

CAUSES OF POVERTY



Poverty is not a natural condition nor are the poor makers of their own misfortunes or the victims of their own faults and weaknesses. Poverty is not due to individual shortcomings in personality or morality nor failures of family and upbringing. To argue as if it were, is to obscure the causes of poverty, justify its existence and detract from the responsibility for its cure.

Poverty is created. It is created by an uncaring international community, governments and societies. Worsening poverty has resulted from discriminatory and exclusionary policies that create an inequitable distribution of resources and prevent people from accessing the benefits of development. In our own times poverty has increased and intensified under national and international economic policies that are now encapsulated in the concept of globalisation, whether they are structural adjustment programmes (SAPs), or the subordination of national economies to the unchecked interests of global capital. The positive potential of globalisation - such as increased information exchange, the free reign of human rights and the opening of markets to poor

people's products - is obscured by its misuse by powerful interests that can compel priorities at the national level and uphold unfair trading systems and monopolist property regimes at the global level.

The closely intertwined skein of trans-national political and economic interests combined with the increasing social cohesion of affluent groups across the world is principally responsible for the situations that create economic disparity and divisions within society. This alliance of interests creates unbalanced structures of international trade and investment, uneven distribution of new technologies and an unjust allocation of resources, as well as employment practices that work against the interests of the poor. These biases are often then entrenched in both national and international systems through legislation. All this conspires to exclude the majority of Commonwealth people from access to meaningful economic opportunities.

Poverty is also born out of consistent and unchecked theft and waste of community resources, corruption and the misappropriation of public and private wealth. A powerful economic and political class accompanies poverty, with no interest in social reform. Poverty is caused by largely unaccountable systems which govern people and insulated economic and social conglomerates of the global and national elite that keep the poor ill-equipped to participate in political processes or to mobilise the legal process to their aid. More than anything else, poverty is about unequal power relations and the ability of the few to oppress, suppress and exploit with impunity.

Globalisation

"I sit on a man's back choking him and making him carry me, and yet assure myself and others that I am sorry for him and wish to lighten his load by all possible means - except by getting off his back."

Leo Tolstoy

The term globalisation itself has no precise meaning, but for our present purpose which is related to poverty eradication, it may be defined as the growing dominance of market principles in the organisation of international and national economies, the inter-state penetration of trade and investments, the liberalisation of economies through privatisation, the removal of national restrictions on imports and exports, and the freeing of financial markets and movements of capital. Undoubtedly, globalisation has brought about increasing cultural and information exchanges, networks of governmental and non-governmental organisations, a growing sense of inter-dependence, the spread of the concept and elaborations of human rights, international collaboration in dealing with global problems, and so on. But these developments - even when they seek to cushion the impact of globalisation - are shaped and dominated by world economic processes.

Passion for Profits

The truth is that the ruling passion of globalisation is 'profit', not human values or welfare. As William Greider says:³⁴

“The terms of trade are usually thought of as commercial agreements, but they are also an implicit statement of moral values. In its present terms, the global system values property over human life. When a nation like China steals the property of capital, pirating copyrights, films or technology, other countries will take action to stop it and be willing to impose sanctions and penalty tariffs on the offending nation’s trade. When human lives are stolen, nothing happens to the offender since, according to free market’s sense of conscience, there is no crime.”

There is nothing inevitable about these economic processes. They are the result of particular policy decisions made by a global elite who have fostered a number of organisations and institutions which nurture this new economic order, most prominently the World Trade Organisation (WTO) and the growing role and influence of international financial institutions (IFIs). The processes of globalisation are greatly assisted by innovations in technology and management, the pre-eminent ownership and control of which is with the rich.

Inequality and poverty long preceded what is today termed ‘globalisation’; and the causes of poverty cannot be solely attributed to it. But the momentum that the phenomenon has gathered; the sheer force of the interests that are driving it; its pervasive influence over international and national economies, politics, and societies in the last twenty or more years and the extent of populations that are experiencing its negative effects; have inextricably associated globalisation with the exacerbation of poverty which is pushing unheeded millions into a downward spiral of poverty.

There are counter-arguments which focus on: the efficiency of globalisation and its abilities to use the world’s resources optimally; its potential for encouraging human creativity and spreading democratisation; its ability to increase the cake for all to share; and its capacity for ushering in an era of prosperity and rights. However, these benefits are a reality for only an elite minority of people in today’s Commonwealth. This is no accident.

The ideology of globalisation is rooted securely in market liberalism, the celebration of the virtues of private economy and critiques of state management of, or interventions in, the economy. This ideology argues that a country can maximise the welfare of its people only if it integrates in the global economy. In so far as the ideology of globalisation concerns itself with rights, it privileges certain civil and political rights which are deemed essential to the operation of national and international capitalism, such as the increasing scope, clearer elaboration and protection of private property, the strict enforcement of commercial contracts, the independence of the judiciary, and the rule of law. It requires an active role for the state only to create and reinforce laws, institutions and policies in order to promote favourable conditions for global capitalism. But the ideology is against specific state interventions for the protection of economic and social rights, such as those that aim at redressing social injustices through affirmative policies and other redistributive mechanisms or protecting the domestic economy against the ravages of external forces.

This ideological orientation has been used to justify the termination of policies which have hitherto sustained a measure of social cohesion through assistance

to the disadvantaged and promoted a minimum degree of access to education and health services. It is often argued that the harm caused by the market's failure to guarantee people's well-being is less severe than that caused by the government's failure to uphold rights. The tragedy of bad governance should not be ignored. However, the existence of irresponsible duty-holders is no reason to submit democracy and rights to the domination of an unaccountable market. The dangers of this are nowhere better demonstrated than in the outcome of years of bowing to SAPs.

Effectively imposed by powerful outside donors on already weak states, SAPs have been the harbinger as well as the facilitator of accelerated globalisation. They have not only resulted in a calamitous reversal in economic growth in affected countries but have systematically eroded the authority of the state and the rights of vulnerable people and succeeded in sharpening inequality in society by pushing a large number below the poverty line. Faced with these consequences, even the most ardent promoter of SAPs - the World Bank - has had to acknowledge the failure of these programmes to achieve national well being. Health care systems are collapsing, medicines are hard to obtain and schools are being closed down due to huge cuts in state grants. In Zimbabwe, for example, since the introduction of the programme in 1990, households classified as poor rose from 40.4% in 1991 to 63% by 1996. In the same period, extreme poverty increased from 16.7% to 35.7%. Today 75% of all Zimbabweans are classified as poor and 47% as very poor. The most vulnerable have been the hardest hit by SAPs, while the commercial sector has been the principal beneficiary.

Dying For More

Crude prescriptions from afar that give primacy to commercial interests over human dignity have wrought havoc in Zambia.

In obedience to SAPs, the Zambian government speeded up privatisation programs. But 50% of the companies sold out of the state sector are now bankrupt. More than 60,000 people have lost their jobs as a result of the economic liberalisation programme introduced after 1991. With many mouths dependent on one breadwinner, this has thrown an estimated 420,000 people into destitution. 40% of Zambia's children are suffering from chronic under-nutrition. This reflects the cuts in public spending and the introduction of school fees. For example, whereas in 1991 the Zambian government spent about US\$60 per primary school pupil, it now spends just US\$15. Girls are the first to be withdrawn from school. In 1980 the under-5 mortality rate was 162 deaths per 1,000 births. It is now 202 per 1,000 or one in every five. The average life expectancy has fallen from 54 in the mid-eighties to 40 now.³⁶

Overseas Development Assistance (ODA) is known to be an instrument designed to help narrow the gap between the developed and the developing nations. From its beginning, however, ODA was more than humanitarian assistance. It constituted an integral part of the donor's foreign policy objectives. Given the donor/developed countries' need for raw material and markets, and the skewed distribution of resources, ODA became an instrument for shaping the politics and

The Debt Trap

Between 1981 and 1997 developing countries paid almost US \$3 trillion in interest and principal payments - double of what they received in new loans. In 1999, developing countries borrowed US \$246 billion, but paid back US \$349 billion just in interest on old loans, meaning a net transfer of US \$103 billion from South to North.³⁸

economies of recipient countries towards a particular end. Since most of the funds were given in forms of loans, the pursuit of 'development' contributed to massive indebtedness - carried forward - creating a debt-cycle. By 1997, the world's highly indebted 41 poorest countries had a debt burden of US \$215 billion, as against US \$183 billion in 1990 and US \$55 billion in 1980.³⁷ This has ensured that these poor countries pay more in debt service than they can invest in development. The Heavily Indebted Poor Countries Initiative (HIPC), which was evolved to give debt relief, has been able to make very little dent. It is difficult to convince the donors that in the long run it is more efficient to invest in the poor, mobilising their labour, than the non-poor, who absorb more resources than can be socially, morally, and economically justified.

Asymmetries

SAPs are one high visibility example of the ideology of globalisation in practice. In order to combat the negative effects of globalisation, it is necessary to uncover its mechanisms. Globalisation has arisen on the basis of a series of asymmetries - which are at the root of growing poverty and inequalities.

The State and the Market

The first asymmetry concerns the relationship between the state and the market. The irony of 'free' markets is that they are not free. They are created and sustained by political intervention - whether voluntary or induced. Many of the conditionalities imposed on states in the name of SAPs are aimed at 'globalising' national economies through opening them to foreign investment and trade. Free markets require political clout to penetrate new areas and to flourish in them. For this, commercial interests rely on the coercive powers of their affluent and powerful home regimes and the international arrangements such as the WTO and North Atlantic Free Trade Association (NAFTA) that now govern trade. Very few developing countries have enough clout to gain their home industries a foothold in developed markets. Globalisation does not work even-handedly for all commercial interests. This is especially so, as the protected markets of developed countries belie their free market rhetoric.

At the same time the state is weakened by the imperatives and influence of multinational corporations. Privatisation and liberalisation, as conditions of SAPs, have produced a more 'autonomous' market system by decreasing the scope of the powers of the state and generating an equivalent increase in those of the private sector. Corporations have acquired enormous powers to negotiate with governments on the terms of their investment and operation, and great capacity to affect fundamental decisions on social, economic and political policies of states. The conditions of global competitiveness give great leverage

Where The Money Is

Since 1970, multinational companies have grown in number from 7000 to over 50,000 in 1999.

Global corporations now account for over 70% of international trade flows, one third of which flow among these companies themselves.

At the global level, the combined annual revenue of the top five corporations in the world exceeds that of the poorest 100 countries put together. Put another way, the world's 100 biggest companies have a combined annual revenue larger than the GDP of half the world's nations.³⁹

to corporations over public policies and practices. Because corporations are free to move around the globe unhindered, states compete for investments by, for example, lowering taxes, removing regulations over business, lowering environmental standards, and restraining workers' organisations. The consequent loss of revenue to the state means that it has ever less resources to spend on poverty alleviation. In many states welfare - where not abolished - has been privatised and numerous key state functions have been transferred to the corporate sector.

Democracy has also been weakened by this shift of power from the state to corporations, and other global institutions. As policies are frequently imposed on states, either explicitly as conditionalities or effectively as the logic of global markets, states are forced into the role of agents of international capital and often end up acting

against the very wishes of their own citizens. Indeed, global capitalists often rely on a nation state's coercion of its citizens to ensure that their interests are protected. The locus of the exercise of sovereignty or self-determination is no longer solely the state. This weakens the ability of citizens to hold states accountable, as they no longer have the capacity to respond fully to the demands of citizens, whose lives are ever more affected by the policies of non-state actors.

Those corporations and institutions which have replaced aspects of the state's governing force are themselves not democratic, being run by executives or bureaucrats on behalf of particular interest groups. A good example is when a state joins a regional economic association (which are themselves a product of globalisation). In regional associations, the interests of capital generally wield more power than all other groups, resulting in a democracy 'deficit.' The corporate sector deals with a large number of stakeholders - shareholders, workers, consumers, sub-contractors, the state and communities in which its enterprises are located. It has effectively disempowered all of them and impoverished many.

Although shareholders and consumers are groups to which global corporate power is directly accountable, to a large extent even they are unable to effectively monitor corporate behaviour or control management. Corporate activities are as widely dispersed as are shareholders and consumers. This makes it difficult for the latter to know what decisions and activities are underway and exert any united or effective authority. Other shareholders, such as those who purchase shares through pension funds, cross-holdings and portfolios, may not even be aware of which companies they have invested in. Large and small sub-contractors tend to become so dependent on a particular corporation that they are often forced into work practices that contravene legal or acceptable standards. Corporations have pushed wages down and reduced many

safeguards of the work place and of social security - particularly in the developing world - with no means for the workers to voice their opposition. Cartelisation has further reduced consumer choices.

Investing In Human Rights

Corporations can be persuaded to act more responsibly when investors demand ethical practices be put in place which further the human rights of people.

Friends Provident, a major UK pension fund, has thrown its weight behind a campaign led by Oxfam to force the £120 billion drug giant, Glaxo-SmithKline (GSK) to make essential drugs available cheaply in developing countries.

The issue that has catapulted this to public consciousness is the HIV/AIDS epidemic which is ravaging African countries and the South African government's efforts to make generic drugs available to its population rather than paying for just a few expensive drugs from the giant pharmaceutical companies.

Friends-Ivory Simes, which manages Friends Provident's pension money, has £30 billion under management and about £1 billion invested in GSK. Craig Mackenzie of Friends- Ivory Simes, said: "If millions of Africans are dying of preventable diseases and one reason is that drug companies are charging too much, you have a serious reputational risk."⁴⁰

Friends have made an ethical investment policy statement which precludes them from investing in companies that they see as profiteering from excessive drug prices. This kind of policy damages the investment prospects of major companies such as GSK, thereby encouraging socially responsible practice. Other institutional investors are beginning to follow suit. GSK has recently announced price cuts on key medicines in 63 countries.⁴¹

To compound the misery of the poor, there is frequently close collaboration between corporations and governments, lubricated by bribes and a convergence of sectoral self-interest amongst elites. The state will often, in the name of development, unfairly favour schemes which dislocate hundreds of thousands, carefully prevent scrutiny of processes, refuse to divulge criteria or the prices for granting valuable concessions, object to publishing data on impact, and in the name of maintaining law and order undertake oppressive practices to enable the exploitation of people and resources by corporations, as is typified by the oil industry in Ogoniland in Nigeria. These practices further remove the state's machinery from citizens and weaken the underpinnings of democracy.

Capital and Labour

A second fundamental asymmetry in globalisation is between capital and labour. Capital is free to move around the world - the daily flow of dollars and other major currencies runs into billions. There is no similar mobility for labour. It is argued that there is little need for labour to flow across borders when capital, industry and manufacturing can come to labour, but this discounts the fact that these are small enclaves of opportunistic employment which can be removed and relocated without much concern for the labour force. Capital is entitled to national treatment wherever it chooses to go, but

not the migrant workers, who are subject to considerable legal restriction and practical discrimination in the host countries. Capital can move out of countries at the press of a button and corporations move out of territories as suits their business strategies. Corporations therefore, hold labour at ransom, threatening to disinvest if legitimate workers' demands are not moderated either by themselves or the state. For many countries, contemporary globalisation began with the establishment of 'free' economic zones, enclaves of unregulated markets to attract foreign investment. Protective labour laws relating to minimum wages and the right to associate were suspended or modified in these enclaves, changing the power relationships in favour of corporations. Capital, commerce and corporations are much better able to organise and co-ordinate policies and strategies globally than labour - through chambers of commerce, cartels designed to exclude others and retain competitive edge, interlocking relationships, and influence over governments and international financial and trade organisations. Workers, often confined within national boundaries, are forced to accept unfair terms. This is demonstrated in the weakening of their ability to demand fair wages, pensions and safe working conditions.

Markets and Communities

The third asymmetry is between markets and communities, for, the most serious challenge for the world economy in years ahead lies in ensuring that international economic integration does not contribute to domestic social disintegration. In the 20th century the excesses and failures of the market led to a class compact that eventually culminated in social democratic orders in the West. The essence of this compact was a politically and democratically regulated market, in which rights and protections of labour, including minimum wages and safe working conditions, were recognised, basic services and social security were to be provided by the state and the externalities of corporations were well regulated. Institutions were established to mediate between the interests of different social and economic groups and maintain a degree of social cohesion.

The speed at which globalisation is spreading, the historic accretions of financial power, technological capability and ownership of intellectual property, on the one hand, and the weakened political and economic situation and bargaining power of governments of developing countries on the other, create serious consequences for the stability of society.

For one, the moving frontiers of the market have prised open communities hitherto living in autonomous circumstances with control over their natural resources to the predatory practices of corporations. Freed from national regulation, the global market subordinates societies. The result is greater

social polarisation, alienation and the disintegration of social bonds. Corporations have broken the cohesion and integrity of communities, dispersing their members and appropriating their resources. They have often ruined people's environment whilst giving little in return. Well known examples are the Bougainville Copper Mine and the Ok Tedi mine in 'mainland' Papua New Guinea. In specific localities, like large plantations or industrial sites (sometimes referred to as 'company towns'), corporations assume many functions of the government or administration and have an enormous influence on the lives of the people. The appropriation of their resources destroys the basis of their way of life and takes away their means of livelihood. Increasingly, communal property resources are passing out of the control of communities and are being converted to individual property, as many tribal and indigenous peoples have discovered. Mega projects often result in the displacement of entire communities, exposing them to vulnerabilities over which they have no control.

For another, the freedom of exchange and transaction, in itself part and parcel of the basic liberties that people have reason to value, is being eroded by aggressive competition from privileged players. The market organisation of manufacturing, trade, services and agriculture relies on homogenised models of private ownership underpinned by wage labour and meant for mass production and consumption. The need for economies of scale for survival denies small service providers, producers, cultivators and artisans - all of whom already work in fragile economic environments - the ability to share in markets. Those who depend on diverse small self-sustaining enterprises are squeezed out by privileged competitors in the same field.

The Selective Use of Rights

The fourth asymmetry is between the different kinds of rights that the ideology of globalisation supports, prioritising market-oriented rights over social rights, that is, property, investment and trade rights over equality, mobility of labour, social justice and rights of communities. The exclusionary effects of this are clearly illustrated when we examine the pre-eminence now accorded to property rights, in particular intellectual property.

Intellectual property rights (IPR) are an instrument of power which enables their holders to control or influence a host of others' economic activities. It has long been clear that poor countries benefit little from intellectual property rights. The extensive protection given to intellectual property rights has meant that large Western corporations have firm control over industrial development and imports to and exports from developing countries. It has represented a huge flow of funds in the form of royalties to the already rich countries and corporations, and has had the effect of weakening the capacity for research and innovation in developing countries.

Bio-Prospecting

Advances in biotechnology for plant breeding purposes and for manufacturing pharmaceuticals have given enormous economic value to genetic materials, plant varieties and other biological resources.

Contrary to traditional law, the TRIPS Agreement permits patents on micro-organisms, micro-biological and non-biological processes. As a consequence 'bio-prospecting' has mushroomed, taking what were freely held community resources and 'reinventing' them and then patenting them; with the effect that something that was in the public domain is turned into private property and becomes unavailable. Recent patents awarded in the US for healing properties of Turmeric and for pesticide properties of the Neem tree (both known and used by communities from time immemorial in India and Bangladesh) are examples.⁴²

Countries that adhere to the international regime of intellectual property rights have found that they are restricted in their industrial, technological and trade policies. Once an invention or process is patented in one of the participating countries, its use or trade can be controlled by the patent holder in all the participating states - thus reinforcing the technological lead that the West has.

IPRs have often brought under private ownership, resources and products which had hitherto been in the public domain, freely available to all. The ability of corporations to appropriate community resources has been considerably enhanced in recent years due to the expansion and elaboration of intellectual property rights. The world is belatedly appreciating the benefits of biological diversity - not simply because man should not arrogantly assume that all other forms of life are ultimately expendable, but because there are benefits for humanity to be derived from plants and animals, such as, all sorts of drugs. The very existence of various human communities is intrinsically tied up with the other forms of life around them. Yet, during the same period as the Convention on Biological Diversity came into being as a response to the awareness

of the irreversible losses we are inflicting on our world, other types of international agreements threaten some of the very interests the Biodiversity Treaty is designed to protect. Notably, the Trade Related Intellectual Property Rights (TRIPS) agreement threatens to deprive communities - which are so often already extremely vulnerable - of the benefits of natural products on which they have depended, and which their own knowledge and skills built up over centuries have identified and enhanced. For example, by modifying germplasm marginally and registering it in their own name, plant breeders' rights legislation has enabled large companies to appropriate the fruits of the research done by publicly funded national and international agricultural research centres, which disseminate the results of their research, including germplasm, without cost. So time and again public money pledged for the common weal, disproportionately benefits private interests. Legislation of a similar kind has been used to appropriate medicine and other kinds of knowledge and heritage of indigenous and other communities - and then market it back to them at a high cost.

The tensions between, on the one hand the TRIPS agreement, and on the other, the Biodiversity Convention, the Universal Declaration on Human Rights and the International Covenant on Economic, Social and Cultural Rights (ICESCR), epitomise the tensions that arise with globalisation when it is not guided by a holistic rights framework. The benefits of globalisation are parcelled out all too easily to the multinational corporation, and the disadvantages to the third world farmer.

A central feature of the arrangements for the WTO is the generalisation of intellectual property rights to all its members, regardless of their adherence to international conventions on intellectual property rights. Realising the imbalance of the effects of these international conventions for developing countries, many states had stayed out of the international system or modified it in its application in their own legal systems. Now the TRIPS agreement, which was drafted by a committee consisting of the world's leading drug corporations, and strongly supported by the US government during the negotiations, obliges all states to adhere to these conventions and to apply them without any discrimination between national and foreign persons or corporations.

The implications of TRIPS for the supply and distribution of food have been hinted at above. Another important area is pharmaceuticals. TRIPS reduces very substantially the capacity of states to provide for the manufacture or importation of generic medicine. The result is a considerable increase in prices of drugs and the diminution of research on tropical diseases. There will be further concentration of scientific and production capacity in the West, as transnational firms will be free to export finished or semi-finished products instead of transferring technology or foreign investment directly to developing countries. Medical research and drug manufacturing will be further subordinated to the market, with the result, as Medecins Sans Frontières has said, that patients in poorer countries will die because of the lack of access to life-saving medicines and the lack of research and development for neglected diseases.⁴⁴ These patients are dying not because their diseases are incurable (leaving aside the case of HIV/AIDS) but because, as consumers, they do not provide a profitable enough market for pharmaceutical products.

The recent case brought, but withdrawn, against the South African government to prevent it importing generic medicine for HIV/AIDS has underlined the negative consequences of TRIPS. Although pharmaceutical companies made concessions there, they are resisting it in other countries, such as Kenya, which is attempting to introduce similar legislation as in South Africa. It is not therefore surprising that the UN Sub-Commission on Human Rights has questioned the compatibility of TRIPS with human rights instruments, noting a conflict between the private interests of intellectual property rights holders championed by TRIPS, and the 'social' or 'public' concerns embodied in international human rights law. Generic drugs have played a crucial role in providing medicines inexpensively and in developing a technological and production base in developing countries. Generic medicines cost a fraction (sometimes as little as 10%) of the cost of patented medicine, helping to bring down the price of patented medicine through competition.

Bio-Piracy

In the late 1990s, two Australian corporations applied for 'plant breeders' rights' on two varieties of chickpeas. These legal rights would have granted a 20-year monopoly to sell the chickpea seeds to farmers throughout the world. The chickpeas had originally been freely given by an international agricultural research centre from seeds developed and grown by farmers in India and Iran. If the Australians had gained ownership of the plant varieties, they would have held an exclusive right to sell them at a profit to farmers world wide, including the farmers who had first developed the plants. However, the attempt to patent the chickpea strain was finally dropped but only after several civil society groups had brought attention to the attempt and the research centre charged the two corporations with violating a signed agreement.⁴³

Putting a Price on Life

TRIPS puts curbs on many public policies that promote cheap and wide access to health care. In order to promote local manufacturing capacity of generic drugs and make drugs available at lower prices, national laws in many developing countries traditionally excluded product-patents of drugs and medicines allowing only process-patents. Under the TRIPS Agreement both product and process patents are required. This reduces the possibilities of local companies producing cheaper versions of important life-saving drugs. In 1998 the anti-AIDS drug Flucanazole cost US \$55 in India for 100 tablets (150 milligrams each) but US \$697 in Malaysia, US \$703 in Indonesia and US \$817 in the Philippines.⁴⁵

In all of the above ways globalisation is having a profound effect on societies. It has produced a new configuration of relationships and powers, between multinational corporations and governments of their states, between investors and the elites of host states, between corporations and professional associations like those of accountants, engineers and lawyers, between them all and international financial and trade organisations and the international media. These combinations have often suppressed views which challenge and criticise globalisation, and have effectively marginalised those who are the victims of globalisation. Skills needed to negotiate in a globalised world, which puts a premium on relationships across distances, nationalities and languages, are seldom available to the poor.

Given these developments, the world today can be characterised by what one observer has described as “the concurrence of globalisation and marginalisation.”⁴⁶ While one section of humanity is growing and developing - literally basking in the glow of globalisation - the other wallows in increasing despondency and despair.⁴⁷

There is in fact at the present time a contestation between the underlying ideology of globalisation and the universally accepted norms of human rights. The challenge before the international community, domestic governments, civil society and the human rights community is to ensure that human rights do not become subordinated to the profit motive and that the engines of globalisation, its regimes, institutions, processes and outcomes all accord with the norms of human rights. The key question is not whether the processes of rapid change that we are experiencing are necessarily good or bad, but how they can be subject to the imperatives of human rights and turned to work for them. In this way, the globalisation of human rights would become the central pivot of international and national economic endeavour and at the same time, the international economic environment would be made conducive to the realisation of human rights.

Corruption and Bad Governance

In the era of globalisation there is a growing gap between democratic process and good governance. Increasingly, the structure and practices of national governments are less responsive to the demands of social justice and public welfare than to private interests. Systems of patronage amongst the elite do not permit transparency and indeed thrive on secrecy. This has allowed corruption to breed and go unpunished. Democratisation itself has become a cause of corruption, as multi-party politics are increasingly fuelled by money, and the centre of power is shifting towards the rich, articulate, and supra-national actors. Privatisation, foreign investment, sponsorship arrangements, increased lobbying, and easier flows of money and laundering all propel corruption further.

Corruption is now pervasive. It takes many forms, such as bribery, extortion, nepotism, unfair recruitment and promotion, electoral malpractice (gerrymandering, rigging), and insufficient or non-performance of contractual or other obligations. Corruption in government and bureaucracy is reflected in their workings, when they concentrate more on obstructing public welfare and indulge in personal gains rather than their legal obligations. The government's policy priorities reflect this lack of ethics and often result in expenditure that is not in line with people's needs. Bribes become a pre-requisite for access to simple public services, such as securing an application form for a birth certificate or for a quota of food grains from the fair price shops in public distribution systems. The result is massive inefficiency.

Corruption has effectively become a tax on the poor. Corruption negates the rights of the poor, depriving them of their right to participation and denying them access to economic and social welfare. It deepens their incapacity, for they lack the means to lubricate the wheels of the bureaucracy. It thus sharpens divisions and disparities in society, privileging the already wealthy and well connected. Corruption threatens the very existence of the state as a viable community with collective goals and institutions because it loses all credibility. In extreme cases, the writ of the state ceases to run in parts of its jurisdiction because it has been conceded to networks of illegitimate interests. This creates further obstacles to the realisation of rights of the poor and hinders any chance of redress. The result is a sense of hopelessness among people and general cynicism and selfishness in society. Corruption destroys trust between citizen and state.

Eliminating corruption and promoting good governance is crucial to developing an environment conducive to social, political and economic development. The

Keeping Poverty Alive

Poverty is not a natural state. It takes many people to keep its wheels oiled. One thing that has to be kept in good working order is corruption. Some countries do this better than others. Transparency International's now famous Corruption Index highlights worldwide corruption and finds it growing. Almost two-thirds of countries ranked in March 2001 score less than 5 out of a possible clean score of 10. Of the Commonwealth countries listed, most come in the unclean category. Bangladesh, Nigeria, and Uganda are at the top of the corruption table, closely followed by Kenya and Cameroon which score barely 2 points on a scale of 10. Tanzania, Pakistan, Zambia, India, and Zimbabwe all keep each other good company below the 3-point mark. Despite its extreme poverty Malawi scores a little better along with Ghana. But better off Mauritius and South Africa still score less than 5, with the relatively affluent Malaysia just squeaking in at 5. Trinidad and Tobago and Botswana come in just above the half way mark. Not surprisingly the more affluent countries score better. The UK, Australia and Canada do well with an 8 plus point score but not as well as strict Singapore and New Zealand which top the scale at 9 plus points. Singapore's anti-corruption codes and rules contribute in no small degree to its steady and growing prosperity.

United Nations Committee on Economic, Social and Cultural Rights (CESCR) has several times commented on the negative effects of corruption on human rights. In relation to an African state it noted “economic, social and cultural rights were hindered by the negative effects of widespread corruption on the functioning of government institutions.” On another occasion it said “the process of transition to a democratic country with a market-based economy is being undermined by corruption, organized crime, tax evasion and bureaucratic inefficiency, resulting in inadequate funding for social welfare expenditure and for the payment of wages in the state sector.”⁴⁸

Corruption is high on the international agenda of reform. Many conditionalities on aid and loans are connected with the elimination of corruption. So far they have met with limited success, for corruption is deeply woven into the fabric of political and economic life of some countries. The failure of wholehearted support for attempts to enforce governance reforms lies in the suspicions about the motives of donors, who are regarded, correctly, as wanting to create conditions for quick profits for their corporations, and because of their selectivity and the absence of consistent concern for justice and fair distribution. Frequently these conditionalities are accompanied by structural adjustment programmes that worsen the situation of the poor. Pettifor argues that the IMF’s so-called Poverty Reduction Strategy (which was brought in as a response to criticisms against SAP) is less a strategy for poverty reduction and civil society participation and more a strategy for providing security and guarantees for foreign investors. She argues that the intervention of western ‘donors’ exacerbates the democratic deficit in that country, “and contrary to spin-doctoring presentations, undermine democratic participation in government decision-making.”⁴⁹

Contemporary Threats To Human Welfare

The failure of the international and national bodies to focus on the needs of the poor and to fulfil their human rights, is both illustrative of, and the reason for, the existence of widespread oppression, disease, conflict and environmental degradation. All of these are simultaneously elements of poverty and part of the causes of it.

Social Structures

In many parts of the world poverty is perpetuated by traditional social structures. In India, for example, the caste system rooted in the principle of discrimination and exclusion remains a way of life. Despite an egalitarian constitution that outlaws ‘untouchability,’ strong legislation making it a criminal offence, affirmative action and political representation, the social and economic exclusion of over a hundred million Dalits continues unabated. ‘Dalit’ is a self defining term

for people born into castes that for generations have worked only in so called 'impure' menial tasks like cleaning toilets, carrying night soil for disposal, skinning animals and disposing of the dead. Their segregation from mainstream society often resembles Apartheid. They live in carefully defined, shabbier and less developed areas of their villages; are seldom permitted to drink from the same wells, or enter temples. Their status and role has been defined by the mores of Hindu society and is additionally justified by sacred texts. Confined to low paid and unskilled jobs, their access to education and other facilities which might enable them to escape the poverty that is the product of this discrimination is denied to them. Collective efforts that they might make to lift themselves out of the mire of poverty, or even to exercise their more basic rights, are frequently met by violence from elements within the 'upper' castes. Constant humiliation and oppression that has come to define their status deprives them, in their own eyes and the eyes of others, of dignity. State affirmative policies, legislative and administrative measures have only limited success because of pervasive discrimination in the social sphere.

In many parts of the Commonwealth, other communities have found themselves trapped in similar situations of exclusion, deprivation and discrimination, such as indigenous and tribal peoples, black people under Apartheid, ethnic minorities, pastoral groups, and migrant labourers. There are still pockets of feudalism and land

The Woman's Place

If international social, economic and cultural rights are to be honoured and women's conditions improved then every law and economic policy has to be interrogated to establish whether it will improve women's social and economic equality. The sampler below does not by any means imply that countries not included in this brief selection are doing enough to address the lack of these rights for women.

- In the Commonwealth Caribbean women get a much smaller proportion of earned income than men: this ranges from 21.2% in Guyana, 24.7% in Trinidad and Tobago, 28.3% in the Bahamas, 38.6% in Jamaica and 39.4% in Barbados.
- The majority of the poor in Canada are women: a result of government policies which have cut back on social spending leading to increasing inequalities between rich and poor.
- In South Africa despite strong guarantees of economic and social rights women have an unemployment rate of 52% compared to 34% for African men.

Many African Commonwealth countries restrict women's ability to inherit property on the death of her husband or father, preferring to follow customary/personal law practices that are not in step with their international obligations.

- In Zimbabwe, in *Magaya v Magaya* the higher court overturned the decision of a community court which had appointed a woman as heir of her father's deceased estate and replaced her with her younger half-brother saying that under customary law "males are preferred to females as heirs."
- In some sections of Malawian society property grabbing is sanctioned through the practice of widow inheritance whereby the man who inherits her deceased husband's property also inherits his widow as wife. Low levels of literacy and representation of women in the workforce and in decision making ensure that women can do little to fight such practices.
- In Nigeria despite several attempts by successive governments to implement programs designed to address inequality, little has improved. In many states of Nigeria women are not allowed to inherit their deceased husband's property. Early marriage, arranged at birth and occurring formally by the age of 19, has a devastating effect on girl's education. The tax provisions of the civil service give child welfare benefits only to male workers and a discriminatory provision prevents police women from marrying without permission.
- In Sierra Leone, women living in the provinces cannot own or control land but may only use it through male heads of household. A woman cannot administer her husband's deceased estate or inherit his land, in terms of the Mohammedan Marriage Act.⁵⁰

tenure systems in parts of the Commonwealth which perpetuate social and economic inequalities, and various forms of subordination.

As mentioned, women throughout the Commonwealth along with their counterparts elsewhere suffer from institutionalised discrimination and deprivation. In many traditional communities they have no right to property or inheritance. Their place of residence and their relationships to others, especially after marriage, are determined by social customs over which they have no control. There are still places in the Commonwealth where women do not have full legal capacity and so cannot conduct transactions without which they cannot escape the cycles of dependency to which they are consigned. Many Commonwealth countries, although by no means all, have passed legislation to remove these restrictions. But in the absence of strong government action in favour of women, legislation alone has failed to change social attitudes or behaviour and women continue to suffer from traditional mores and practices.

In plural societies large concentrations of minority populations are similarly discriminated against and must live lives deprived of the benefits of development that the mainstream can access. Their human development indicators demonstrate continued existence of a majority in poverty.

HIV/AIDS

The prospect of people remaining in poverty is heightened by the HIV/AIDS pandemic. The raging epidemic is primarily located in the Commonwealth and threatens social cohesion and the ability to retain past progress or go swiftly to higher economic growth. 60% of all infected cases are found in Commonwealth countries. India, Kenya, Nigeria, and South Africa each have at least 2 million infected adults. In Botswana, Lesotho, Swaziland, Zambia and Zimbabwe one in 5 adults has HIV. The progression has been faster and more virulent than predicted. Outside Africa, the Caribbean has the highest HIV/AIDS rates of infection.

Not surprisingly some of the countries and people most seriously affected are also the poorest and the least able to afford preventive and palliative health care. In Africa especially, the impact of the disease has been to cut life expectancy dramatically, to reduce skilled manpower significantly, and to place impossible burdens on those least able to bear it. There are 900,000 orphans each in Nigeria and Uganda alone. In some countries HIV is becoming, to a striking extent, a woman's illness - though it is spread predominantly by male behaviour. In sub-Saharan Africa more women (55%) are affected by AIDS than men, reversing the global trend. Women account for 52% of the 2.1 million who died from the disease in 1999. In Africa, the ratio of female/male infections in younger age groups reaches 16:1 in some places. In certain parts of Kenya, one out of four girls between the ages of 15 and 19 are infected compared to 1 in

25 boys of the same age. Women are biologically more prone to infection by heterosexual intercourse. There are more women sex workers than men. Poverty related prostitution exposes them to higher likelihood of infection. In countries with large numbers of sex workers and more ingrained traditions of male dominance, it is particularly hard for sex workers to insist on the use of condoms which are the primary means of protection. Cultural practices such as female genital mutilation or widow inheritance also account for the transmission of the disease. Higher incidences of HIV are likely where there is a high proportion of mobile or migrant workers (truck drivers in India and East Africa or migrant mine workers in Southern Africa, for example). The latter may be viewed to some extent as the product of poverty in the originating country.

The connections with poverty work in a number of ways. While it is true that no one gets AIDS merely because they are poor the probability of falling prey to the disease are multiplied many fold by ignorance, general ill-health, inability to deny sexual contact or get protection, poor health care services that cannot detect HIV/AIDS, or cannot provide anti-retroviral drugs even for pregnant mothers who then bear HIV positive children. Inability or reluctance to talk about it, or outright denial by society and government that the problem exists, keeps AIDS populations unaware and increases the risk of passing the disease further along. Inadequate public education measures mean that the seriousness of the disease is not got across to the public.

Once HIV is established in a poor country, inevitably its impact will be more devastating than on a richer country: it spreads and kills more quickly as opportunistic illnesses attack. As the disease takes hold, more and more man-days are lost in attending to the disease and its aftermath.

The HIV epidemic adversely affects growth rates in complex ways, not least by killing off the most productive in their prime. Swaziland estimates that it will have to train more than twice as many teachers as usual over the next 17 years just to keep services going at their 1997 levels. Swaziland's extra hiring and training costs are expected to drain the treasury of some US \$233 million by 2016 - more than the 1998-1999 total government budget for all goods and services. 30% of Zambian teachers are infected with HIV - and are destined to die of it. With fewer teachers and many thousands of orphans, countries like Zambia face the prospect of severely declining GDP levels. In Tanzania, in a survey of six firms, annual average medical costs per employee increased more than three-fold between 1993 and 1997 because of AIDS, while the companies' burial costs showed a five-fold increase. Barclays Bank of Zambia is said to have lost 25% of its senior managers to AIDS. In Botswana, it is estimated that the AIDS epidemic in the next 10 years will slice off 20% of the budget. In South Africa, the GDP in 2010 is projected to be 17% less than it would have been without AIDS wiping out US \$22 billion of the economy. By contrast responses require modest

The Right to Health Care

Commonwealth Africa and Asia, which are home to vast populations of HIV positive people, have a lot to learn from Brazil while formulating AIDS control policies.

The first case of AIDS was detected in Brazil in 1980. In 1994 the World Bank estimated that Brazil would be home to 1.2 million infected persons by the year 2000 (population: 173 million). Today the actual number is less than half that. Deaths due to AIDS related diseases have halved and only 20,000 new cases are being reported each year indicating stabilisation of the epidemic. Due to the early treatment of AIDS and reduced rate of hospitalisation, Brazil has actually saved an estimated US\$ 190 million in public health care expenditure. How did this 'miracle' happen?

The single most important factor in Brazil's success story is Brazil's political commitment. In 1996 Parliament passed a law guaranteeing AIDS patients state-of-the-art treatment. While this treatment costs between US\$10,000 to 15,000 annually in the developed world, Brazil has managed to reduce the costs by as much as 79% by producing generic copies of patented anti-retroviral drugs. Despite enormous pressure and opposition from multinational pharmaceutical companies - backed for sometime by the US Trade Representative's office - Brazil has made drugs available to everyone who needs them. (Brazil's patent laws have been brought in line with the TRIPS agreement in 1997). With the UN Human Rights Commission endorsing Brazil's strategy to manufacture and supply generic drugs some multinational pharmaceutical companies have begun offering their products at reduced prices exploding the myth that MNC drug prices were determined by production related costs alone.

A major share of the credit for shaping Brazil's AIDS prevention and control policy goes to civil society organizations (CSOs) - initially spearheaded by the gay community. In collaboration with the government about 600 CSOs are involved in providing holistic health care catering to the diverse needs of patients ranging from drug therapy, hospitalisation, counselling, monitoring of outpatients, ensuring strict adherence to pill schedules etc. During the last eight years CSO projects have given specialised training to 200,000 persons and disseminated educational material to half a million people. Poor patients receive special facilities such as free bus passes, food and baby formula and are counselled in Alcoholics Anonymous-style groups.

A nation-wide network of AIDS clinics has reached out to a wide spectrum of high risk groups such as commercial sex workers, drug users, truck drivers, pregnant and lactating women, the homeless, prisoners, students and others. The national health care hotline has logged over 2 million calls. With 65% of the activities devoted to behaviour intervention and public education, prevention is the most important focus. Working with the private sector and the Brazilian Army, the National Coordination has distributed condoms and information about AIDS to an estimated 3.5 million workers and 700,000 conscripts. Public awareness campaigns have succeeded in taking away some of the social stigma attached to AIDS.

Brazil shows how a nation emerging out of decades of military rule can successfully meet the challenge of AIDS by adopting the 'rights' approach to health care. The larger lesson to be learnt is how political will can assert itself over obstacles posed by MNCs and patent regimes to secure the well being of citizens. A government can do more than sit and watch the tide rise.

allocations: the UNAIDS program estimates US \$1.5 billion a year for prevention measures to reduce the HIV risk plus another similar amount for palliative care and treatment in the Caribbean.

Recognition and acceptance is as important for prevention as assuring cheap drugs and public policies that assure availability of medicines for all. It is only recently that Caribbean ministers of health have responded with political will to the epidemic after the realisation that the regional development achievements over the past decades were likely to be lost if the trends of infection continue. Donors and governments have now come up with plans of action that are likely

to ameliorate the situation. Wherever even small initiatives have been taken, the effects are plain to see. The need for greater resources and international support and solidarity for policies and national programs that ensure cheap and effective AIDS interventions cannot be over-emphasised if the Commonwealth is serious about poverty eradication.

Environmental Degradation

The degradation of environment has become an issue of global concern. The appropriation and competition over resources is fast becoming a cause of violent conflagration, while the over-utilisation and appropriation of hitherto common property resources into private hands is leading to the impoverishment of disadvantaged communities and is a violation of their rights.

Linkages between environment and poverty have been identified in many studies. The World Bank has said that "the roughly 2.8 billion poor and near-poor people in the world - those living on less than US \$2 a day - are disproportionately affected by bad environmental conditions."⁵¹ For one, the need to pay back huge debts accumulated over time by developing countries is oft times met by selling off natural resources or giving impossibly cheap concessions for mining and logging. In the situation where it is imperative to attract foreign investment the state can hardly insist on environmental protections even if it could monitor them properly. Export crops sown to increase foreign exchange earnings diminish food security. Privatisation of natural resources reduces access to traditional healing herbs for the poor who can afford few other alternatives, even as the regime of intellectual property rights takes away their ownership. It is less clear whether the poor - or their poverty - contribute to environmental degradation. Environmentally vulnerable sectors of society tend to include women, children, indigenous or other marginal peoples. And projects that are designed - and may succeed - to benefit certain sectors of society, even, ironically, projects that are designed to enhance the environment itself, may degrade the environment of these vulnerable sectors, and exacerbate societal disparities and divisions.

Oil and mineral exploitation has a deplorable record of devastation. It destroys ecological balance creates water pollution, and destroys farmland. Notwithstanding very bad press large extractive schemes such as those of the Niger Delta, the Ok Tedi and Panguna Mines in Papua New Guinea, continues to attract the avarice of governments and the huge TNCs while putting at risk local peoples and environments.

On the one hand 16% of the world's population, the industrialised countries generate two-thirds of its industrial waste, over one-third of the greenhouse

gases responsible for global warming, and they consume over one half of its fossil fuels. On the other hand the sheer struggle for survival forces the poor to over-exploit scarce natural resources because the "immediate environment is their resource base and source of livelihood, and they have no alternative."⁵²

At a global level, the implications of climate change are likely to hit the already poor most forcefully. Some of the poorest Commonwealth nations are most at risk - notably Bangladesh which stands to lose 16% of its land surface and the very area where the poorest tend to live, just because it is vulnerable to hurricanes. Some Commonwealth small island nations are in danger of near total inundation. Climate change means a whole range of new or enhanced climatic effects, such as drought and storms, many of which will impinge more upon countries within the tropics, and everywhere, more upon the vulnerable.⁵³

Although it might be expected that dams have become less 'fashionable' as a result of unfavourable publicity about their limited value and deleterious side effects, a surprising number of dams are still under construction in Commonwealth countries, often with financial aid or guarantees from other Commonwealth states. Very frequently, whatever the 'developmental' benefits of these, there are communities which stand to lose livelihoods, environments and cultures as the result of inundation, while measures to compensate them are often inadequate, ill-thought out or culturally inappropriate.

Ethnic and Social Conflicts

Globalisation and the failure of states to address problems of poverty and inequality have led to alienation and protests against existing orders. The reaction to polarisation, inequalities, and social disintegration is the rise of fundamentalist movements. Ethnic and religious conflicts have also intensified as new forms of identity and territorial assertions are articulated. However, in all this, respect for human dignity and human rights is disregarded, and scarce resources are squandered on arms and armies. The problem is compounded by the opportunism of politicians, the greed of particular groups, and a growing culture of intolerance. The result is an escalation in the number and intensity of ethnic and social conflicts.

The Commonwealth has an excess of internal and external conflicts. The only external conflict in the Commonwealth is the long standing one between India and Pakistan. But several Commonwealth countries are involved in one way or another in the conflict in the Congo. The effects of this are increasingly being felt in the home countries, particularly in Zimbabwe, where they are contributing to strife and deprivation.

A decade-long conflict in Bougainville over its relationship with Papua New Guinea has caused massive devastation, more or less eliminated all health and

educational services, destroyed agricultural and most other forms of economic activity, deprived a whole generation of educational facilities and produced a culture of intolerance. Ethnic conflicts in the Solomon and the Fiji Islands have also had adverse effects on economic growth and distribution. In Africa too, particularly in Mozambique, Uganda and Kenya, ethnic conflicts have discouraged investments, led to discriminatory practices and numerous other violations of rights, undermined the economy, and deprived particular communities of access to resources.

But the Commonwealth region most adversely affected is South Asia whose people are among the poorest in the world. Most other countries in Asia have experienced phenomenal growth and a steady rise in living standards, but these have bypassed India, Pakistan, Bangladesh and Sri Lanka, largely because of internal and external conflicts.⁵⁴ Bangladesh has suffered from conflicts over Chittagong Hills Tract, and periodic tensions in its relations with India. Sri Lanka has seen a conflict lasting for years over the claims of a section of the Tamils for autonomy or secession in the north of the country. Hundreds of thousands of people have died, much property destroyed, the economy has slowed down, and the generally high standards of literacy and health have declined. A large number of skilled and talented citizens have left the country. In Pakistan the fights between the Sunnis and the Shias, the struggle by the Mohajir Qaumi Movement, and the claims by Pakhtoons and Baluchis for a separate homeland have hit its economy hard. Numerous people have fallen victims to bombs and other forms of violence. The rights of women are everywhere under attack in these conflict areas. In India, communal conflicts and violence have almost become a way of life. Terrorist activities by separatist outfits like Hizb-ul-Mujahideen and Lashkar-e-Toiba in Kashmir, and United Liberation Front and Bodoland Movement in the North East States and Assam, have a crippling effect on the economy, destroying the livelihood and property of millions. India and Pakistan in particular have engaged in some form of hostility ever since their independence, especially over Kashmir. Such war-like activities in all these countries also lead to the conscription of children in the army, the rape of women, and generally the destruction of conditions necessary for human survival. They sap the human capacity for productive activity and bring within the trap of poverty, millions who would otherwise have carved out a decent living by their own efforts.

After a lull of a decade, the year 2000 saw a sharp increase in military spending the world over with the highest rises coming from Africa and South Asia at 37% and 23% in real terms, respectively. Another result of these conflicts is that South Asia has become one of the most militarised regions in the world. Amongst the top 15 military spenders are UK and India.⁵⁵ The agreement to purchase just one type of military equipment - Sukoi-30, multi-role fighter aircraft - by India is predicted to put a tremendous strain on the

country's already overstretched budgets.⁵⁶ Maintaining a nuclear arsenal entails an expenditure of US\$15 billion, which could be diverted to more productive activities, including making food available to millions who today go hungry.

The recent United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All Its Aspects⁵⁷ has highlighted another more hidden threat to human security - the presence of 500 million small arms in the world. About 40% of the trade in weapons is illicit but much more finds its way into the illegal market. Illegal light weapons and small arms go like magnets to points of tension fuelling and prolonging ethnic conflict and eating up scarce resources in the process. The presence of cheap light weapons available sometimes for no more than a meal or in exchange for one, undermines the authority of states that are frequently unable to prevent the cross border entry of arms and have few mechanisms of identification and control. Whether legal or illegal, arms are big business. The largest seller of arms - the US - succeeded in watering down efforts of most affected countries in Africa, and Commonwealth countries like India and Canada, who wanted a strong plan of action to come out of the conference. That would have helped ensure that initiatives to control illicit weapons went forward more quickly and certainly. However, the conference, the first ever on the subject, initiates a process whereby greater attention will focus on this issue.