

**Conference in Haiti on Job Creation and the Professional Formation of Youth**  
**February 25, 2006**  
**Socio-economic Reality in the World**  
**An Overview**

I was asked to say a bit this morning about the reality of the world in which we live. I suspect that I won't say much that you don't already know, but every once in a while it is good to look at the big picture. In these times that big picture is shaped by violent conflict and war; by insecurity; by great poverty and great wealth; by environmental degradation; by a massive movement of peoples – all of which are interconnected with each other, especially through the process of globalization – and by an enormous groundswell of energy and creativity at a grassroots level to create a better world.

I'm not going to say much about violence and war now. We are all well aware of their different expressions – in Iraq, Afghanistan, Colombia, the Sudan. We know a lot about terrorism – or at least we know that it and the insecurity associated with it is at the center of some of the most destructive policies and practices of the US government and other powers.

Rather, I would like to focus a bit on the phenomenon of globalization itself and some of its direct consequences because it is having such a direct impact on the chances of the world's poor majority to have a decent life – to ever find dignified employment, and because I believe that your questions and the energy you bring to them are part of a groundswell that will shift its course.

Much has been said and written about globalization in the last 15 years – we anticipated it, predicted its impact, are watching its consequences unfold. Ethicists, moral theologians - all of us who are working for a better world - are trying to evaluate it according to the principles we hold dear. Theoretically, globalization is a neutral phenomenon – capable of producing great good and of doing great harm.

In the last few months I have worked “electronically” with people from Thailand, the Congo, Palestine, the Philippines, France, Italy, Russia, India, Pakistan, Sri Lanka, Korea, Kenya, Zimbabwe. The work for social justice, peace and the integrity of creation is profoundly enriched by this intercultural interaction. Insofar as globalization facilitates broad debates about critical issues, it is good. The potential for cross cultural understanding and the building of right global relationships is tremendous. Communication, one of the main tools in the globalization toolbox, can open up amazing possibilities, new ideas, creative solutions to intractable problems.

But the down side of globalization is devastating – so devastating that I find it harder and harder to describe globalization as neutral, much less “good.”

Globalization is a very complex phenomenon, with political, economic, and cultural dimensions. It is driven by technology, especially by communications and transportation technology that literally has made our world smaller and every corner of it (almost) accessible. Too often, however, globalization is driven by a set of values that puts profit and growth in a primary position; created needs over real needs; speculative investment over investment in a real economy; control and efficiency over participation. An excellent book by John Cavanagh and Richard Barnett describes four major trends in globalization - the global cultural bazaar (music, television, movies), the global shopping mall (McDonalds, jeans, stores), the global workplace (outsourcing), the global financial network (trillions cross borders every day). Think about the different impact these trends have on different groups, in different situations. How globalization affects you depends almost completely on where your feet are planted. From the vantage point of those who are now poor, the process of globalization is not working well at all.

Since the end of the Cold War, as the phenomenon of globalization began to take hold, we have seen and experienced a massive accumulation of wealth - the rich have been getting richer and the poor poorer. The gap between them around the world, including in the U.S., is growing. 587 billionaires now have a net worth of \$1.9 trillion while half the world’s population – nearly 3 billion people – live on less than two dollars a day. The

economic playing field is far from level ... labor is especially vulnerable everywhere (including in Haiti), more and more are working in the informal sector. Those with jobs in the formal economy are very often not paid a living wage or are forced to work part time. Human beings are treated like commodities – they are the most valuable export for many countries. 600,000 to 800,000 people are trafficked across international borders every year. Most are women and children.

Human beings are crossing borders with or without “legal” papers by the millions and they send money home at a rate that is astounding! In Latin America and the Caribbean, according to the Inter-American Development Bank (IABD), remittances amounted to some US\$ 32 billion (or 2%) of the region’s GDP in 2002. That includes \$2.8 billion to El Salvador, more than the total amount brought in by exports; \$12 billion to Mexico – about the same amount of revenue generated through agricultural exports and 60 per cent of Mexico’s income from *maquila* production. Remittances to Haiti come from the many Haitians of the Diaspora, primarily in the United States and the Dominican Republic. The most recent figure I could find put remittances to Haiti well over \$900 million USD per year. This represents a huge percentage of Haiti’s Gross Domestic Product and is a lifeline for many families. But there are serious questions about the cost (to individuals, families, local communities, countries) of this huge migration, especially when it now almost always divides families – and about the real contribution remittances do or do not make to the process of sustainable development.

At least five major forces imbedded in the globalization process are exacerbating the worldwide movement of peoples: poverty, unfettered economic liberalization, environmental degradation, loss of culture with resulting loosened ties to the local community and the intense global marketing of consumer goods.

Poverty - While macroeconomic indicators suggest that poor economies in some parts of the world have improved and many have at least stabilized by using drastic measures to control inflation, the cost to poor people has been very high. Five years ago, in the United Nations’ Millennium Declaration, every nation of the world affirmed that as a global

community, "we will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected..." They pledged to meet eight Millennium Development Goals (MDGs) by the year 2015, including reducing by half the number of people living in extreme poverty. Already one third of the time has passed between 2000 and 2015 and there is widespread acknowledgement that many countries, including Haiti and many on the African continent, have almost no chance of achieving these goals. Contributing to this failure to eradicate poverty are the yet-crushing burden of international debt carried by poor communities in poor countries and the devastating impact of the HIV/AIDS pandemic. In addition to the failure of rich countries to meet long-standing commitments in terms of foreign aid levels, many, many countries in the world spend more of their budget on debt service than on health care or education.

Unfettered Economic Liberalization – The process of globalization has thus far been shaped by and limited to an unmitigated, free market model of economic organization. A virtually unwavering commitment to neoliberal capitalism, especially in the last 15 years, has made the most vulnerable people even more vulnerable. In many countries workers – teachers, for example - who previously held secure jobs have seen them converted into part time, temporary positions without benefits. The importation of highly subsidized agricultural products, especially from the United States and the European Union, has destroyed smaller farms. Whole sectors of economies in which poor people were participating, including these small scale and subsistence farms and small, locally owned businesses, have been destroyed. Meaningful work that connected people to the earth and to the local community has been replaced by assembly plant jobs that undercut family and community life, are dehumanizing, and do not pay the workers a living wage. Unions are weak because capital is extremely mobile and workers in one country are pitted against workers elsewhere and pretty desperate to find and keep any jobs. Job loss is common in other sectors also, as local products are undersold by imported non-agricultural goods. The way trade rules and trade agreements are being written foreign companies cannot be required to hire local people or to use local components in their production processes. They can sure a country if the “common good” interferes with

their expected profits. (examples of water contracts in Bolivia and Tanzania) In many places the real value of wages has actually decreased and millions of people now work in the informal sector without regular income or benefits. Youth are especially affected around the world. Even those who do get an education (and many places as you know well they do not) often find that they cannot find a decent job in their home country when they finish their studies. Even economies that are growing are not producing jobs.

Environmental Degradation – The destruction of the environment is already a huge problem and getting worse. In the process of globalization as it is now unfolding, the created order is most often treated as a commodity for exploitation with the burden most often carried by poor people and marginalized communities. The construction of big dams, roads, pipelines and other infrastructure with accompanying often-massive displacement of peoples has sparked notorious controversies in many corners of the world. But of equal importance may be a new round of mining concessions granted to international companies by poor countries desperate for the injection of new money into their sagging economies and their relaxing of – or failure to enforce - environmental regulations to encourage foreign investment.

Loss of Culture/Loosened Ties to Local Communities - The pace of globalization, driven by the relentless pursuit of new markets, is creating an abrasive interface between the cultures, traditions and languages of wealthy and powerful societies and those with less capacity to project themselves beyond a local or regional context. The potential loss of identity and vision, as traditional languages, values and practices are devalued or lost, is a tragedy of immense consequence for the whole human family. Although there is a significant backlash – in many places people are treasuring local practices *because* they are threatened, the homogenization of culture through the media, entertainment and advertizing is relentless. The acceleration of this process way beyond the speed of natural evolution is weakening the tethers, especially of youth, to the culture in which their roots were planted.

Entire cultures have been transformed over night because they cannot compete with products rapidly dumped into their markets.

Intense Global Marketing of Consumer Goods – The fifth component of globalization that I believe has a huge impact on the movement of peoples is advertizing. Riding on the communications infrastructure of globalization and benefitting from local markets forced wide open by macro-economic policy reforms and trade agreements, purveyors of extraneous consumer products have launched a virtual assault on the poor around the world. In most places, television projects a false image of success and happiness. Shopping centers that rival the best in the U.S. cater to the minority wealthy who can afford expensive imported goods, while they lure poor people into disappointment, insult their dignity and threaten their culture.

Obviously, these five factors - poverty, unfettered economic liberalization, environmental degradation, loss of culture with loosened ties to the local community and the intense global marketing of consumer goods – are intrinsically interconnected. They have emerged from the way the global economy has been molded since the end of World War II, but especially in the past 30 years. Perhaps if we had listened to the Group of 77 poorest nations' call for a new international economic order in the mid 1970s, the situation would be different now. But we did not. Consequently, the repeated debt crises of impoverished countries in the 80s and 90s gave creditors, including the World Bank and International Monetary Fund, a handle to reshape the economies of over 100 countries. Structural adjustment programs and additional macroeconomic policy reforms attached as conditions on debt relief and new loans moved way beyond the legitimate objective of controlling inflation, setting up the Southern hemisphere to provide the cheap labor, important minerals, oil and water, plus new markets essential to the free-market-driven development now being written into bilateral and regional trade agreements.

Immigrations laws in most industrialized countries are extremely unjust. Legal emigration from poor to industrialized countries is very restricted – and foreign

investment in poor countries (thought to be the panacea) is designed to maximize profit for transnational corporations and rarely makes a meaningful contribution to sustainable development in the host country (through transfer of technology, plant construction, infrastructure that serves the greater good etc.). In fact, the transfer of assembly operations to poor countries, where personpower and raw materials are available at a low price, permits companies to produce goods at a low cost without having to bear the economic and social burden of the presence of migrants in their own territory.

Because the assumption is that the only way to survive for poor countries is to jump into international commerce on the terms of powerful countries and entities, many countries are losing their creative minds and workforce to produce huge profits for multinationals – and missing opportunities to develop in a way that is durable, deep, sustainable and culturally appropriate.

There are many other forces at play in the global context these days – drug traffic and organized crime, corruption, the threat of deadly disease, including AIDS, but I don't want to end on a pessimistic note, for there are many very important signs of hope. Most of them have local expression because they are growing from the base as will Haiti's sustainable development. Among the most important I would name

The growing concern about the earth (The Earth Charter)

The huge movements engaging the debate about trade at every level

The campaigns for debt cancellation/Jubilee, including the cancellation of Haiti's debt

Local projects like that of farmers in Oaxaca Mexico

The World Social Forum

Marie Dennis

Director, Maryknoll Office for Global Concerns