

Does America Have the Wisdom to Grasp the Opportunity?



Clare Short

We are at a turning point in human history. The Cold War is over. But global integration is speeding up.

Better global communications mean the levels of poverty and inequality in the world are clear to the poor of the world in a way that they haven't been in the past. The poor now see how people in the developed countries live and are more aware of the injustice of it all.

We live, also, at a time of massive availability of knowledge, technology, and capital. We have experienced great success in development. In the last 50 years, more human beings have lifted themselves out of extreme poverty than in the previous 500 years. Many more people are living longer, more children are surviving, more people are literate, and more people have access to clean water.

There has been great progress. But there are also more people in the world than ever before and, therefore, more poor people. So we need to scale up our effort to build on our success. Otherwise, the numbers of poor will continue to grow. If we are wise, we can have an era of enormous reductions in poverty, a great advance across the world, and a growth in a sense of justice and security.

This is all completely possible, based on our own knowledge, experience, and achievements over the last few decades. The real question is, do we have the wisdom to grasp that opportunity? If we don't have that wisdom, we will have a world of growing division, bitterness, polarization, environmental degradation, conflict, failed states, big refugee movements, and terrorism. Since September 11, the likelihood of us taking the unwise route seems greater.

AMERICA'S FAILURE TO COOPERATE

The United States is obviously the world's hyper-power. We don't have the balance of power through which the world has tried to manage itself in the past. We now have one overwhelmingly strong economic and military power in the world. And even before September 11, the United States found it difficult to work with the rest of the world. It seems to be a country that is more inward-looking than most other countries, which is strange, both because it is a country made up of many immigrants and because it is indeed so dominant in world affairs.

There are many examples before September 11 of the United States's failure to cooperate with international agreements. Virtually all the world's countries ratified a convention recognizing basic rights for children all over the world, but the United States felt unable to sign it. The Kyoto treaty recognized that global warming was threatening the future of all of us; again, the United States found it impossible to cooperate. The International Criminal Court was created to try war criminals and dictators, the Milosevics and the Mugabes of this world, but the United States again exempted itself from participation. The United States holds an ambivalent attitude even toward the United Nations, even though most of the world treasures it as a place where we all come together and make rules that apply equally to all.

THE SQUANDERING OF SEPTEMBER 11 SYMPATHY

Although the United States's trend of noncooperation has existed for a long time, the events of September 11 exacerbated it. For many, there is now a feeling that America is like a wounded giant, hurt and lashing out, looking for countries to hit to deal with the sort of pain and anger it feels about the events of September 11. And yet the sympathy across the whole world after September 11 was enormous, and a worldwide process was put in place through the United Nations to require every country to deal more effectively with terrorism, money laundering, and those who provide support for organizations that would do such things as attack the Twin Towers.

Now that atmosphere of sympathy is gone. America is seen as a bully that is not committed to justice for people across the world, that doesn't find it possible to treat other people of different traditions and religions with respect. The anger in the Arab and Muslim world is intense. And I have no doubt that this atmosphere is leading to greater recruitment to terrorist organizations, which is threatening to all of us.

The feelings in Europe are similar to the feelings in the Arab and Muslim world. Europeans often see a parallel between the current U.S. hegemony and that of the Roman empire. Other empires—the British, Ottoman, and Spanish empires, for example—all had competing centers of power. Like Rome, however, America is

the lone hegemonic power in the world. And some feel that the United States, like Rome, will face a decline. The United States spends too much on defense, spreading its soldiers across the world, cutting domestic investments like Social Security and education, and creating growing unhappiness at home. Will the era of American hegemony will come to an end as it over-stretches abroad and fails to address its internal challenges?

A NEW SHARED VISION

What we need are new ideas and a new shared vision for managing this era. The old politics of left and right that divided the world, in most places, after the Second World War are not any longer articulating a clear way forward. Some of the values that we argued over—freedom, the role of the market, social justice—remain the issues that we need to discuss, but many of the remedies of that era are now outdated.

In the old argument about the proper balance between state and markets, the left's tendency was to want to give more power to the states, going, in the extreme, toward the communist system, to state power that was overwhelming, oppressive, and economically inefficient. In the old argument, the right's alternative was excessive market power—letting markets rip, weakening the state, and allowing inequality to grow. Both are old-fashioned and out of date, and we need to agree on the proper role of the states and the proper role of markets to get beneficial economic development, justice, and inclusion. We need to find ways of articulating those values within our own countries and internationally in order to better manage the era we are living in now.

To give an example, in the 1970s, the British Labour Party was very much against the European Common Market, as it was then called, because we had a vision of a just and fair country. We thought that by subjecting the United Kingdom to market competition with the rest of Europe, we would be prevented from creating the paradise of justice to which we were committed.

But we later understood that, as the world integrates and as we all need to trade, one can't insulate one's country from the rest of the world. We needed to be part of the European project and tried to create a Europe that was just for its people and played a constructive role internationally.

Now we have the argument in Europe about "Fortress Europe" and about whether Europe can insulate itself from the rest of the world. There is a growth in extremist right-wing party movement because of antagonism and anger about the large numbers of asylum seekers coming to Europe. We see it in The Netherlands, Austria, Denmark, and other countries. Right-wing racist parties are moving forward very rapidly, arguing against, for example, asylum seekers from Afghanistan, Iraq, and Africa.

Italy and Spain have the experience daily of people coming out of Africa, risking their lives in old fishing boats just for the hope and dream of a better life in a more economically advanced country. Asylum seekers are escaping misgovernment, oppression, and lack of economic opportunities. They are very much like the people who moved to the Americas in the last era of growing globalization, in the early part of the twentieth century.

This influx of asylum seekers makes it clear that we can't make Europe a fortress and have a good life for the people of Europe if people in surrounding countries are suffering the consequences of misgovernment, oppression, and poverty. In order to make our own countries safe and just, we need to spread those values across the international order.

Old assumptions about politics are equally outdated. The old idea was that what is morally right and what is in the self-interest of individuals and countries are in conflict. Whether that was ever true, it is certainly not true now. To protect our self-interest in the wealthy and developed countries, we need to work much more actively for a stronger commitment to justice and equity across the world. Obviously such a shift in emphasis would benefit the poor of the world. But the rich countries need to realize that if we fail to make progress in reducing poverty, we threaten our own self-interest, and the division and damage will come back to haunt us.

One way to do this is to work together for these values through the multilateral institutions we already have in place, like the World Bank, the International Monetary Fund, the United Nations, and the World Trade Organization. Although these institutions are often criticized, they have strengths as well. But they can be made more effective.

For example, the World Bank, as an international public-sector institution supported by taxpayer money, changed in the era of Thatcherism and Reaganomics. Then, its values were to roll back the state and let markets and inequality rip around the world. People were voting for parties that had those kinds of values. But now there has been a big shift, to the Millennium Development Goals (about which more below) and to the measurable and systematic reduction of poverty as the test of economic development. There also is growing recognition that poor people must participate in determining priorities and spending. Top-down doesn't work.

The World Bank must continue to evolve in the direction of measurable poverty reduction and country participation, but the answer is not to abandon the organization. We can't have little projects organized all over the world by every country and nongovernmental organization interested in development. We need a system that is capable of working across the world, in every country in need. We need to use institutions like the World Bank, the Asian Development Bank, and the African Development Bank, to which we all contribute for that purpose.

Similarly, the World Trade Organization is a better route to fair and effective trade than a proliferation of bilateral agreements. This is the only way we will get

agreement on rules that give developing countries a better chance to grow their economies and therefore reduce poverty. Some antiglobalization protestors suggest that multinational companies' activities are always harmful. In Europe, though, there is a growing movement that sees these companies as part of the solution. Multinational corporations are increasingly afraid of public opinion, consumer movements, and the growing pension-fund movements. There is widespread agitation in Britain about executives paying themselves a fortune, even when their companies do badly. That has led to all sorts of protests and embarrassment by the leaders of companies. I believe we can have trade rules that ensure that multinationals work within a framework that brings benefits to the countries in which they invest, in which they are not allowed to avoid local taxes or breach environmental rules.

If we have a commitment to use the multilateral public-sector institutions, like the World Bank and the World Trade organization, to generate economic development for the poor and more social justice, we can make the world safer and more stable for all of us.

NEARLY HALF THE WORLD LIVES ON \$2 A DAY: THE CHALLENGE OF GLOBAL INEQUITY

We have six billion people in the world now. There were just over one billion of us in 1900. The demographers say that was as many human beings as had ever existed since humanity first evolved. A recent finding of early human activity in Ethiopia is believed to date back approximately 160,000 years. From then to 1900, human population grew to just over a billion in 1900, three billion by 1960, six billion now, and world population is going to rise to eight to nine billion by 2030 to 2050, when, on present trends, it will stabilize.

This is not some peculiar rapid growth of population in developing countries that is different from population growth in industrialized countries. If you look at the history of Britain, for example, in 1710 there were about five million people in Britain, and now there are almost sixty million. When you break the back of poverty and economic development takes place, people live longer, children survive, the population grows, and then it stabilizes. That's the pattern we're getting across the world. But the eight to nine billion people now projected at the level of stabilization will strain the resources of the planet and require us to manage environmental resources more wisely—or we will all face difficulties.

Of the six billion of us, 2.8 billion live on less than \$2 a day. That is very nearly half the world's population. This figure of \$2 a day represents a purchasing parity equivalent of what \$2 would buy in the United States; it is not what \$2 would buy in a poor country in Africa. And 1.2 billion live on less than \$1 a day, for all needs—less than the

local purchasing parity equivalent of what \$1 a day would buy in the United States. This is abject poverty. The one in five of us living at that kind of level has a life expectancy of a little more than forty years. They see a lot of their children die before the age of five, they rarely get the chance to be educated, they are mostly illiterate, and they don't have access to clean water. Half of humanity doesn't have access to sanitation. These levels of poverty are like those of Britain during the Industrial Revolution, when child labor, widespread illiteracy, disease, suffering, and early death were commonplace.

On top of all of this, the world is rapidly urbanizing. Half of humanity is now living in cities, and this is speeding up very rapidly. It is projected that in about fifteen years it will be 65 percent. This will lead to all sorts of change, but one of the changes will be a greater likelihood for the poor of the world to protest their condition. The rural poor suffer often in silence, partly because they are widely dispersed. Urban masses of poor or marginalized people are more likely to complain and protest.

In terms of environmental resources, forests continue to be lost across the world, deserts continue to spread, and global warming continues. For example, Bangladesh, which is a very poor country of about 130 million people, is set to increase its population by 50 percent over the next thirty years. At the same time, based on the most likely trends in global warming, Bangladesh will lose a third of its territory because it is on a big river delta. Similarly, the effects of global warming on islands in the Caribbean, the Pacific, and other low-lying parts of the world are going to be enormous if we don't take urgent action.

THE MILLENNIUM DEVELOPMENT GOALS

Thus in our world, at the beginning of the twenty-first century, we have great progress in development but also the enormous challenges of gross inequality. In the face of this and to mark the new millennium, through the United Nations at the General Assembly in 2000 the whole world committed to working together to achieve what are known as the Millennium Development Goals—to halve the proportion of people living in extreme poverty, to get all children in the world into school, to reduce the number of women who die or are left permanently disabled by childbirth, to reduce the levels of infant and child mortality, and so on.

We are, in fact, on track worldwide to achieve the halving of the numbers in poverty. The targets were originally set in 1995, and we are on track for a billion human beings lifting themselves out of abject poverty between 1995 and 2015. After that, there will be another billion because of world population growth. But if we act together now to meet the goals we have set ourselves for 2012, we would build a new world order that is capable of taking responsibility for the whole world together and drive progress forward to systematically reduce this poverty.

On the other targets—like getting all children into schools, increasing child and maternal survival, and accessing clean water and sanitation, we are making progress overall. But we are not on target and we could do better.

Similarly, on trade, in the wealthier countries we all know that access to modern technology and to export and trade has helped grow our economies, generate jobs, and give people the improvements that come from modern technology. But the trade rules of the world are skewed against poorer countries. Africa, for example, relies on exports of unprocessed commodities. The minute Africa starts to process its coffee, cocoa, tea, or cotton, it hits growing tariffs, and therefore current trade rules keep Africa in a state of underdevelopment. At the same time, we in the United States, Europe, and Japan, subsidize our agriculture by \$350 billion and then it dump on world markets, undercut prices, and undermine the livelihood of poor farmers. It's a very unjust order. We must give developing countries a fairer chance to grow their economies, trade, and get access to modern technology.

ASIA: CONTINENT OF THE FUTURE

Asia is almost certainly the continent of the future. Asia has two massive countries, India and China, each with over a billion in population. Two-thirds of the poor of the world live in Asia, but China has, over the last fifteen years, achieved an enormous improvement in its economic development and its reduction of poverty. There is a fear of China, particularly in America, because of the real prospect that, if China continues to commit itself to economic growth and if it can adjust and open up its political system, it will become a major power in the world in twenty or thirty years. We all need to engage with China. You can't marginalize 1.4 billion people.

India has made less progress than China. A third of the world's poor live in India. India and Pakistan represent the biggest risk of nuclear exchange in the world. Bangladesh is making progress, but it is one of the least developed countries and it faces enormous environmental problems.

Africa is the poorest continent by far. Half its people are a-dollar-a-day poor, 20 percent of them living in conditions of conflict. And if Afghanistan was a threat to the world as a failed *state*, where al Qaeda could hide and organize, then the danger of a failed *continent* is even greater. Yet there has been success in Africa on which, with enough determination, we could build. Conflicts have been ended in Uganda, Mozambique, and Rwanda, and they are reforming, growing their economies, and reducing poverty. Ghana and Tanzania are also making progress, and there is a prospect of peace in massive countries like Sudan and the Democratic Republic of Congo. We need to work with Africa. Otherwise, we are going to have a continent suffering disease, poverty, and conflict refugees. This is an important issue for Europe in particular, because of its proximity to Africa.

A NEW POLITICS

We need a new, post-Cold War politics, one that is guided neither completely by states or completely by markets. The private sector has an important part to play in generating growth, particularly in poor countries. But the public sector has an enormously important role in ensuring that economic growth benefits all and that services are provided to all. The state is needed to prevent abuse, monopoly, and corruption and to ensure that there's a decent tax system, basic public services, and inclusion.

In the modern era, you can't have a successful economy if there is a large underclass. That's true in our countries and in developing countries. Education is the commanding height of a modern economy, and there must be quality education that includes all, and provides for all, to develop their talents.

The private sector can and should be ethical. In Europe there is a movement by the pension funds and consumers to boycott or pressure companies that fail to behave ethically in terms of the environment, their behavior in developing countries, and corruption. A growing group of successful companies see ethical behavior as not just good for their reputation but for their businesses as well. They treat their staff with more respect, nurture the talent and commitment of their workforce, and therefore generate high morale. The result is a more effective organization. So the private sector can play a role that is beneficial for all.

We need to defend our best values at home and abroad. We need a deep commitment to social justice and mutual respect, in our own self-interest as well as in the interest of the poor in the world. We could, then, if we can pursue these policies, have a period of enormous uplift, of a reduction in poverty, of a more just world order. If we fail to do so, we are going to have more bitterness and division.

CONCLUSION: TURNING AMERICA AROUND

Across the world, there is a fear that America, the hyperpower, is driving down the wrong road, one leading to more bitterness, division, inequality, and anger. But it is not too late to turn around. Maybe America can learn from Iraq the danger of acting alone or using a few token allies as a fig leaf to conceal that lack of a true coalition. Whatever view any of us take of the road to war in Iraq, the present situation is extremely dangerous. We must be determined to come together to try and help the people of Iraq to rebuild their country and ensure that the coalition doesn't get bogged down in a growing conflict that would simply hurt everyone.

We must solve the Israeli-Palestinian issue and establish two states that can create justice and hope for both peoples. (See, for example, the two-state plan proposed

by Chris Toensing in chapter 16.) The absence of a solution to date is the core of the anger in the Muslim world—the feeling that America props up Israel to behave in ways that breach international law and yet is never corrected.

This massive American economic and military power cannot make the United States safe. If America relies on military power and fails to commit to justice, it will make the world more dangerous. The events since September 11, and particularly the war in Iraq, have led to a growth of young people joining terrorist organizations and therefore have strengthened the network of al Qaeda organizations.

The United Kingdom experienced this in Northern Ireland when it first went in, thirty or so years ago, and acted repressively. It led to recruitment to terrorist organizations, and the U.K. learned the hard way that you have to commit to justice for everyone in order to get to peaceful settlement and not encourage terrorism.

Many people across the world find the U.S. government's actions contradictory because anyone who visits America knows its people's generosity, kindness, and helpfulness. There is also a deep religious commitment in the United States. People are more churchgoing in America than people are in Europe. Christianity teaches a very strong commitment to social justice: "blessed are the poor," and "whatsoever thou do to the least of my little ones, you do it to me."

What, then, is going on in the United States? Whatever the causes of this disconnect, the United States must be persuaded, for its own good and for that of the world at large, to work in cooperation with other countries toward justice, development, and mutual respect. These are good human values and will make the world safer for all of us. We need to make a change because the route we are on is dangerous and will lead to more bitterness, division, hatred and suffering.

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