europe have the
chance, through the construction of the European Union, to counter the damaging
effects of globalization by establishing transnational policies designed to protect
both short and long-term losses in the global economy through human capital
investment, temporary tram fees, and, where these are not sufficient, basic income
schemes such as a negative income tax. Achieving these policies is feasible in the
context of the emerging European Union because:

... the political tradition of the workers’ movement, the salience of Christian social doctrines
and even a certain normative core of social liberalism still provide a formative background
for social solidarity. In their public self-representations, Social and Christian Democratic
parties in particular support inclusive systems of social security and a substantive conception
of citizenship, which stresses what John Rawls calls “the fair value” of equally distributed
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rights. In terms of a comparative cultural analysis, we might speak of the unique European combination of public collectivisms and private individualism (p. 10).

European nation states on their own are not in a strong position to resist the requirements imposed by deregulated financial markets in the global economy. In order to remain competitive and "investment worthy," they are pressed to cut taxes and social expenditures, let inequalities in the distribution of income and wealth grow, adopt a moral view of society that accepts social cleavages and exclusion, and trade a shrinking social democracy for an unfettered market. Habermas thinks, however, that if the European Union, unlike lone nation states, can effectively:

seek a certain re-regulation of the global economy, to counterbalance its undesired economic, social and cultural consequences, they have a reason for building a strong Union with greater international influence…. The Union may be seen as a laboratory in which Europeans are striving to implement the values of justice and solidarity in the context of an increasing global economy (p. 12).

The European Union may be a regional vehicle for political integration and the construction of higher, order political agencies that will be a match for integrated, though deregulated, global markets. From this perspective, the future of the European Union may be driven by a "common attempt by the national governments to recover in Brussels something of the capacity for intervention that they have lost at home" (Habermas, 2001, p. 14).

In response to skeptics who think the European Union is too abstract and remote a notion to ever generate the level of commitment and loyalty characteristic of the citizens of nation states, Habermas (2001) points to the history of the European states:

... Since the emergence of national consciousness involved a painful process of abstraction, leading from local and dynastic identities to national and democratic ones, why, firstly, should this generation of a highly artificial kind of civic solidarity—a "solidarity among strangers"—be doomed to come to a final halt just at the borders of our classical nation-states (p. 20).

In learning to cope with the deep religious, political, and ethnic cleavages and violent rivalries of its past, Europe is uniquely prepared to create a transnational form of governance based on democratic values and a necessary level of social solidarity. Habermas continues:

It is the lasting memory of nationalist excess and moral abyss that lends to our present commitments the quality of a peculiar achievement. This historical background should ease the transition to a post-national democracy based on the mutual recognition of the differences between strong and proud national cultures. Neither "assimilation" nor "coexistence"—in the sense of a pale modus vivendi—are appropriate terms for our history of learning how to construct new and ever more sophisticated forms of a "solidarity among strangers." Today, moreover, the European nation-states are being brought together by the challenges which they all face equally. All are in the process of becoming countries of immigration and multicultural societies. All are exposed to an economic and cultural globalization that awakes memories of a shared history of conflict and reconciliation—and of a comparatively low threshold of tolerance towards exclusion (p. 21).
Habermas' (2001) view of the emerging European Union is also largely held by Beck, who now thinks of Europe as "a new kind of transnational, cosmopolitan, quasi-state structure, which draws its political strength precisely from the affirmation and taming of the European diversity of nations" (p. 88). In Beck's view, the European Union, if it reaches a sufficient level of integration, will demonstrate that sharing sovereignty increases sovereignty rather than reduces it in the context of globalization and unregulated markets. Nation-state autonomy is of little value if it leaves the nation and its citizens without effective leverage in asymmetrical negotiations with transnational corporations and international financial institutions. Increasingly, the only nation capable of remaining autonomous and exercising effective sovereignty is the United States. Even the United States, however, is unlikely to wield largely undiluted sovereign indefinitely, especially if the European Union develops according to the potential described by Habermas and Beck, and the cost of policing an increasingly polarized, violent world becomes prohibitive.

The democratic potential of the European Union described by Habermas and Beck is consistent with the kind of cosmopolitan democracy advocated by Daniele Archibugi (2002) as a new framework for the potential regulation of interstate relations in an increasingly global economy that is designed to protect human rights and provide human welfare on a global basis. The global economy, dominated by a small number of developed countries and transnational corporations, cannot be left to itself to regulate international relationships; this will require global political management based on a commitment to achieving greater levels of equality and justice among nations. According to Archibugi, the projections of U.S. military power across the globe will not be an effective substitute for the evolution of international democracy (cosmopolis) and a more expansive, transnational concept of sovereignty. She writes that:

No corner of the world is safe any more. Cosmopolis is not only a utopia but a nightmare too. Yet the terrorist attacks and the U.S. military reaction both serve to confirm that what we need is democratic management of global events, not high-tech reprisals. The fall of the Berlin Wall raised expectations that world politics might be moving from the rule of force towards a global society founded on legality. The last decade has fallen short of these in many respects. Nonetheless September 11 should not be allowed to erase the hopes of the last ten years forever (p. 37).

She also notes the futility of efforts to use military power to contain threats to the United States and other countries over the last several decades:

Cosmopolitan democracy has been called ingenuous and ineffective; but after years of Realpolitik, what is the result? A new conflict has moved into history's stage, one that the political and military supremacy of the United States and the West has proved incapable of preventing. There could not be a clearer argument for turning to the politics of cosmopolitan dreams (p. 37).

The U.S.S.R./U.S. standoff during the cold war provided a relatively effective framework for regulating conflict. The United States is now the only superpower in the world, and there is little reason to think that it will be able to project enough
military power to impose a new regulatory regime on the world by itself. This political vacuum is likely to be filled by incessant violence and destruction until a new international political structure of the kind Archiugi (2002) advocates emerges. Components of such a structure are already evident in her recommended strategy for responding to the terrorists responsible for the mass murder of September 11, 2001 in the United States.

Democratic cosmopolitanism would propose exactly the opposite course to that which the U.S. government has taken: the use of police, international tribunals and the U.N. to punish criminal terrorists. Pace sceptics such as Chandler, these institutions are the best tools we have to defend civilians from the indiscriminate use of force (p. 38).

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 (pp. 182–183).

For the moment, however, and probably for the next several years, the U.S. represents the major obstacle to the development of effective international institutions and political structures designed to internationalize democracy, contain violence, and help create a more equal global economy. In describing the perspective of the United States government, Zygmunt Bauman (2002) writes:

...there is simply no prospect of gain in building and cementing global legal and political structures if, thanks to superior weapons and apparently inexhaustible resources, a superpower can reach its objectives without them more swiftly and at much lesser cost (p. 36).

At the same time, however, global disorder also serves the interests of the terrorists:
There is, one may say, the un-gentlemanly agreement which neither side of the “war against terrorism” shows any intention of breaking: both sides mitigate against the imposition of constraints on their freedom to ignore or push aside the “laws of countries” whenever such laws feel inconvenient for the purpose at hand (p. 36).

As a consequence of this mutually beneficial global disorder:

... the ancien régime (in the shape of the planet sliced into sovereign nation-states with no universal law binding them all) is falling apart, blazing the trail for global state- and non-state terrorisms. There is no “politics of global order” in sight, boasting a vision wider than that of an average police precinct. In the absence of such a wider vision, the sole strategy for creating order consists of rounding up, incarcerating, and otherwise disempowering the agents who have been declared illegitimate by those unhampered in their own presumptions. Most certainly, little thought and even less political will have been thus far dedicated to the possible shape of democratic control over the forces currently emancipated from the extant institutions of legal and ethical control and free to deliver blows of their choice to the targets of their choice. ... The responses to the terrorist assault of September 11 have yet further exposed the essential lawlessness of the global frontier-land and the irresistible seductiveness of the catch-as-you-catch-can tactics (pp. 36–37).

A totally militarized and unaccountable response to terrorism, however, is no substitute for a more democratically organized and managed global environment. In searching for an alternative to constantly escalating levels of violence and human degradation, Bauman considers the consequences of Kant’s observation that in time we must learn to live together in a fully populated world with no frontier to absorb surplus populations which will require a “complete citizenship unification of the human species” (p. 41). According to Bauman:

... hospitality is the supreme precept which we will need—and eventually will have to embrace—in order to seek the end to the long chain of trials and errors, the catastrophes the errors have caused, and the ruins left in the wake of the catastrophes. As Jacques Derrida would observe two hundred years later in Cosmopolites de Tous Les Pay, Encorson un Effort: “Hospitality is ethics itself, not one ethic among other. Ethics is hospitality.” Indeed, if ethics, as Kant wished, is a work of reason, then hospitality is—must be or sooner or later become—ethically-guided humankind’s first rule of conduct (p. 41).

Bauman concludes that:

The unity of the human species that Kant postulated may be, as he suggested, resonant with Nature’s intention—but it certainly does not seem “historically determined.” The continuing uncontrollability of the already global network of mutual dependence and “mutually assured vulnerability” most certainly does not increase the chance of such unity. This only means, however, that at no other time has the keen search for common humanity, and the practice that follows such an assumption, been as urgent and imperative as it is now. In the era of globalization, the cause and the politics of shared humanity face the most fateful steps they have made in their long history (p. 42).

The potential responses to globalization described by Bull, Habermas, Beck, and Bauman are substantially consistent with the ethical perspectives we advocated in the previous section. In our view, the Rawls theory of justice and liberation philosophy point the way beyond the current inequalities and injustices of globalization and the even greater misery that awaits vulnerable populations in developing countries in the future and toward the more rational and just methods
of organizing the international economy and managing relations among the peoples of the world. Their scenarios may seem utopian, but we think they are far more realistic than the neoliberal notion that unregulated markets and structural adjustment, including the dismantlement of the welfare state, even in its most rudimentary form in developing countries, is somehow sustainable. As the elderly and other vulnerable populations rapidly increase over the next 20 to 30 years and the contradiction between neoliberalism’s claims of efficacy (ability to solve problems) and its actual results, which are already evident throughout the developing world, become increasingly clearer, the ethical and the politically necessary may converge to an extent now considered impossibly utopian. The alternative would probably be a world very similar to Castells’ description of where globalization is currently headed, with up to two-thirds of the world’s population locked in an endless cycle of misery, most of the rest living in fear of joining them and with a minute elite walled off in fortresses of virtual reality and moral squalor.

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