Globalization and African Self-Determination: What is Our Future?

GLOBALIZATION & AFRICAN SELF-DETERMINATION: *WHAT IS OUR FUTURE?*

Obiora F. Ike (ed)

With Contributions from:

Francis Cardinal Arinze, John D Cochrane, Ndidi Nnoli Edozien, Antonio Fazio, Johannes Hoffmann, Obiora Ike, Mbaya Kankwenda, Diarmuid Martin, Emeka Ngwoke, Michael Novak, Manfred Spieker.

CIDJAP PUBLICATIONS
Enugu

First Published 2004

Printed by
CIDJAP Printing and Publishing House
Uwani, Enugu
Phone 042 252727

ISBN 978-8062-21-0

Preface

The book *"Globalization and African Self-Determination – What is our future?"* goes beyond the simple buzzword *globalization* and asks the deeper ethical questions concerning a globalization of Solidarity, of Subsidiarity and of the Common Good. Of the numerous books and titles written on the subject of globalization, this book shall join the few enduring ones. Its eminent contributors reject a fatalistic stance in the face of the problems engendered by it. They argue that people matter and that change for the better is possible. Humanity must participate in shaping globalization. The book brings together different disciplines and domains, looking to a future in which humanity consciously influences, improves and humanizes what may otherwise be seen as an impersonal and destructive juggernaut. The role of African self determination, found through ancient stories, proverbs and wisdom thoughts in cultural development is given a prominent role for the optimistic transformation of the world. African peoples are challenged to take their own destinies in their hands for the better. Things can get better. People must believe in this better world. Courage is called for. This corresponds to the Good News of Jesus Christ: *"The people that lived in darkness have seen a great light"*. The exciting range of topics discussed includes globalization and its impact on Africa; the challenges of cultural identity in an inter-dependent world; knowledge transfer across cultures; globalization and the Social Teaching of the Church; global business with a human face; fight against poverty by sustainable development; micro-credit financing and small- and medium-scale entrepreneurs and the intermediation of revolving credits for women and the poor; good governance and democratization; globalization and the need for development leadership in Africa; globalization and development; inter-religious dialogue and harmony; the family and the global community; chances for ethical standards in the global economy; the position of women...

Contents

FOREWORD

GLOBALIZATION AND WHY THE TORTOISE HAS BROKEN SHELLS

African people are well-known as great story-tellers. Folktales, proverbs and myths transmitted through oral traditions are of great importance in the teaching of value, meaning and education content for the youth. They serve as a most effective manner to highlight the call and reason for he Good life, based on "live- and-let-live".

The story of globalization is not new in Africa. Mythology narrates that "*In the olden days all the animals lived as brothers and sisters and cared for one another. Each helped itself and was assisted where and when in need by others. There was peaceful co-existence and mutual respect among them. Parties and celebrations were often held among the animals to boost mutual relationships, sharing of one's goods, love and friendship. Loneliness and poverty were unknown. Once upon a time, Almighty God, the Unseen Creator and Father of all beings invited all the animals to a feast in heaven. There was great excitement among them.*

To ensure that all attended the feast, King Lion convened a meeting at his house to discuss the modalities of the trip and to make sure that the animals without wings and feathers were assisted to fly to heaven. A decision was reached by unanimity that all the birds would donate some of their feathers to the four-legged animals and reptiles so that they too could fly to God's party in heaven. The selfish and tricky Tortoise suggested that whilst in heaven, they should all introduce themselves one by one as well as assume new titles. This suggestion was agreed to. Each took a new name and the tortoise also announced his new name and title as "**All of You**"

When the animals arrived at the kingdom of God, they were welcomed by the Angels and Saints and the heavenly choir, singing, chanting and making merry. Heaven was completely blissful and the animals felt very much at *home. God Almighty said the prayers before meals and presented heavenly kola nuts, drinks and assorted types of food for the animals to eat. There was abundance of everything. The animals were indeed happy as they were also hungry and thirsty, salivating regularly and waiting anxiously to descend and consume God's meal.*

Just after the prayers, the cunning Tortoise asked for permission from King Lion and Almighty God to speak. He informed the audience that it was part of cultured beings to make an introduction of their names and backgrounds before sharing whatever was set before them. All agreed and started introducing themselves one by one: the Lion, the Elephant, the Rabbit, the Dog, the Hyena, the Goat, the Cow, the Snake, the Pigeon, the Duck, the Monkeys, the Dove...It was a long list of those present. At last, the tortoise also introduced himself with the title "All of You".

Dinner was then declared open. At exactly this time, the tortoise intervened again and asked God, "For whom is all this food?" to which he got the response "for all of you". Tortoise then claimed that since his name was "All of You", the food and drinks belonged to him and the others could only eat at his mercy and convenience. This angered some animals who immediately took leave and returned to the earth, having been schemed out of a meal meant for everybody. Those who had lent their feathers to Tortoise alias All of You took them off in anger and went back to the earth, leaving the Tortoise without wings or feathers.

Before such a large amount of food and drinks, Tortoise did not care but enjoyed himself thoroughly, thinking that he would return safely to earth thereafter. Of course this proved to be difficult. At the end, he had to let himself fall from heaven to the earth and got his entire body and shells broken to pieces. He narrowly escaped death. It took a mysterious witch-doctor and medicine man from the famous Igbo land of Africa to sew the broken shells together and restore Tortoise to health. This explains why subsequent generations of the Tortoise have broken and serrated shells, have no friends and are punished with long life on earth to suffer for their greed."

This story somehow explains in part, the phenomenon of globalization even in our own times. What was meant for all has been hijacked by a few. There is enough for everybody if globalization is based on ethical principles such as solidarity, justice, respect, fairness, charity, subsidiarity and the African principle of "live-and-let-live".

History has taught us that nothing – no technical development, no social change – automatically leads exclusively to change for the better or worse for everyone. There is only One World for all peoples. There is no way around it. So far, globalization runs the risk of fragmenting the globe. We can never assess the market solely in terms of its impressive results for the winners. We must also always ask how these results were achieved. Only those who have clear values going beyond the commercial can shape globalization. A policy of freedom will only become convincing in economic terms if it frees people from exploitation, poverty and over indebtedness, if it provides equal opportunities, if it helps promote mutual respect and if it lets all people share in global developments. For humanity at this stage, this is a challenge, for we must be clear about how we can secure and promote the freedom and justice for all. Upon this rests the Peace which all so desire as a great value, for Peace is possible, but only on the precondition of Justice.

Concerning the situation of Africa, there is a degree of social inequality which we do not want and which is indeed harmful, both to the victims, the poor in African nations, and also to the human and structural perpetrators of this poverty. This is why the West must take another look at Africa. Indeed, it is in the interest of the West particularly to invest and develop interest and content in Africa and its peoples, this time, backed with ideas, a change of attitude and concrete action. This interest does not in any way underrate what Africans must be doing for themselves. Short term sacrifice leads to long term gain. Sacrifices are only made, voluntarily for goals and ideals we believe in, and when we have confidence in those who may lead us there. Leadership therefore, becomes ever more important in this agenda for changing of Africa's negative image, whether through the media or by those other levels involved in managing human affairs, the centers of social, academic, cultural and political change in the West.

As far back as 1965, the Fathers of the 2nd Vatican Council in the document Gaudium et Spes, the powerful and inspired statement of the Council stated: *"God intended the earth with everything contained in it for the use of all human beings and all peoples"* (GS, 69). This principle has not always been respected and applied.

Globalization has led in our own times to communities, cultures and nations fast-becoming united in ways and through means which had hitherto been thought to be impossible. This coming together of the various groups takes place not only through economic mergers, political integration, trade agreements and the like but also through the use of recent technological discoveries.

Globalization has its advantages; its pitfalls are also apparent. In the African setting, many have pondered on the overall effect of this phenomenon on the peoples and cultures of the continent. It can be likened to a fourth wave in the process of outside influence on Africa by people from other continents, following slave-trade, colonialism and then neo-colonialism. The begging questions would seem to be: Are there contexts of globalization that truly represent the best needs for Africa beyond a merely-economic perspective of effects in the continent? Wherein lies the future for Africa? Can we truly achieve self-determination from a global viewpoint? What roles can the African leadership play? Does the rest of the world have an obligation towards Africa, based not just on Charity, but indeed on Justice? How can a human family emerge where one nation or a group of nations does not claim to answer *"All of You"* to the detriment of the rest?

This book looks at various aspects of globalization with respect to African values. Many of the articles therein are the fruits of workshops and seminars organized (or co-organized) or attended by the Catholic Institute for Development, Justice and Peace (CIDJAP) over the last few years. They serve as contributions of the multiple dimensions from which the impact of globalization in Africa can be seen. They are intended to help set up a dialogue of cultures and civilizations and not a clash. They also serve towards a globalization based on ethics on solidarity, on values and on a new coalition for the Good of All. The lectures challenge us, not only to thought processes, but also to action.

Various areas where globalization has made in-roads are covered in the book. These include the economy, sustainable development, poverty eradication, cultural heritages, the family, religion, leadership, ethics and human rights. The chapters are arranged in a way that gives unbroken unity to the topics as one moves from one area of interest to another.

The book starts with a lead chapter by Obiora Ike that outlines an overview of the general aspects of globalization in Africa. It is then

followed by three chapters (*Africa in the Age of Globalization: the Challenges of Culture Identity in an Independent World; Knowledge Transfer Across Cultures: Intercultural and Intercommunicative Dialogue as a Fundamental Human Right* and *Human Rights, Conflicts and Reconciliation: A Global reckoning with Emphasis on Four African Wisdom Calabashes*) by Obiora Ike and Ndidi Nnoli Edozien, together and singly, reflecting a cultural angle to globalization as well as the latter's effect on the transfer of knowledge across cultures. Conflict-resolution and maintenance of human rights are also addressed.

Repercussions of globalization on the economy of nations form the main theme on the next six chapters. Anthony Fazio's presentation tackles economic progress and poverty reduction while Ndidi Nnoli Edozien's focuses mainly on making people realize that the world of business involves dealing with real human beings and not just articles of trade. In the chapter on *"The Consequences of Economic Globalization on Nigeria: Response to the World Bank's Report"*, Obiora Ike and Emeka Ngwoke present an official CIDJAP response to a World Bank document on prospects for development in Nigeria. Theirs is a reflection on possible abuse of power and the poor, as well as how not to run economies in such a way that the poor suffer Money should be seen as a servant and not a lord. Further considerations in the field of economics are provided in another paper entitled *"Developing Content on Africa: Why the West must take another look at Africa"* by Ndidi Nnoli Edozien and Obiora Ike with emphasis on possible ways in which the Western world can contribute to the overall development of Africa. Johanness Hoffman's paper on fighting poverty concludes the attention paid to economics with regards to globalization.

The effects of globalization on Political institutions and Leadership are among the issues looked at in the next two chapters. Mbaya Kankwenda canvasses on the need for development leadership as a possible boost to the implementations of decisions reached on matters bordering on the globalization process. It calls for definitive leadership and not corrupt ones in Africa, with visions of leadership being backed by action. It is followed, in a natural way, by a discussion from John

Cochrane on the areas raised by Kankwenda in his paper which underlines the fact that Africa must be in a position to help itself.

The focus of the book shifts thereafter to religion and society. Diarmuid Martin and Manfred Spieker both express their views on the way the Social Teaching of the Church can be brought to bear in the discussion on globalization. The dignity of the human person and the universal common good are discussed too. Francis Cardinal Arinze has an input on the need for Inter-religious Dialogue and harmony amongst people of varying cultural and religious backgrounds. It is a "must-read" in the context of religious clashes where people kill one another in the name of the same God who makes life. In the concluding chapters, Michael Novak places emphasis on the family and the global community whereas an advocacy for ethical standards in the context of the global economy is being pushed forward by Johanness Hoffmann.

Globalization is a reality today. We need to fight (and remove) its negative tendencies to marginalize Africa. It is our hope that this book contributes positively to the on-going discussion on globalization, a globalization based on solidarity, justice, demands of ethics, dialogue and universal access to the common goods of the world. In this light, the ability of Africans to achieve self-determination becomes imperative. Our destiny lies in our hands.

A lot of gratitude goes to the contributors of the papers and the various International symposia that made this book possible including The Pontifical Councils for Justice and Peace and the Council on the Family in Rome; the Acton Institute for the Study of Religion and Liberty, USA; the Micro-enterprise Development Co-operation (MDC) Colloquim which is a joint initiative of CIDJAP and Growing Business Foundation (GBF) .

Special thanks also go to the staff of CIDJAP (especially Fr. Ikechukwu Odigbo who collated the materials), for all their efforts into the daily realization of the objectives of the institute. To Dr. Anthony Odoh, the energetic and gifted talent and "ideas-generator", gratitude is given for the proof-reading and type-setting of this book.

OBIORA F IKE

I

THE IMPACT OF GLOBALIZATION ON AFRICA . . . A CALL TO SOLIDARITY AND CONCERN*

OBIORA F. IKE

African Folklore: the Story of the Hare and the Caterpillar

PERMIT ME TO BEGIN my presentation at this highly dignified audience with an African fable, told among the Massai of Eastern Africa but very much applicable here in Nigeria as elsewhere on the continent.

> *"Once upon a time, a caterpillar entered the house of a hare when its owner was absent. On his return the hare noticed the marks on the ground and cried out. "Who is in my house"? The caterpillar replied in a loud voice. "I am the warrior son of the long one whose ankles have become unfastened to fight in the Najia country. I crush the rhinoceros to the earth and make the cow's dung of the elephant. I am invincible." The hare went away saying. "What can a small animal like me do with a person who tramples an elephant underfoot like cow's dung?" On the road, he met the jackal and asked him to return with him and talk with the big man who had taken possession of his house. The jackal agreed, and when they reached the hare's house, he barked*

* Presentation at a conference on cultural values as key determinants for sustainable economic development jointly organised by the United Nations Development Programme (UNDP) in collaboration with Growing Businesses Foundation (GBF) at the second annual conference on corporate social responsibility and the launching of the first Nigerian issue- dialogue for the United Nations Global Compact held 31 May 2001 at UBA House, Marina, Lagos.

loudly and said: "Who is in the house of my friend the hare?" The caterpillar replied. "I am the warrior son of the long one whose ankles have become unfastened to fight in the Najia country. I crush the rhinoceros to the earth and make cow's dung of the elephant!" On hearing this, the jackal said. "I can do nothing with such a man" and went away. The hare then fetched the leopard, but the caterpillar replied to the leopard in the same manner, and the leopard said "if he crushes the elephant and the rhinoceros, he will do the same to me. They went away again and the hare sought out the rhinoceros. The latter, on reaching the hare's house asked who was inside, but when he heard the caterpillar's reply, he said "What? He can crush me to the earth! I had better go away then." The hare next tried the elephant and asked him to come to his assistance, but on hearing what the caterpillar had said, the elephant had remarked that he had no wish to be trampled into cow's dung and so departed. A frog was passing at the time, and the hare asked him if he could make the man who had conquered all the animals go away. The frog went to the door and asked who was inside. He received the same reply as the others had been given, but instead of leaving he went nearer and said, "I who am strong and a leaper have come. My buttocks are like the post and God has made me vile." When the caterpillar heard this, he trembled, and as he saw the frog coming nearer, he said, "I am only the caterpillar." The animals who had gathered nearly seized him and dragged him out, and they all laughed at the trouble he had given".

I am sure that many of you would draw several lessons from a fable of this nature. Some of them might include the age-old wisdom found in many African societies that:

- Fear begets fear and could never be the solution to any problems
- Not to act is the failure itself, for inaction is often the root cause of many of our problems
- Man is the origin, the cause and the direction of development

- Man is at the centre of everything.
- With determination, many things are possible to man, either way.
- There is virtue in courage and in daring any circumstances
- Actions speak louder than words
- Solidarity is the way of Africa and of survival.
- The spirit of defeat and cynicism even before trying a solution to a problem is the problem itself
- Some of our problems are man made, one of which is poverty. Poverty is not God determined and it could be eradicated if people dare it.
- When in need ask the neighbour
- If you try and fail, try and try again and somehow, success shall come.
- There is satisfaction at the end of the day and reconciliation is possible
- Power is a matter of how you view it because weakness can transform into some new form of strength depending on how you view it.
- The story ends well as you can see because not only was the insurmountable problem solved by the animals, they all had a good laugh at the end of the ordeal, and even the culprit was not killed or dealt with summarily. But he would think again before repeating such costly joke elsewhere, probably, not too soon.

Is this a simplistic picture around the theme of globalization, of world problems, of bad governments in African nations, of poverty eradication, of sophisticated and complex global energy matters: environmental, military, economic, social, legal, ethnic and religious problems? The accusation might be legitimate, but let us actually come to think about it and to look at it. Is not man to a large extent the source of his own problems and of the solutions likewise? Was there a matter really, which if with determination and courage, people agreed and tried to solve, they could not solve, or at the least, deal with constructively? Have we not doubted in the past only to realize that our doubts were only superstitious because solutions to our problems were readily on hand if only we honestly tried? Are people, especially selfish leaders and cowards not often the origin and source of the regress we experience in our many nations?

My belief in the United Nations and its institutions, and in many initiatives of non-governmental as well as governmental organizations, the good will of many men and women and of groups, peoples and individuals is that vision, faith, courage and action make things happen. People matter. Development begins with people. The human being must be placed at the center of all events in history as the responsible agent of piloting God's good creation. There can be a new beginning and solidarity in action of all those who care would be a solid beginning for a new global compact, intended to promote corporate social responsibility as integral elements of socio cultural practices. I have the audacity to believe that this UNDP-GBF conference would be one contribution more in our search for the agenda for a better world.

Globalization: Definition, History and Structures

Much of the content of this paper has been inspired by a presentation made at a forum of scholars and practitioners in Zimbabwe by the Jesuit Catholic Social Scientist and analyst scholar, missionary, development practitioner and teacher, Father Peter Henriot who at the time of this presentation, lives and works in Zambia. The title of his unpublished paper is: *Africa in the age of globalization: What is our Future?* I am deeply indebted to him for the many encounters we have had, once in Harare, Zimbabwe in 1996; then in Aachen in 1997; and then in Lagos, Nigeria. A Ugandan political scientist, Yash Tandon wrote what may be termed provocative, but he expresses the views of many people on

the continent of Africa, even when some others do not share these views. And this is my point of departure concerning ***"Africa in an age of globalization: what is our future?"*** *"Anybody with any degree of intellectual integrity would see that globalization of Africa or the integration of Africa into the global economy from the days of slavery to the contemporary period of capital-led integration has on balance of costs and benefits been a disaster for Africa, both in human terms and in terms of the damage to Africa's natural environment. There is scarcely anybody in Africa who would talk of the last three years, including the last forty years since the first African country gained independence, in language flattering either to colonialism or to governments that have taken over power since political independence. World Bank and IMF officials who may be even genuinely concerned about Africa, but see wrong only in the policies of African governments choose to forgets that their fingers have written the various documents on which these policies from import substitution to now export orientation were based. It is also a measure of their intellectual dishonesty or ideological brainwashing that they cannot see the connection between globalization and Africa's poverty."*[1] This judgment is indeed harsh. But is it near to the truth or perhaps the truth? The answers may vary depending on what side of the fence one stands, but from a social-ethical perspective, I believe that the judgment is true. The slave trade, the period of colonialism and its follow up stages of neo-colonialism, whether external or internal, and the attendant periods of post World War I (raw material expropriation) and the period of the post World War II (finished materials exportation and importation) add to it, the long years of military or civilian misrule, all watched by a *"global network"* of highly powerful economic, powerful and military interests, go to prove that the Ugandan scientist's judgment is nearer to the truth.

I will therefore attempt in this paper to demonstrate both the validity of the judgment and the urgency of the call to respond effectively with keen analysis, strong ethical evaluation and viable alternatives. I shall call for a new globalization of ethical values, a

[1] Yash Tandon, *Globalization: Africa's Options*, ISGN Monograph No 2, march 1999; Quezon City Philippines" International South Group Network, P. 9

renewed sense of solidarity among peoples and nations, based not on racism or prejudices but on the universal and intrinsic bond of the human community, wherever they may be, a revisit to our indigenous African institutions and values which emphasizes the family, the community, hard work, equity, inclusion, not exclusion, human values and worth, security and cultural sustainability, in spite of modernization, truthfulness, integrity, communal sharing, live and let live, communal ownership, gender distinction but equity, sharing of roles, the place of elders, the respect for the ancestors and our forefathers and mothers, indigenous technology, self reliance, dignity and respect for the divine milieu.

Business connections, internet, agricultural issues such as *"hoof and mouth disease,"* entertainment, TV programmes, communication network, cell phones, USA soap operas and situation comedies like Passions, Cosby show, advertising, fast food, Mr. Biggs, McDonalds and Dax all correspond to the *"Signs of the times"* in a global village. *"Globalization" is one of the most widely used and least clearly defined of the terms in political and economic discourse today. In hopes of at least narrowing our discussion today to manageable limits, let me suggest some words that describe various dimensions of the linking of nations and people in our globe.*

- Independent: country stands alone, without need of others especially in political rulership/leadership
- Dependent: a country is subservient to another or others, in basic ways
- Interdependent: countries are connected in various ways so that their existence is closely related
- Integrated: countries are joined in such basics that they function almost as one

Another set of descriptions are:

- National: one state by itself
- International: several states relating to each other

- Multinational: one entity located in various states, but principally in one.
- Trans-national: one entity without any localised national identification
- Global: many entities integrated into one emerging reality

I want to use the term *"globalization"* to refer to the phenomenon of increasing integration of nation states through economic exchanges, political configurations, technological advance and cultural influences.

- Economic exchanges include cross-border trade in goods and services, capital flows and financial investments. Today almost two trillion US dollars move around the world every day, seeking not the best production but the best return on speculation. On the one hundred largest economic entities in the world, fifty of them are nation states and fifty are trans-national corporations.[2]
- Political Configurations are the new or renewed structures of the United Nations, the World Bank, the International Monetary Fund, the World Trade Organisation, the blocs of the European Community, the North American Free Trade Area etc. These are not democratically elected governments but have considerably more power than any such governments. For example, the expanded *"trade related"* mandate of the WTO now touches areas like intellectual property, employment policies, environmental regulations, etc.
- Technological advances include the rapidly growing utilization of electronic communications e-mail and Internet and the increasing ease of transportation. We live in an information age; we live in a *"borderlines age,"* we live in a very fast age.

[2] One of the most thorough overviews of the topic of globalization, and a study I have relied on heavily in this paper, is the United Nations Development Programme Report 1999 (Oxford: Oxford University Press, 1999)

- Cultural influences are obvious in the Westernisation of so much of popular culture in music, clothes, life styles, etc. Today the single largest export industry for the United States is not aircraft, automobiles, computers, but entertainment—Hollywood films and television programmes.[3] These are the integrating factors of globalization today.

But before looking at how Africa is experiencing globalization today, it is very important to note that this is but the *fourth* stage of outside penetration of the continent by forces that have had negative social consequences on African people's integral development.

- **The first stage** was *slavery*, when global traders for the benefit of Arab, European and American countries, stole the continent's most precious resources, African woman and men.
- **The second stage** was *colonialism*, when British, French, Belgian, Italian, German and Portuguese interests dictated the way that map boundaries were drawn, transportation and communications lines were established, agricultural and mineral resources were exploited, religious and cultural patterns were introduced, and political alliances were arranged.
- **The third stage** was *neo-colonialism*, the form taken by political pressures and economic forces that set trade patterns, investment policies, debt arrangements, technological introductions, political alliances, etc. with a hidden advantage for the West.
- **The fourth stage** is now *globalization*, as we know it today and about which we ask in this conference: what does it mean for the future of Africa.

[3] Figures cited in *"The Rough Guide to Globalization,"* a CAFOD Briefing Paper, December 2000.

The structures that are the foundations of globalization as we experience it today, and that guide its future development, are important to identify. Some are obvious from what I have already spoken of briefly in outlining the elements of the definition. Here let me speak of only a few of the more important structures and then in the next section of my paper let me identify their impact on Africa.

The Structures of Globalization

The first structure is *ideological*. Globalization as currently experienced is in its major direction, an incarnation of neo-liberalism.[4] In its extreme, this ideology is a kind of *"Economic fundamentalism"* that puts an absolute value on the operation of the market and subordinates people's lives, the function of society, the policies of government and the role of the state to this unrestricted free market. Neo-liberal policies support economic growth as an end in itself and use macro-economic indicators as the primary measurements of a healthy society. It assumes almost a religious character, as greed becomes a virtue, competition a commandment, and profit a sign of salvation. Dissenters are dismissed as non-believers at best, and heretics at worst. Problems with the operation of this ideology—even such massive problems as the collapses experienced a few years ago in Asian economies—are seen not as *"mortal sins"* but as mere *"falls from grace"* that deserve more penitential practice of the exercises that are demanded by the ideology.[5]

The second structure is *capital flow*. Even before trade in basic goods and services, by far the largest component of globalization is the movement of money across borders. This is disconnected capital, institutionally managed money that moves with the speed of a mouse click on a computer, putting money into a situation for quick return, pulling it out equally speedily for a safe return. The

[4] Human Development Report 1999, p. 33.

[5] For a clear explanation of this ideology with examples of its workings in Latin America, see *"Neoliberalism in Latin America,"* A Letter from the Latin American Provincials of the Society of Jesus, in the Month, July/August 1997, pp. 281 - 284.

severe problems experienced by the *"Asian Tigers"* were largely due to the rapid and uncontrolled movement of capital. Cross border money is faster in its movement than the owners themselves.

The third structure is *trade*, usually under the guidance of the creed of "free trade". Because of the technological advances in communications and transportation, goods produced in one country move rapidly into other countries, frequently disrupting traditional productive patterns in the second country. One can think simply of the decline in the automobile industry in the United States because of competition from Japan. Trade relationships may be "free" but whether or not they are "fair" depends on power, size, experience, skills, etc. And in our world of today, these factors are very asymmetrical in distribution and utilization.

The fourth structure is *cultural*. We all have heard of and indeed, experienced, "cultural imperialism," the imposition of values and style of life by dominant forces. One commentator has referred to the contemporary process of globalization as the birth of the *"McWorld"*—a cultural integration of fast music (MTV), computers, (Macintosh) and fast food (McDonald's).[6]

Cultural imperialism is not a new phenomenon, but it assumes alarming proportions when driven by the new technologies and profit propensities of the dynamics of globalization. A Jesuit priest and economist Xabier Gorostiaga, working in Nicaragua, refers to the *"predominance of geoculture over the geopolitical and the geoeconomic,"* Traditional cultural values such as family, community, respect for life, hospitality, etc come into strong confrontation and do loose battle with the values communicated through Western music, movies, video, cable and satellite television, advertisements, and the idolised figures of entertainment and sports such as individualism, the desire to have more even when one does not become more; a new cult of violence, the unbridle belief that money buys everything and the growing loss of meaning of life and in traditional values.

[6] For a well-developed analysis of this economic fundamentalism and its implications, see John Mihevc, *The Market Tells Them So: The World Bank and Economic Fundamentalism in Africa* (Penang, Malaysia: Third World Network, 1995), especially pp. 21 - 42.

The fifth structure is *political*. It may surprise some of you that I mention this last, since I am by training social political scientist. But this is deliberate, in order to emphasise the point that the ideological structure, the economic structures of capital flow and trade, and the cultural structure, are today more influential than the political structure. With the end of the cold war, there has been a significant change in the geo-political structures shaped by the East-West conflict. A bi-polar world has given way to a design for a "New World Order" (proposed ten years ago following the Gulf War). But the political dimensions of this new order are themselves subject to the economic influences of available markets, accessible resources, and technological arrangements. The point made several years ago by Pope John XXXIII, that development of global economic relationships has outstripped the development of political governance structures to promote the global common good more than ever true today.[7]

Impact of Globalization on Africa

Some thinkers have established a thesis that there really is a very close connection between globalization and poverty in Africa. One of them is the Ugandan political economist Yash Tandon mentioned earlier. To return to the title of this presentation, "What is our future in this age of globalization?" Is the extremely harsh judgement of Yash Tandon that I cited in opening my paper accurate, that there *really is a very close connection between globalization and poverty in Africa?*

Let me begin by acknowledging that there are "many Africans." To speak only of sub-Saharan Africa, what might happen with the African "super powers' like Nigeria and South Africa may in some ways be significantly different from what would happen in Zambia or Zimbabwe, Tanzania or Gabon. So let me be careful with gener-

[7] See Benjamin Barber, *"Jihad vs. McWorld,"* The Atlantic Monthly, Monthly, March 1992.

alisations, qualifying them as trends that know exceptions but nevertheless portray general directions. And I do believe that these general directions, if left unaltered, are not at all favourable to the seven hundred million people of sub-Saharan Africa.

I want to speak of only three of what I judge to be the most important consequences:

- Enlarging gap between rich and poor,
- Increasing marginalization,
- Growing environmental threat

The first thing to note is the *enlarging gap between* the rich countries of the north and the poor countries of the south, with particular focus on Africa. Economic prosperity brought about through industrialisation, technological innovations, trade and investment have not in fact been widely experienced in Africa. Let me offer a few empirical observations to demonstrate that fact. Of the sixty four countries ranked as "low income" by the World Bank 2000 report, 38 are in Africa.[8] This ranking is on the basis of strict economic calculations of GNP per capita. Of the thirty five countries ranked "low human development" by the UNDP 2000 report, twenty seven are in Africa.[9] This ranking takes account of social calculations such as life expectancy and literacy, revealing the human side of development. That this situation of the gap has indeed *worsened* in the age of globalization is shown in the fact that the average annual rate of growth in GNP per capita between 1990 and 1998 has in the forty-three sub-Saharan African states grown.

- by more than 4% in only one country,
- from 3-4% in three countries,

[8] Xavier Gorostiaga, S.J., Citizens of the Planet and of the 21st Century," EDOS Bulletin, Vol. 28, No. 3, 19 March 1996, p.9. A significant international project on *"Globalization and Culture"* is currently being conducted by the Woodstock Theological Center, Georgetown University, Washington, DC.

[9] John XXIII, Peace on Earth, 1963, nos 135-136.

- from 0-3% in twenty three countries and
- less than 0% in nineteen countries.[10]

You may be familiar with the expression, the "champagne glass economy," a picture of the globe emerging from the recent UNDP Human Development Reports that document that the richest 20% of the world's population receives 86% of global income, while the poorest 20% receives just 1%.[11] This is a picture of the globe in which the huge majority occupies only the narrowest stem of the glass while the tiny rich majority enjoys the broad bowel of affluence. In this champagne glass, we all know where the majority of Africans fit! You probably have heard these figures before, but let us hear them once again:

- the assets of the three richest people are more than the combined GNP of all the least developed countries;
- the assets of the two hundred richest people are more than the combined income of 41% of the world's people;
- a yearly contribution of 1% of the wealth of the two hundred richest people could provide universal access to primary education for all.[12]

Is globalization good for Africa's future? Not at all. I would argue that its present form has been exaggerating the gap between Africa and the so-called developed world.

Second, the current structuring of globalization creates an *increasing marginalisation* of Africa in the very process of integrating it into the global economy. For there is a stark disparity between rich and poor in the global opportunities offered in trade, investment and technologies. The figures I cite here are for the world at large,

[10] See World Bank, World Development Report 2000/2001:Attacking Poverty (Oxford: Oxford University Press, 2000).

[11] See United Nations Development Programme, Human Development Report 2000 (Oxford: Oxford University Press, 2000).

[12] Human Development Report 2000, p. 81.

but remember that when the "poorest" are spoken of, the majority of poor countries are in Africa.

- **Trade:** the shares of the world export markets of goods and services go 82% to the richest 20% of the people living in the highest income countries, the bottom 20% just 1%
- **Investment:** the shares in foreign direct investment go 68% to the richest 20%, just 1% to the poorest 20%
- **Technology:** taking share of Internet users as one example, 93.3% go to the richest 20%, 0.2% to the poorest.[13]

Speaking of Internet, to purchase a computer in Zambia could take up to four years of the complete salary of a school teacher, but less than a month's salary of a US school teacher.

This marginalisation has increased dramatically in recent years, and shows no signs of decreasing. As the UNDP 1999 *Report* commented: some have predicted convergence. Yet in the past decade the decade of the most intense globalization has shown increasing concentration of income, resources and wealth among people, corporations and countries. All these trends are not the inevitable consequences of global economic integration—but they have run ahead of global governance to share the benefits.[14] A third observation deal with the *growing environmental threat* to Africa that comes from a particularly disturbing aspect of globalization, the phenomenon of global warming. As you know this phenomenon is caused mostly by carbon dioxide emissions from automobiles, power plants and industries that are, of course, most heavily concentrated in the so-called developed countries. I just recently read a report circulated last month by the United Nations Environmental Programme, based in Nairobi.

[13] These figures are from the Human Development Report 1999, p. 3. The *"The champagne glass"* figure was introduced on the cover of the Human Development Report 1997, which had the theme *"Human Development to Eradicate Poverty."*

[14] Human Development Report 1999, p. 38.

It spoke in frightening terms of the impacts on Africa of global warming, with rising levels of disease, famine and poverty. For instance: *"heavy, monsoon-like, rains and higher temperatures will favour the breeding of disease-carrying mosquitoes, allowing them to thrive at higher altitudes. Higher temperatures, heavier rainfall and changes in climate variability would encourage insect carriers of some infectious diseases to multiply and move further afield. The report cities how malaria cases in the highland area of Rwanda have increased by 337 percent in recent years with 80 percent of the climb linked with changes in temperature and rainfall, which improved breeding conditions for malaria-carrying mosquitoes. A similar link has been reported in Zimbabwe ... Cholera, which is transmitted by water or food, could aggravate health problems in many parts of the world including Africa. The scientists say that during the 1997-1998 El-Nino excessive flooding caused cholera epidemics in Dijibouti, Somalia, Kenya, Tanzania and Mozambique"*[15]

The report goes on with more disturbing data and analysis, but we here in southern Africa know well the story of struggling with alternating droughts and floods. You might tell me that these effects should be blamed on *nature* and not on *humans* but we have to remember that the global warming is indeed linked to a globalization of economic forces that develop without ecological concern and of political forces that support these forces. We have had clear proof of that in the past few days with USA President George Bush's blunt rejection of the Kyoto agreements to limit harmful emissions.

Alternatives to Globalization from the Perspective of the Church's Social Teaching

While I may be *negative* in my analysis of the impact of globalization on Africa, on the people of Africa, I can be *positive* in offering of alternatives to the orientation, organisation, operation and outcome of globalization. That is because, as a political analyst and policy activist, I am heavily influenced by the church's social teaching. And I'm not shy when it comes to speaking about that

[15] Human Development Report 1999, p. 2.

teaching![16] I believe that the church's social teaching—found in scripture, in the writings of theologians both ancient and contemporary, in the statements of popes, councils, synods, regional and national pastoral letters, and in the lives of good people everywhere offer a *vision* and suggest *structures* that can create alternatives to what we are experiencing today.

Let me say a word about alternatives. To Margaret Thatcher is attributed the acronym "TINA" meaning "There are No Alternatives". She was speaking about free market approaches. But many prefer the acronym "TAMA" meaning There Are *Many* Alternatives, for are we to accept the fact that globalization is *"inevitable"* and that it is necessary to make an important distinction between: Objective forces driving globalization, such as the facts of technological production and electronic communications, that, left to themselves, would concentrate in the hands of the already powerful any benefits of globalization. Subjective choices shaping globalization, such as the policies that contribute to its direction, for example, regulation, taxes, governance structures of accountability and participation that can be changed to spread the benefits of globalization. To influence the subjective choices, I believe it is necessary to follow a three-fold path suggested in another context by a specialist in the church's social teaching in the United States, J Bryan that includes:

- Working *with* globalization
- Working *against* globalization
- Working *towards* globalization

Working *with* globalization means utilising the objective forces that can indeed benefit humanity. For example, in my social justice work, I personally benefit from the Internet, though I am aware that I am part of a very small and very privileged minority in Africa, indeed Nigeria. And I hope I use it for the benefit of others.

[16] Human Development Report 1999, p.3.

Working *against* globalization is to do the critical analysis necessary to expose its counter development consequences and to struggle to confront the actors personal, political and corporate who promote those consequences. Much publicity has been given in recent months to the demonstrations occurring in Seattle, Washington DC, Prague, Davos and elsewhere by the forces of "anti-globalization." I know many of those involved in such demonstrations and the most important part, the strongest part, of their confrontation has not been *sporadic violence* but *consistent analysis.*

Working *towards* globalization is to offer the alternatives, the strategies and tactics, which will shape our future, not only here in Africa but around the world. For me, the church's social teaching offers the *vision* and suggests the *structures* that can assist in all three endeavours. Let me offer a framework of three varieties of globalization that embody both vision and structures that have meaning for us here in Africa today.

Globalization of Solidarity

This is a counter-emphasis, indeed a counter-cultural emphasis, to the structures that drive globalization today. John Paul II sums up this emphasis in his World Day of Peace Message in 1998, when he called for "a globalization in solidarity, a globalization without marginalisation." Solidarity can also be expressed in the beautiful Africa proverb, "I am because we are; we are because I am." My personal existence, identity and worth is only within community; and the order, function and beauty of community is only possible with my personal contribution.[17]

Solidarity means, especially in the writings of John Paul II, awareness and caring, actions and programmes. It is contemporary expression for commitment to the common good. It is a response to the recognition that true development is not only of the whole person but also of the whole person within the whole community. This

[17] *"Global Warming: Africa Hit Hardest,"* Press release about report by Intergovernmental Panel on Climate Change (IPCC), from United Nations Environmental Programme, Nairobi, 22 February 2001.

is a vision that contains the social values grounded on the fundamental dignity of the human person. This solidarity of globalization would mean a globalization with;

- *Ethics*—less violation of human rights, not more
- *Equity*—less disparity within and between nations, not more
- *Inclusion*—less marginalisation, not more
- *Human* security—less instability of societies and less vulnerability of people, not more
- *Sustainability*—less environmental destruction, not more
- *Development*—less poverty and deprivation.

Where is this very eloquent list of values found in the body of the church's social teaching? In many places to be sure, but this *precise* list is found on the second page of the UNDP *Human Development Report 1999.* And that is something that excites me! A secular institution like the UNDP is quite at home in speaking the value language we ordinarily associate with the church's social teaching. Surely we should be equally at home! For that is something essential to promoting alternatives: to have alternative vision and to unabashedly push it.

Globalization of Concern

This is simply the value that emphasizes the priority of people over profit, labour over capital and cooperation over competition. It is an expression of a central emphasis in contemporary church's social teaching, the *preferential option for the poor.* A Jesuit moral ethicist who lectured at Arrupe College, David Hollenbach, argued that global public goods such as environmental sustainability, protection from global transmission of infectious diseases and promotion of peace and stability both nationally and internationally are goods that cannot be expected to be produced in free market exchanges. According to Hollenbach: "these goods *are also both global and public in the sense that any particular nation can enjoy them only when other nations also enjoy them in some directly proportional way. An individual shares in a global public good precisely because that nation is part of the global whole in which that good is present*"[18]

Recognition of this strengthens our critique of the free market ideology, since free markets do not produce global goods. As one ethicist commented, "The free market is potentially a useful servant, although it is certainly a bad master." (J Philip Wogaman).

This means that the globalization of concern is a prerequisite for the well being of all. In globalising Africa, it is indeed a prerequisite for survival.

Globalization from Below

This happy turn of phrase focuses our attention on the fact that integral human development, sustainable human development, depends more on harmonious human relationships at the local level than on the organisation and operation of unaccountable national or international political structures or an unfettered free market. A fundamental fault with globalization, especially as experienced in Africa, is that it is not rooted in community but structured from above according to abstract economic laws. To counter this situation in a creative fashion calls for implementation of what the church's social teaching calls *subsidiarity.* This is the building at local levels with people's participation of the structures necessary for development. One such structure obviously is a strong national government. The church's social teaching certainly does not support neo-liberalism's call for the retreat of the state from its duties to promote the common good.[19]

It is true that nations with strong political structures, rooted in real democracy are more likely to defend themselves against the pressures and crises of globalization than weak and inefficient

[18] See Peter J. Henriot, Edward P. DeBerri, and Michael J. Schultheis, *Catholic Social Teaching: Our Best Kept Secret*, Centenary Edition (Washington DC: Center of Concern, and Maryknoll, NY: Orbis Books, 1992).

[19] Human Development Report 1999, p. 2

states or even strong states that lack public support. I believe that this truth has lessons for both Zambia and Zimbabwe today!

Moreover, much of the recent world-wide exposition in the so called civil society activities by non-governmental organisation (NGOs) is one expression of advocacy, environmental concerns all have strong international networks of local groups. Two recent campaigns have special relevance to Africa as examples of globalization from below; they are the campaign against land mines and the Jubilee 2000 debt cancellation campaign. The fact that both these extremely complex and difficult issues have been moved to the forefront of global concern is a tribute to widespread efforts at the local level.

Conclusion: The Future for Africa of Globalization

The problem with globalization is that it is simply too global and too big a topic! I still have at least ten or twenty more pages of analysis to offer you this morning. But I'll save that for another time.

In dealing with globalization in Africa, I have tried in my presentation to outline some of the signs of the times, to sketch a few points about the definition, history and structures of globalization, to analyse what is meaning for Africa today, and to suggest some alternatives to pursue in both our analysis and our actions, based on perspectives from the church's social teaching.

I want to end with an eloquent statement from Mahatma Gandhi, expressed earlier in the last century. He said: *"I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all the lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any".*[20] —

[20] David Hollenbach, S J., *"Working for Solidarity in an Age of Globalization,"* presentation at Forum of Jesuit Center for Centre for Theological Reflection, Lussaka, Zambia, 19 October 2000, p. 4.

2

Africa in the Age of Globalization The Challenges of Culture Identity in an Interdependent World*

Obiora F. Ike and Ndidi Nnoli Edozien

"Our first task in approaching another people,
another culture,
another religion,
is to take off our shoes
for the place we are approaching
is holy ground;
else, we may find ourselves treading
on another's dream,
more serious still,
we may forget...
that God was there,
even before our arrival"

Introduction

This paper desires to address the intercultural comparability of ethical corporate assessments from a Nigerian perspective, as an African contribution to global sustainable development. Our point of departure is the call for an ethical global order based upon cul-

* Paper presented to the Ethical-ecological Investment: Towards Global Sustainable Development and submitted for the Project Group Ethical-ecological Rating, Frankfurt-Hohenheim *(originally published in Lucia A. Reisch (Ed) IKO-Frankfurt/M, 2001)*

turally rooted and sustainable values, with potential to improve the prosperity of humankind. (Scherhorn/Hoffmann, Frankfurt Hohenheim Guidelines). This was Africa's strength in its history, which needs to be revived today in an interdependent socio-economic ambient.

In modern society, the effects of the increasing interconnectedness of our world's peoples and countries cannot be ignored and for the purposes of this paper, we use the term globalization to refer to the phenomenon of increasing integration of nation states through economic exchanges, political configurations, technological advances and cultural influences (Obiora F. Ike, in a paper presented at the UNDP/GBF workshop: Cultural Values as Key Determinants for Sustainable Economic Development, Lagos, May 31, 2001). It is our firm conviction that an alternative to the modern capitalistic, individualistic materialism exists which, though largely ignored and even determinedly undermined, is especially relevant in the modern world wherein we observe a global *"Crisis of values"*. Specifically, we observe the following flaws in the global social and economic systems, with corresponding defects in the recognized control mechanisms adopted by dominant western nations:

- The horrendous waste of non-renewable resources in industrialized societies.
- The dramatic and excessive burden on the environment's capacity to absorb pollution, and manifest damage caused by the global ecological balance.
- The still largely unbridled population growth in agricultural regions of the developing world, threatening the already delicate balance of humankind and available resources in these regions.
- The lack of ethical and cultural ingredients in determining economic and social development whereby cultural values seem negated in the formulation of policies that guide people and nations.

Can people ever look forward to posterity who do not look backwards to their ancestry, historical heritage, cultural-identity and authenticity?

Globalization and Africa

Africa has experienced globalization in four stages, each of which has had negative consequences on the African peoples integral development:

- The first stage was slavery, which robbed the continent of its most precious resource: its people.
- The second stage, known as colonialism, introduced divisive, exploitative and alien socio-economic, political, religious and cultural patterns.
- The third stage was neo-colonialism, which introduced political pressures and economic forces that set trade patterns, investment policies, debt arrangements, technological dependencies and political alliances, all of which eroded the ability of the African people to determine their own destiny.
- The fourth stage is what is known as 'globalization' today.

From an African point of view, the term 'globalization' has eroded the sovereignty, self-determination and dignity of its people, and thus necessitates that we ask the question: what is the future for Africa? This is especially relevant because economic prosperity brought about through industrialization, technological innovation, trade and investment, has not been widely experienced in Africa. Rather, empirical observations clearly demonstrate the enlarging gap between rich countries of the north and the poor countries of the south, and particularly Africa (UNDP 2000 Report): Of the 35 countries ranked *"low human development"* by the UNDP 2000 report, 27 are in Africa; and of 43 sub-Saharan African states, the annual rate of growth in GNP per capita between 1990 and 1998, increased:

By more than 4%, in only 1 country
From 3% to 4%, in 3 countries
From 0% to 3%, in 20 countries, and
Less than 0% in 19 countries.

This is clearly not sustainable, neither for Africa nor for the world!

Ethical Investments as a Way Forward

In promoting ethical-ecological investments towards global sustainable development, it is important to recognize that: *"The integration of Africa into the global economy or the globalization of Africa from the days of slavery to the contemporary period of capital-led integration has on balance of costs and benefits been a disaster for Africa, both in human terms and in terms of the damage caused to its natural environment"* (Yash Tandon, Globalization: Africa's Options, March 1999).

Indeed, the current structure of globalization creates an increasing marginalisation of Africa in the very process of integrating it into the global economy. For instance, there is a stark disparity in global opportunities offered by trade, investment and technologies:

1. in trade, the world's goods and services go 82% to the richest 20% in the highest income countries, whilst the bottom 20% get just 1%;
2. for investments: 68% of foreign direct investment goes to the richest 20% of countries, whilst the poorest 205 obtain just 1%;
3. with technology, using internet access as an index, 93.3% of users are in the richest 20%, and 0.2% in the poorest 20% of countries. Thus, for ethical investments to become effective in promoting sustainable development globally, noticeable socio-economic trends must be recognized and addressed, as follows:

- Corporations and their networks in modern society are more powerful than nation states.

- Information technology unifies the interests of industrialized nations, creating a digital divide between them and developing nations.
- Dominant societies exploit international market opportunities while developing societies remain at the margins, with little access.
- Profits of multinational corporations are often not ploughed back to ensure responsible business practices that improve peoples' lives, especially amongst those whose land and resources are used.
- Capitalism leads to a redistribution of income from those with a poor capacity for exploitation to those with a rich capacity to do so.
- International financial institutions create rigid laws without contextualizing policies and run risk, therefore, of imposing macro-economic indices that create more problems than they solve in developing countries, even when the aims are genuinely humanitarian.

The link between globalization, as currently practiced, and Africa's poverty must be better understood if we are to engender sustainable development in economic and ecological terms, globally. Likewise the social and cultural dimensions of sustainable development cannot be ignored if we are to build just and equitable systems that preserve the fundamental tenets of justice and peace upon which every sustainable society is built.

Intercultural Comparability of Ethical Ratings

In a global context, the basic objective of economic management is to achieve sustained development in an efficient, effective and equitable manner leading to the improvement of living standards and a fair distribution of the fruits of economic prosperity amongst the world's citizens. Correspondingly, the contribution of business is to meet the demands of society, by raising people's standards of living in a free market economy where, as a result of competition, the quality of goods and services offered is always improving.

Conventionally, sustained market share and profitability are measures of how successfully the aforementioned objectives have been achieved while the profit motive purportedly seeks the effective allocation of scarce resources. In fact, however, the current form of economic growth is no longer of service to the public welfare or to the preservation of the natural environment but has become an end in itself—one that primarily serves the purpose of increasing monetary wealth, tending at the same time, properly calculated, to reduce prosperity rather than to raise it (Scherhom et at, FH Guidelines). In this light, it becomes critical that conventional measures of economic growth are reviewed to ensure cultural compatibility, and develop sustainable and social consciousness driven by business approaches. Thus, in assessing the intercultural comparability of ethical rating concepts, the following principles must be considered:

- That people matter and development should begin and end with people. In other words, the human being must be placed at the centre of events (Pope John XXIII, *Mater et Magistra*, 1961).
- That corporate social responsibility should be an integral element of corporate business practice, and must be evaluated from the perspective of its impact on the society, economy, ecology and culture of the people.
- That there must be a tendency towards the globalization of ethical values, and the evolution of communities based on values and not geography.
- That there should be a renewed sense of solidarity amongst peoples and nations based not on racism, xenophobia or prejudice but on the universal and intrinsic bond of the human community.

The African Cultural Identity

This paper desires to highlight the importance of integrating human values into the global outlook and evolving alternatives to dominant socio-economic and technological paradigms. We argue that Africa's traditional value system provides a basis for this, through its communal philosophy manifest in consensus building, social responsibility, entrepreneurship, sustainability, equity, order, reconciliation, reciprocity, fairness, at all levels of human life: The structure of the family unit was translated onto the nation, state, firm, economy, polity and society. For instance, in an agro-based economy the labour force constituted one's immediate and extended family who are as it were employees, owners and beneficiaries of the farm, otherwise called the firm. Thus, the issue of overpopulation did not arise since more 'hands' translated into more production and more income. The sense of community and communal consciousness, described by John Mbiti as *"I am because we are"*, ensured a sense of social responsibility which was preserved in the public and private spheres of human activity. The communal ownership structure and concept of property as a social mortgage resolved the shareholder versus stakeholder dilemma, in that ownership of capital was a privilege conferred on individuals by the community, thus the benefits of ownership were not usurped by anyone.

In traditional African society, the right of use of property did not confer the right of absolute ownership and thus a sense of social obligation and responsibility restrained tendencies towards exploitative practices by the more enterprising members of society. The evolution of technology in traditional Africa complemented the activities of the entrepreneur, and served to enhance productivity without disregarding neither the role of the human being in the production process nor the impact of production on the environment and society; Traditional African institutions abhorred dependence, instead promotes self-reliance, dignity and self-respect for humanity. For instance, in farming communities, 'lazy' or 'handicapped' persons were allowed to visit another's farm to gather the left over crop after harvest. Thus, the concept of 'begging' did not arise.

Similarly, there was a practice of communal planting, weeding and harvesting on each other's farms, thus the weaker helped the stronger and overall production was improved. In the context of globalization, it will be increasingly necessary to establish cultural authenticity, if only to combat cultural alienation in modern society. At stake is the search for universally applicable values relevant to the emerging global order. Fundamental values central to the African consciousness and strikingly absent in the western world, the ability to celebrate life including spirituality, a sense of communal values, respect for elders, consensus-building, the extended family, the spirit of forgiveness and reconciliation, must be reexamined and made relevant in the modern world.

We conclude by advocating for the globalization of concern (the priority of people over profit, labour over capital and co-operation over competition), a globalization from below (i.e. subsidiarity principles promoting self-reliance, macro-finance, poverty alleviation, etc.). We urge also that such steps be taken to engineer an alternative to present trends in globalization, including a change of attitude in the personal and societal outlook more accommodating of differences, sense of business and corporate ethics that promote not just shareholders but also stakeholders, and the pursuit of globalization with a human face. This would be Africa's contribution in preparing the way for global sustainable development.

3

Knowledge Transfer Across Cultures: Intercultural & Intercommunicative Dialogue As A Fundamental Human Right*

Ndidi Nnoli Edozien

1. Introduction

The summary of this paper, in a rather long-winded manner namely by means of the interpretation of an event in history: "Galileo Galilee's glimpse of the heavens through a telescope", suggests that knowledge is not only a matter of individual perspectives, cumulated, but a dialogue amongst communities, across cultures and civilizations. Without necessarily comparing two world views, the paper seeks to render an alternative perspective, perhaps even qualifying as an "African point of view". "African" in the sense of traditional Africa, largely misunderstood and misrepresented by the western media. Africa in the sense of its integral approach to knowledge, which has tended to place it on the receiving end of the learning process at various stages of its history: through the more benevolent missions, exploitative colonization and currently oft duplicitous development assistance.

In the 17th century, television, telephones, airplanes, emails and other sophisticated means of communication and transportation,

* Paper presented to the tt Club of Rome for the Project on International Global Dialogue Towards Intercultural and International Peace, May 2004

today taken for granted, were not widely available for use in bridging huge distances. People were not, as in our information age, faced with a bewildering choice of sources of information, nor with the sheer quantum available today. Long distances, where surmountable, took years to cover and feedback was limited to the perspectives or distortions of a few[1] with limited possibilities for verification. During this period, the telescope was invented by opticians in the Netherlands and displayed at markets and fairs as a curiosity, a simple instrument capable of making things look larger than they actually were. With slight alterations to the instrument and by choosing to view the heavens instead of objects on earth, Galileo Galilee caused a paradigm shift which forever changed humanity's perspective of the universe.[2] The world no longer revolved around the earth! It is this phenomenon of oblivion and later recognition of a reality, which had always existed, that offers itself as a story line and exciting parallel for my examination of the subject matter: Knowledge Transfer across Cultures, Intercultural and Intercommunicative Dialogue as a fundamental Human Right.

The conclusion of the paper suggests the need for improved communication in a global community based on non-prejudicial attitudes, without xenophobia; and to use Edmund Husserl's method, a phenomenology that allows people and cultures speak for themselves. It calls also for a free and fair world without boundaries where the movement of persons, goods and services via migration processes help exchange of thought patterns and intercultural encounters. It considers the media as a powerful tool for social communication, information sharing and mobilization that must remain true to principles of objectivity and transparency. Access to

[1]Hochschild, A: King Leopold's Ghost, a Story of Greed Terror and Heroism in Colonial Africa, 1998, New York, p15f

[2] Vogl, J, Prof Dr, 'Aus der Geschichte moderner Wissenschaft: Galileo Galileis Blick in den Himmel', Vortrag an der Bauhaus Universitaet, Weimar zum DAAD Stipendiatentreffen, April 24, 2004. This lecture inspired the paper's perspective on the realities that followed Galileo's evidence of a Copernican system of the planet. As I have no documented material to refer to but my own very subjective notes, I take full responsibility for any alterations in the viewpoint represented, and only hope not to have entirely distorted the reality which Prof Vogl hoped to represent.

original sources of information assists this process of knowledge sharing most effectively. Finally, the paper refers to the digital divide, which remains a barrier, and calls for urgent attention and action in favor of the less privileged members of the human family.

2. The Challenge of Intercultural Intercommunication

As is to be expected, there was significant resistance to the 'new' suggestion that the earth was not the center of the universe? A litany of, now-proven-erroneous, assumptions had followed a flawed premise and the consequences of their disproof would be dire and significant. From an African perspective, the western society seems to operate in a constant flux between opposing, conflicting theories and paradigms. The conservatives versus the progressives; structuralists versus deconstructionists; the communist-capitalist dialectic; at any given point in time one side appears to have the upper hand. Marx came to fame in turning Hegel's theories on their head. Marx became the father of 'communism' which in turn 'collapsed' to give way to the increasing dominance of western capitalism as *the* workable economic model, despite its serious ecological consequences in terms of unsustainable patterns of growth and consumption. It is important to note that Africa does not think in terms of 'either-or' 'neither-nor' but rather in terms of 'and' 'with'; words exhibiting a tendency towards an integral perspective, such as is severely lacking in the western world. Furthermore, that there is a tendency amongst Africans to think in communal as opposed to individualistic terms[3].

There has been limited interest in understanding and integrating 'African' perspectives and theories of knowledge into dominant western philosophy. However much is taught in Africa on western history, thought, philosophy, economics, law and social sciences generally. In fact local knowledge might have been largely undermined by formal educational institutions had many African com-

[3] Nnoli-Edozien N./ Ike O., Africa in the Age of Globalization: Challenges of Cultural Identity in an Interdependent World (IKO Verlag Frankfurt, Ed. by Lucia A Reisch, Ethical Ecological Investment, 2001

munities not retained such a sophisticated, highly functional and effective structure of informal system co-existing side by side with the western recognized modern societal structures. This applies to the fields of education, as well as governance, social welfare, legal structures, economy, finance, amongst others[4]

Intercultural Intercommunication, as referred to in the title of this paper implies a two-way process of communication, across cultures. This is not a simple process to understand, nor to enact. For the sake of being logical, though only in a very broad sense, it is worth noting a distinction in worldview between the African and Western thought.

In terms of African Cosmo-vision, the community and the individual retain a unique interdependence, often unclear to the outside world. Professor Mbiti (1977) describes African thinking on the interaction between the individual and community by the following phrase:

> *'I am because we are; and since we are, therefore I am.'*

This contrasts starkly with the western rationalist philosophy, exemplified in Rene Descartes, who viewed the community as peripheral and the individual as near absolute. The individual decides what reality is:

> *'Cogito ergo sum.'* (I think therefore I am)

In contrast to the European Descartes, the African Mbiti goes further to say:

> "The individual does not and cannot exist alone except corporately. He owes his existence to other people, including those of past generations and his contemporaries. He is simply part of the whole... only in terms of other people does the individual become conscious of his own being, his own duties, his privileges and responsibilities towards himself and towards others. When he suffers, he does not suffer alone but with his kinsmen, his neighbors and his relatives whether living or dead. When he gets married, he is not alone, neither does the wife belong to him alone. So also the children belong to the corporate body of kinsmen, even if they bear only the fathers name. Whatever happens to the group happens to the individual."[5]

[4] Ike O/ Nnoli-Edozien, N Afrika in Eigener Sache: Weissheit, Kultur und Leben der Igbo (IKO Verlag fuer Interkulturelle Kommunikation, Frankfurt/London, 2003

Compare the above with the words of John Stuart Mill, the English philosopher who wrote, in 1956:

> "The individual is not accountable to society for his actions in so far as these concern the interests of no person else but himself... Neither one person, nor any number of persons is warranted to say to another creature of ripe years, what he shall not do with his life, , for his own benefit, what he chooses to do with it... Society should not interfere with the private affairs of the individual... In all such cases there should be perfect freedom, legal and social for the individual to do the action and stand the consequences."[6]

Here we notice a fundamental distinction in world views on a Euro-African spectrum; as per intra-cultural relations with reference to relations between the individual and society; culture being, the entire way of life of a people. These two perspectives vary as much in their orientation and philosophy, as in the origins of their authors: the South and the North respectively.

In this presentation, the African voice until recently either discredited or ignored, receives credence on a new dialogue of civilizations concerning knowledge transfer across cultures. In fact, intercultural and intercommunicative dialogue is herein highlighted as a necessity and put forward as a fundamental human right. The results of a survey carried out by the author highlight inherent African values which retain not only originality but relevance in the discussion about knowledge transfer across cultures. The Igbó people of southern Nigeria, known

[5] Mbiti J.S, African Religions and Philosophy, London 1977, p 100

[6] Mill J.S., On Liberty, ref. The Liberal Arts Press, New York, 1956, pxvili

for their entrepreneurial spirit and cosmopolitan yet traditional outlook, thus present a good case study for the purposes of this dialogue.

3. The Impact of Form on the Content of Communication

Galileo Galilee and his glimpse of the heavens through a telescope in earlier centuries presents a parallel to the African traditional context of the same era, where the Igbo example of oral traditional and communications media tell their own story differently, though transparently for all. This has so much relevance to a global village where modern communications and their tools should serve as a medium for knowledge transfer across cultures as opposed to the hegemonistic hijack and manipulation of information by a few.

Without media and techniques there would be no communication, however the medium and form of communication significantly influence the content of the message transmitted. Wiedenhofer has outlined the primary means of the communication/tradition 'from human actions to technical tools and from material and structural conditions of communication/tradition to deliberately created instruments fro pursuing particular goals.'[7]

Wiedenhofer argues for a new and better theory of tradition that should help in transmitting cultural and religious values to future generations, as well as enable cultural and religious traditions to communicate peacefully and fruitfully in the context of regionalization and globalization[8]. In an increasing interconnected and interdependent world, the need for peaceful communication and the mutual exchange of knowledge across cultures is a necessity and not a luxury. It is imperative that we engineer a societal outlook more accommodating of differences in perspective and culture, in the interest of a globalization process which places the human person at the center of its mission.[9]

[7] Wiedenhofer S., Schoppelreich, B., Zur Logik Religioeser Traditionen, IKO Verlag, Frankfurt am Main, 1998, p52

[8] Wiedenhofer S., Schoppelreich, B., op cit., p13f

[9] Nnoli-Edozien N./ Ike O., Africa in the Age of Globalization: Challenges of Cultural Identity in an Interdependent World (IKO Verlag Frankfurt, Edited by Lucia A Reisch, Ethical Ecological Investment, 2001, p 101 f

	Material Conditions	Human Actions	Structural Conditions
Tradition	Human Voice	Speaking-Hearing	Orality
	Stone, Grease-proof Paper, Chirographic Technologies	Writing-Seeing	Literacy (Manuscript Culture)
	Paper, Typographic Technologies	Writing-Seeing	Literacy (Print Culture)
	Electromagnetic and Electronic Technologies	Participating-Being Involved	Electronic Processing

Figure 1: Form and Media (Source: Wiedenhofer S., Schoppelreich, B., Zur Logik Religioeser Traditionen, IKO Verlag, Frankfurt a. M, 1998, p53)

Wiedenhofer asserts that each communication medium has its own characteristic speed, which in itself becomes a sort of information and meaning; dependent in turn on the technology of transport and transmission. With the introduction of electromagnetic media (radio, television, video, etc) the new upper limit is defined as the speed of light. As a consequence, rather than humanity being in control of the product, namely the communication media, it is human beings that are having to adopt to the vast speed of communication they have already created. Furthermore, due to changes in material conditions of communication, we are faced with an inevitable transformation both of the structure of communication media as well as the structure of human consciousness itself[10] (see Figure I above and refer to 3.3 below).

A second form that significantly impacts upon the nature of communication and the transfer of knowledge is the nature of interaction. Wiedenhofer argues that the structure and content of tradition is determined by the dominant form of personal interaction. In face to face encounters, as is typical and still customary in

[10] Wiedenhofer S., Schoppelreich, B., Zur Logik Religioeser Traditionen, IKO Verlag, Frankfurt am Main, 1998, p53f; CF (cited in Widenhofer, op cit; Virilio, P, The Virilio Reader, Malden, Ma: Blackwell Publishers, 1998; Vitesse et Politique, Paris, 1977, Der Negative Horizont, Frankfurt, 1995; Rasender Stillstand, Frankfurt, 1997.

many African communities and even modern African states, there is a close inter-connectedness between form, content, agents and audience. With the development of increasingly elaborate technical communication media, the interaction becomes increasingly mediated and monological; whilst the content of communication (as with tradition, culture, knowledge etc) becomes increasingly de-ritualized, de-personalized and de-localized.[11]

Interaction		
Face to Face Interaction	Mediated Interaction	Mediated Quasi-Interaction
Oral Conversation	Telephoning Conversation Letter Writing	Mass Media Conversation

Tradition

→ Deritualization, De-personalization, De-localization

Tradition → Transformed

Table 2: Form of Interaction (Source: Wiedenhofer S., Schoppelreich, B., Zur Logik Religioeser Traditionen, IKO Verlag, Frankfurt a. M, 1998, p54)

There has been a tendency for the western world to impose its worldview, systems, philosophies, interests, models, ideas, economic ends, political ambitions, etc on the African continent and examples abound throughout the era of the slave trade, evangelization, colonialism, imperialism, neo-imperialism, as well as with many other theories and historical renditions that serve the purpose of defining the unequal relations between the North and South in recent times. In antiquity, things were different with personalities such as St Augustus of Hippo and the Egyptian civilization to cite in support of this assertion, amongst others. In present times it is becoming more clear that globalization and the digital age will not necessarily encourage a renaissance of traditional African societal, economic and governance structures. Neither would there necessarily be any interest in re-

[11] Wiedenhofer S, op cit

viewing the value of traditional communication media, or any other subject matter, if not sought by the African peoples themselves. It is for this reason that, though an effort of swimming against the current, it is worth looking backwards to our ancestry, if it will enable us as Africans to look forwards to posterity with a better understanding of our traditional systems as well a reaffirmation that they have a significant contribution to make in terms of shaping a better world for future generations to come.

The issues raised above constitute a very ambitious objective which cannot be addressed in this paper, as it makes subject matter for comprehensive research; rather the documentation of traditional Igbo communication media should serve as a case in point of the very sweeping yet fundamental assertions referred above. Namely, in this context, that communication among the Igbo was a dialogue (open to all deemed qualified to speak), wherein an integral worldview open to differing perspectives was represented. Media did not indoctrinate but rather objectively communicated a message, or the calling together of a community in order to dialogue upon an issue.

In Igboland, musical instruments such as the Ikolo, Ekwe and Ogene served communication and in this paper will be presented as parallels to the telescope, being traditional media instruments. They are still very much in use today, alongside modern media such as the radio, television, telephone, to mention but a few.

3.1 Communication Media in Igbo Traditional Society

The Igbo people who share a contiguous geographical area, speak the Igbo language and share a common culture, occupy the area known as Igboland located on the western coast of Africa. Today, they exist within the polity 'Nigeria' carved out by the British in the 19th century. A branch of the Bantu people, archaeological evidence suggests that this Negro race may have originated in the area along the latitude south of the Asseler regions and Khartoum in Sudan. They migrated to their present location in the third millennium before Christ and have inhabited this area for over 4000 years[12]

The historian Elizabeth Isichei narrates in her book 'A History of the Igbo People' that Igbo people have described their own origins thus: 'We are all descended from Eri, but Igala went one way, Aguku another, Amanuke another, Nteje another and Igbariam another. This separating of the Igala from us happened so long ago that now we do not hear Igala, nor can they hear our language.'[13]

Culture, which corresponds to the way of life of a people encompassing the past, the present and the future, in the Igbo tradition was passed on orally through stories, proverbs, folktales, myths and traditions i.e. primarily face to face interaction.

The main instruments used in traditional communications media were:

3.1.1 The Ikolo (slit drums, large): The IKOLO, also called Ikoro, is given a very vivid description by Lo-Bamijoko: "The pulsating force, like the heart... which gives life and meaning to music. As a melodic instrument, it is regarded among the Igbos as possessing life, but this life is not life as we know it, of the mortal ephemeral type. The drum possesses the spirit of the gods. It is supernatural. For this reason, the drum can can do all that a mortal can do an even more. It can talk, it can sing, it can do all of this in the way that only the gods can, the supernatural way. As in all Igbo musical instruments used fo r communication, one has to be schooled to be able to understand the language of the drum.[14]"

Jerome Okonkwo argues that this largest category of drums (a typical Ikoro measuring '10 feet, 2 inches in length; 7

[12] Ike O & Edozien, N. N., Understanding Africa, Traditional Legal Reasoning and Jurisprudence, CIDJAP Press, 2001, p 20; cf Afigbo, A, Ropes of Sand: Studies in Igbo History and Culture, Oxford University Press Ltd, 1981 p 6ff , Basden G., Niger Ibos; Isichei E., A history of the Igbo People, Macmillan, 1976

[13] Isichei E., A history of the Igbo People, Macmillan, 1976, p 4. cf also Forbenius, L., The Voice of Africa, I-(1913) pp274-5, quoted in M.D.W. Jeffries, 'The Divine Umundri Kings of Igboland', PhD thesis (London, 1934) ch 2,

[14] Lo-Bamijoko, Joy Nwosu, Preliminary Study of the Classification and Tuning , London 1982, p36

feet, 10 inches in width; 8 feet, 5 inches in height'[15]) is in fact the "broadcasting house" of the community since it 'remains fixed in the place where it is housed... which is in a way comparable with a radio or television transmitting station of today.'[16]

"The Ikoro announces also the beginning and the end of serious tribal wars and peace treaties. On the vigils of important feasts of the year, the Ikoro bellows out burst-fully saluting the memorable dead and the respectable living. One has to pay a heavy stipend, indeed, to have his name or her name lipped by the Ikoro through the magic hands of the Town crier. The Ikoro is in simple terms the medium for the external 'news broadcasting' service of the Igbo traditional community."[17]

3.1.2 The Ekwe (slit drum, small): The EKWE, is a slit drum like the Ikoro but much smaller in size and therefore portable. Offor writes that the "Ekwe is used to disseminate news for internal consumption, not meant for neighboring villages.'[18] In most cases, the Ekwe does not 'talk' like the Ikoro but sends signals whose most significant role is to attract the attention of the audience to oral messages broadcast by the Town Crier. Achebe's prose depicts the instrument in use:

"Go-di-di-go-di-go. Di-go-go-di-go. It was the ekwe talking to the clan. One of the things every man learned was the language of the hollowed-out wooden instrument. Dim! Dim! Dim! Boomed the cannon at intervals. The first cock had not crowed, and Umuofia was still swallowed up in deep silence when the ekwe began to talk, and the cannon shattered the silence."[19]

[15] Basden G.T., Among the Ibos of Nigeria, London 1966, p 137

[16] Okonkwo, Jerome, The History and some Problems of Television Service in Anambra State in Nigeria, Frankfurt am Main, 1986, p 28

[17] Ibid,, p 29

[18] Offor, Joseph Okechukwu, Community Radio and its Influence in the Society: the case of Enugu State – Nigeria, Frankfurt/Main, London, 2002, p 58

[19] Achebe Chinua, Things Fall Apart, London, 1958, p 109

3.1.3 The Ogene (gong): The OGENE typically draws out the attention of the audience before the message is announced by the towncrier. This instrument too, is aptly described by Achebe:

"Okonkwo had just blown out the palm oil lamp and stretched himself on his bamboo bed when he heard the "ogene" of the town-crier piercing the still night air. Gome, gome, gome, boomed the hollow metal. Then the crier gave his message, and at the end of it beat his instrument again."[20]

3.2 Content of Communication in Igbo Traditional Culture

Oreh describes a typical message from the traditional broadcaster via Ogene:

Go-gom Go-gom! Go-gom, Go-gom
Men and women of obodo inyi o
Hear the words of the ndi ichie
Every able bodied man, one big yam
Every able bodied man, one big yam
Every woman five cassava tubers
Every woman five cassava tubers
Every village one tin of palm oil
Every village one tin of palm oil
First thing tomorrow morning
All for our soldiers
Whoever hears should spread
Whoever hears should spread
Go-gom Go-gom.[21]

The traditional form of communication in traditional Igbo society is oral, with the oral media built around the culture and the values of the persons for whom and by whom the information to be disseminated is produced. The primary duty of the traditional broad-

[20] Achebe Chinua, Things Fall Apart, London, 1958, p.9
[21] Oreh, o. Modes of Communication in Reading in African Humanities, Enugu, 1980, p 106, in Offo, J, op. cit

caster is to disseminate the information orally to the audience.

On this Asuzu writes:

"The position of the gong man in the ordinary life of the community is indeed an irreplaceable one in the realm of distribution of information, within the belief system of rural audiences in Africa. His expertise and effectiveness at hawking and transmitting information is precise and impressive."[22]

In terms of the timing of information dissemination, much like one finds use of the term 'prime time' in modern broadcasting, Okonkwo informs:

"The Town Crier therefore goes about his job for example, when the society has retired to houses after the day's toil. In this regard the 'Ikoro' talks (Ikoro n'ekwu) and the Ogene "strikes" (n'aku) between 7 and 8pm. At this time most of the people are indoors, relaxed, refreshed and ready to listen and glean up flying views. Another popular time for encoding or decoding is at 5am when the night news is clearly repeated."[23]

To this Duylie adds:

"The announcer's (traditional broadcaster's) techniques are downright native both in content and in approach... The intensity of the vibration of the talking drums, the clear voice, the confidence with which the message is delivered, the timing of the message, that means delivering messages early in the morning and evening when the inhabitants are indoors, and his personality as a man of the people and also the in which he moulds his message to the capability of his audience, all help him to deliver messages with remarkable impact."[24]

[22] Azuzu, Boniface, Communication Media in Nigeria Today, Paris, 1987, p 26, in Offor, J, op.cit.
[23] Okonkwo, Jerome, The History and some Problems of Television Service in Anambra State in Nigeria, Frankfurt am Main, 1986, p 28
[24] Duylie, Dayo, Media and Mass Communication in Nigeria, Ibadan 1979, p 285, in Offor, J. op. cit.

3.3 Applicability of Traditional Igbo Media in Modern Era

It is clear therefore that the broadcaster of the news in traditional culture simply invited people to share information in a communal manner. This is contrary to a situation wherein the entire community is informed, or misinformed, by an anonymous individual. The western media presents an individualistic, free and independent view on information sharing. It is not the community that generates or influences news items. Rather it is the interpretation of world events by the media policy, the editorial board, the individual journalists and the powerful that determines what news makes the headlines, how stories are presented and often act in the service of their interests. In these situations, the community has no stake or influence. They are passive recipients of the news. There are inherent values in traditional forms of communication amongst the Igbo which are still informally retained, although amore concerted effort must now be made to retain the positive elements of such still existing practices that they might not, with increasing influence of the digital era, disappear into oblivion.

3.4 Survey Results on Knowledge Transfer, April 2004

In a recent survey conducted in Enugu State, Nigeria by the author (April 20004), on the manner in which people learn and transmit knowledge, the following results were obtained from small scale businesses, with less than 5 employees on average:

3.4.1 An overwhelming majority (98%) stated that they learnt their trade from family elders and through their upbringing. This is an indication of the fact that the oral tradition still prevails among the Igbo, especially when one considers that the responses obtained indicate that only 11% learn from books, and 38% from classroom education.

3.4.2 The survey results show that 74% learn from practical group workshops on business training, and 64% from MFIs and community banks (probably because the latter are often the key sources of business training and finance available to SMEs in the region).

3.4.3 Ranked higher than 'classroom education', is the learning from peers (56%) and savings/lending groups (40%). Classroom education in turn ranked higher than customers and co-workers, as a source of learning, in the survey. Clearly because of the expertise of the business owner who as owner-manager would understand the business better that clients and co-workers.

3.4.4 Learning obtained from business books (mainly European and American) ranked lowest of all, with 89% of respondents stating clearly that they do not learn from business books, and only 11% stating that they do. Noteworthy, in this instance, is the fact that 75% of 123 respondents had received formal education.

SOURCE OF LEARNING	YES
Igbo culture/tradition, learnt from elders and upbringing	98%
Learning from practical group workshops on business training	74%
From Micro-finance Institutions and community banks	64%
From my peers with whom I share experiences	56%
From the groups where I practice group savings/lending	40%
From Classroom education	38%
From my customers	38%
From my co-workers	29%
Other	26%
From business books, mainly European and American	11%

Table I: SURVEY RESULTS ON KNOWLEDGE TRANSFER (Source: Nnoli Edozien, N; research for the tt30 Club of Rome Project Work, April 2004)

4 Conclusions

4.1 Knowledge as a Matter of Cumulative, Relevant Individual Perspectives:

4.1.1 Galileo Galilee's 'glimpse of the heavens' determined that the world did NOT revolve around the earth, as popular teaching expressed at that time. The popular and dominant paradigm was fundamentally challenged (and there was of course an effort to suppress this). The earth was no longer unique. It became just another planet, like the moon and all the others, revolving around the sun. Reality was recreated. Galileo described stars which the naked eye could not see. Suddenly, reality could no longer be based upon what the naked eye could see. The African world view did not need the shock of Galileo's discovery due to a flexibility and non-dogmatic approach to history, ideas and to knowledge. In fact an Igbo proverb puts it very succinctly: 'Uche bu akpa, onye obuna bu nkeya' literally translated means 'the mind is like a bag, opaque, and each carries his own'. Conceptually translated in terms of the fact that reality is not based on what the naked eye can see, indeed implying (through the opaque bag) that the eye does not see beyond exterior appearances; and that there is no point in debating over the contents of the 'bag' (mind). This allowed for the peaceful co-existence of a variety of contrasting viewpoints in a pluralistic society, as the world is increasingly becoming.

4.1.2 The limits of the eye as an instrument of vision became apparent. The visible became a glimpse of the infinitude of the invisible. The evidence of that which could be seen was viewed contemporaneously with what was invisible to the eye and/or the mind, and hence caused, in the same breath as one accepted the 'evidence', doubt. The objectivity of sight was challenged. What we see depends upon where we

stand. When viewing the heavens from behind a telescope, one sees quite differently than with the naked eye. In Igbo traditional life, the existence of the Mmaw, the masquerade (a masked being said to come from the world of the spirits), says to the beholder "Look beneath and beyond me for what I represent and say is more than what you can see."[25] Here again it must be said that the deeply expressive yet modest African and Igbo cosmology was never a question of matter alone. The element of spirit, which is the breath of the Divine, is always present. The underlying Igbo philosophy is the unity of spirit, matter and mind, something not always found in a dualistic culture that seems to separate one from the other. The spirit therefore compliments and compensates for the limits of the material elements, including the eye.

4.1.3 In using the telescope (invented in the early 17th century and exhibited as nothing more than a curiosity at fairs before Galileo's innovation) to view the heavens, Galileo introduced a dichotomy of the theoretical against the practical vis-a-vis the principle of sight. This arose because the telescope not only enlarged what the visible eye could see, it made visible entirely new substance till then unknown. The visibility to the naked eye, the natural vision, no longer represents the unquestionable truth; rather is viewed as a preliminary perspective which may be proved false. Indeed looking through the telescope, one not only found more stars one found stars previously invisible to the eye i.e. a new substance previously unknown. Otherwise stated, the acceptance and simultaneous doubting, of evidence is made apparent through the realization of the even greater invisible yet unknown with everything known. This view finds a complement in Igbo culture in antiquity for in their proverbs, the ancient Igbo would say: "Adi amasi Ife nine amasi", meaning, "one

[25] Ike, O, Freedom is more than a word; CIDJAP Press, 1998, p 25

could not know everything". Entire reality remains a mystery, yet unfolding.

4.1.4 Finally, in discovering and observing the heavens, example the moon, Galileo described what he saw relative to the earth, for example the description he gave of the moon sought to demonstrate that it was not so different from the earth. This makes the point that in viewing the other, one refers to the self and in effect observes one's own position in order to determine that of the other. This implies a self-reference during the observation process i.e. the observer becomes the observed. In observing the heavens, Galileo questioned the position of the earth in the universe he discovered, the earth itself thus becoming a part of the observed. This is found in Igbo cosmology in the dance and celebration of the Masquerades. An Igbo adage describes this as: "A di akwu ofu ebe ekiri Mmaw." literally translated means "the masquerade is not watched standing only in one location." As one changes position, new viewpoints and insights emerge. The observed is at once the observer. The audience, typically the observer becomes the observed when the masquerade approaches and retreats from individuals and groups nearby. A celebration to experience!

4.2 Intercommunicative and Intercultural Dialogue as a Human Right

We conclude therefore the paper on Knowledge Transfer across Cultures with the following lessons from the Igbo culture:

4.2.1 Knowledge Transfer is not a one-way process. It works best in dialogue. Culture as a way of life is passed on very much in the same manner. In Igbo tradition, culture was transferred orally and in human interrelationships typically through stories, proverbs, religions, folktales, myth, traditions and customs;

4.2.2 In the mutual exchange of knowledge, a subject mater for which –in the opinion of the author- mutuality should be asserted as a fundamental a human right, it is critical that sharing of information is built upon peoples' own definition of their worldviews, their problems and their attempts towards understanding their universe. In other words not necessarily through Gallileo,s telescope, as a symbol for a definite, instrument or perspective for viewing the world i.e. subjectivity. In the African context, the author argues for traditional, culturally-rooted best practices to tested and tried locally, before international best practices are introduced, no matter how fine and researched these may be;

4.2.3 In the encounter of cultures and in the search for a model of a continuing Euro- African Dialogue, respect and tolerance for each others point of view remains the best form of exchange of information and culture. The past history of the encounter has not presented the best example of Europe allowing Africa speak for itself. In this case, we have much to learn from each other.

4.2.4 The world of communications has become gradually a satellite affair, far removed and somehow remote from the people who make the news. Now we simply watch the news. An African model would agitate that culturally rooted models of communication guarantee the nearest access to objective and relevant information, which promote the dignity of all concerned with minimal alienation. People are part of the news making and news reception;

4.2.5 Knowledge transfer is a matter of human rights and human dignity. Africans could contribute to this discussion about knowledge transfer by making practice part of theory. In other words, this would mean that the best practice is theory, and the best theory is practice. Upon this premise rests a paradigm in the new world of information sharing. Needless to say, proper management of information where the people themselves are part of the process could add value to guaranteeing a world which is built on justice, human dignity, respect for persons and peace. The principles of Subsidiarity and Solidarity play no small role in developing a wholistic, and integral, intercultural and intercommunicative framework, and material for independent research[26]. Fortunately, this is the starting point for the promotion of a universal dialogue of civilizations, demanded and called for by Pope John Paul II in his Jubilee 2000 world day message of Peace. Certainly a peaceful dialogue of cultures, with an inclusion of marginalized perspectives such of the African peoples, is a subject matter worthy of significant attention in our increasingly plural and global world. As such, a serious publication seeking to draw attention to alternative perspectives should be given support and attentive hearing, followed by relevant action.

Thank you.

[26] Nnoli Edozien, Ndidi: Phd in spe: Ownership and Management Structures with inherent Solidarity and Subsidiarity Principles, as an African Model for Corporate Governance Best Practice.

4

Human Rights, Conflicts and Reconciliation: A Global Reckoning with Emphasis on Four African Wisdom Calabashes*

Obiora F. Ike

1. Reckoning with the 20th Century

With the dawn of the 21st century and the exit of the 20th century, we owe ourselves a reckoning. It does seem that the 20th century was history's bloodiest. We also presume that it was the most ideological. No other age had witnessed so many wars with such improved weapons of mass destruction, deceit, crisis, brutality and death as our own. In the new millennium, history dictates that we take notes and records to survey where we started, where we stand and where we are going. The 21st century does not give grounds for joy with daily global events bordering on issues of the flagrant abuses of human rights and the multiplication of conflicts worldwide, many of them, teleguided.

This paper is a modest contribution and reflection to the ongoing and meaningful search for lasting peace and justice in the world. Much concern has been raised by people and institutions about what humanity could collectively do to guarantee a global culture that respects Human Rights and reconciles conflicts in a lasting and

* Paper presented at the International Association of Human Rights Conference, Frankfurt, Germany in May 2004

sustainable manner. Our modest contribution takes an insight into the continent of Africa, torn between joys and sorrows, and offers some concrete and affordable solutions to emerging and persistent problems through culturally rooted African Wisdom Thoughts, the type we have called in this paper "African Wisdom Calabashes".

With a focus on Africa, the 20th century assumes the dimensions of a holocaust. In spite of Africa's humanistic values and rich cultural heritage, history, resources in human and material wealth and ancient spirituality, the peoples of Africa have continued to suffer untold hardship caused by external and internal contradictions. One needs only think about the historical antecedents orchestrated through the slave trade, colonialism and ongoing imperialistic exploitation which today are euphemistically labeled "globalization". Some wonder where the African people receive their strength and energy. Why has Africa refused to die?

Whichever way one may like to look, there is plenty of bad news, besides a lot of good news, thanks to goodness, which emanate from the continent. One of the greatest difficulties is enhancing and entrenching Human rights as well as resolving and transforming conflicts on the African continent in an amicable manner. This remains a great challenge for the people of the world, more so, to African leaders themselves.

Wherever one looks, the stories are the same: Sierra Leone and Liberia have buried over 10 percent of their population in the past decade and another 30 percent are refugees, maimed or completely shattered for life. The tragedy of Rwanda and Burundi is still fresh in our memories with its psychological trauma on the immediate participants and on far away television viewers. The Polisario in Mauritania, the Algerian civil war, the crisis between Libya and Chad over a decade, the Biafran – Nigerian civil war of the late 1960,s and the famine and war situations in Eritrea, Somali, Sudan, Niger, Chad, Ethiopia and the entire Sahel region lasting well over two decades shatter every human imagination and sensitivity. Africa has seen the worst in what human brutality could ever offer.

Five hundred years of slave trade on black human beings who were exported in chains to Arabic countries, the Americas and to

Europe left the continent depopulated and the African people in a diaspora of neither African nor alien. Closely followed by the era of the colonial conquest of nation after nation, seeds of discord, foreign domination, external values, truncation of cultural lifestyles and the displacement and replacement of traditional ideas and systems at all levels gave room for a vacuum. Things fell apart. This is the background for the present malaise facing the continent. With imposed rulers, the type with the tyranny exhibited in the image of the brutal British imposed Idi Amin Dada over Uganda; one sees what virtually all the parts of the continent have to contend with to this day.

Contrary to what the ancestors bequeathed to the African continent, elections when at all held are rigged and manipulated. Africa's rulers are appointed thousands of kilometers from far off coasts by powers who are not Africans, often by an international gang of those who *"call the shots of world global power"* at Paris, London, Spain, Washington, Saudi Arabia. An exception is South Africa. South Africa made an exit into freedom in 1994 with the world's greatest man of integrity, Nelson Mandela walking out of racist apartheid prisons after 27 years with dignity and integrity. Nelson Rolihlahla Mandela is Africa's true son, a sign of reconciliation and a symbol that the continent has still some glimmer of hope.

Bob Marley, the Reggae King did sing: *"We Africans will fight if we find it necessary, and we are confident in the victory..."* He was right. There has been so many wars on the continent and these conflicts color AFRICA, the land known as the cradle of civilization and the origin of *Homo* sapiens. The wars of the 20th century with spill over into the 21st have ravaged virtually every part of the continent and only few families escaped being victims. Apartheid, White racism and Colonialism took over the reason for conflict in the southern parts of the continent, in Zimbabwe, South Africa, Angola, Mozambique, Namibia and the ongoing crisis in the two Congo's involving the lake regions of central and east Africa and leading to what the London Financial times described recently in its November edition as *"The First World War in Africa"* with 8 countries involved.

This phenomenon of inhumanity and conflicts leading to wars however has been worldwide, not just limited to Africa. The 20th century left on its trails, the first world war 1914 – 1917 which cost humanity over 20 million lives and the Communist Revolution in Russia stage-managed by Lenin and later Stalin claiming over 20 million lives. The Second World War 1939-1945 proved more atrocious by brutally claiming the lives of more than a hundred million persons in Europe and elsewhere, rendering over 120 million people refugees and handicapped, 66 million prisoners who perished in the Soviet labor camps and scores of millions who died in Asia, Africa and other continents. Of these other continents, Latin America can write off the 1970's and part of the 1980's as the decades of wars, dictatorships and ideological antinomy. Of Asia, the worst tragedies happened in Saigon, Cambodia, Vietnam, Korea, Sri Lanka, India and Pakistan to mention but a few. History books are replete with the details of how conflicts could be resolved by wars. The Old Romans did summarize it thus:

"Si vis pacem para bellum" (if you want peace, prepare for war).

No other century knew about the bomb, whether Atom or Hydrogen or Neutron or even the Inter –continental ballistic Missiles, the SS 20's and 21's among all the most heinous arsenal of destructive weapons. Hiroshima and Nagasaki are still fresh in our minds. The millions of massacred Jews and other minorities are daily recalled as a warning to those who care. And talking about children and women, many of these have been sent to early death through excruciating hunger, diseases, tyranny, political instability, ignorance and homelessness. The United Nations statistics contain the facts and give us the data that daily 40,000 children, the majority living in Africa die in our world due to situations of conflict, abuse of human rights, disease and hunger.

2. The Century of Ideologies

Lacking faith, our age seemed to flourish under competing ideologies of economic, racial, colonial, cultural and social dimensions. The belief in ideologies led to the banishment of God and therefore

of the truth among humans. By giving in to ideology, we lost the truth and our original orientation. False Ideology blinds and becomes the atheist's substitute for faith. It was these false ideologies that misled humanity to believe and think that dictatorship is expedient. That freedom is a mirage. Ideologies made us believe that women are inferior to men. That black people are inferior to the white race. That all people may seemingly be equal but some are more equal than others. Ideology told us that lying is the rule. Ideologies sang the song of Might is Right: and that power is authority at the same time. That what you have is higher than what you are, in other words, having is more important than being.

False ideologies gave us the idea that money is a world formula. That Capital is more important than the human being who produces it and that the absolute in creation is Money, Power and Control. Many believed! Ideologies still persist today that teach us that war is the route to peace. That peace is possible without justice. That private property supersedes the common good and communal ownership in some form. In fact those other alternative theories like the *"social market economy"* or the idea the *"universal destination of created goods"* destined for all is illusory. We have been told by ideologies that color is more important than the human being who wears it. That racism is a new religion.

These ideologies taught us that majority carries the vote and that minorities had no chance but to submit to the majority. Ideologies were falsified to say that tradition is absolute and therefore that castes and so called slaves had no equality with the free born, even if God created all. That people of other religions shall go to hell because they are not of our own denomination. Ideologies told us that intelligence is a racial property and the rest are idiots who do not belong. Ideology taught us the class system. With these ideologies, humanity allowed the emergence of such historical characters as Stalin, Mussolini, Hitler, Franco, Idi Amin, Pinochet, Pop Pot, Papa Doc, Vorster, Ian Smith and the many African dictators all of who, to mention but a few *"neither feared God nor respected man"*. History today shows that their philosophical foundations were faulty. They failed and lied as we can now attest with the benefit of hindsight. Warring factions increased. This is my assessed background to the reality of conflicts worldwide and in Africa as we reckon with history and look into the twentieth century with a view to avoiding its mistakes in the emergent new millennium.

3. The Four African Wisdom Calabashes

In view of the problems caused by contending ideologies imbibed and internalized by people of all ages and places, ideologies often based on false premises, which have led to the human predicament as we currently experience it in many places, one is forced to ask and we venture to ask some questions and search for answers. Must this continue? What can we do? This is the scope of this paper. What should be our attitude to the conflicts around us? Should we take sides or must we always remain neutral? How do we show it? What chances of success do we have? Our questions and inquiry search for help and it does seem that local wisdom prevails, based on traditional reasoning and the natural law. On the continent of Africa and among the Igbo of Nigeria, these answers are given in *Four African Wisdom Calabashes* as a seemingly necessary response.

Can there be peace without justice? How did humanity come so low? What happened to our era in spite of the many avenues for peace building and scientific possibilities available to humanity when compared to other epochs? How come that peaceful means were tried and exhausted before large portions of the people arrived at the painful conclusion that there was no avenue open for the peace and dignity of people than war, violence, confusion and anarchy? Why has it been difficult to achieve social justice, political participation, economic equality, cultural dignity and national liberation for the people? Why is it that our intellectuals and the elite praise and prefer models of political or economic experiments which do not have roots in the context of their own people and history?

Why do we eulogize and accept systems that have continued to undermine the developmental prospects of our countries in Africa and elsewhere, be it the so called wild fluctuation of the world market where unequal exchange takes place in comparison to industrial

products of technologically advanced countries? Why do we accept the unbearable burden of external debts and even encourage further debt? How do we explain that until today in the èchelons and citadels of our academic and political processes, intelligent economists still believe that debt reduction and cancellation is not expedient and that the poor must die so that the rich might be richer? Why do we tolerate a philosophy that teaches the economy as a deity, a religion, the maximization of profit through money, power, monetarism and compound interest?

Finally, how come that despite the progress in humanity's technical and information machinery, with a new wealth of resources, both educational and industrial, humanity has not arrived at the new societal foundation with the four African wisdom Calabashes? It is the belief of this author that the wisdom in these calabashes carries a genuine guarantee for the foundations of a new humanity in Africa.

These four Calabashes for the rebirth and renaissance of Africa are summarized thus:

a) **A free and mixed enterprise economy Calabash**, in a liberal but socially responsible "market economy" within an environment where people matter, where self help is best help; where subsidiarity is complemented by solidarity and the common good; and finally where sustainable development is based on available resources that think cyclical to include the past, the present and the future.

b) **A Participatory democracy and political pluralism Calabash** with consensus building and self-determination based on African wisdom of "onye anwuna ma ibe ya efuna" (Live and let live) which is guaranteed by sustainable cultural values and the role of the elders, traditional institutions, social groups particularly those of women and youth.

c) **A Good Governance Calabash** based on principles of Freedom, Justice, Peace, Truth and international co-existence in a world where people have the ability to be original and authentic, yet linked to others without any external definition, manipulation or teleguidance.

d) **A Cultural identity and integrity Calabash which recognizes the dialogue of civilizations and cultures in a mutually enriching atmosphere, where respect for the Sacred in creation is assured, respect for life guaranteed, traditions of people which do not oppose life is protected and equality of all persons in a just and non gender category promoted.**

4. Managing Conflicts And Promoting Human Rights And Reconciliation—The Challenges Ahead

"No human right is safe if we fail to commit ourselves to safeguarding all of them. When the violation of any fundamental human right is accepted without reaction, all other rights are placed at risk. It is therefore essential that there should be a global approach to the subject of human rights and a serious commitment to defend them. Only when a culture of human rights which respects different traditions becomes an integral part of humanity's moral patrimony, shall we be able to look to the future with serene confidence. How could there be war if every human right were respected? The culture of human rights cannot fail to be a culture of peace. Every violation of human rights carries within it the seeds of possible conflict . . . If one people is crushed to death by force, who will dare promise the rest of the world of security in a lasting peace?"(Pope John Paul II wrote in his 1999 World day of Peace on 1st January 1999)

In this very powerful message titled *"RESPECT FOR HUMAN RIGHTS: THE SECRET OF TRUE PEACE"*, this Pope of Peace reflects in a profound manner on what the Church's role is and must be as a sign to the nations. He points both to a prophetic model and a practice method which lead the way of realizing a world without conflicts. In his reflection, the pontiff outlines the role and competence of the Church to teach the world and to witness this in her own life. We summarize the foundations and

meanings inherent in some of these Human Rights hereunder and they apply particularly to Africa, but not necessarily exclusive to her.

- *Respect for Human Rights—the Heritage of Humanity;*
- *The Universality and Indivisibility of Human Rights as a cross cultural truth*
- *The Right to Life, foundation for all other rights;*
- *Religious Freedom, the Heart of Human Rights*
- *The Right to participate, a condition for the exercise of freedom*
- *The Right of Minorities and other discriminated ethnic Groups as sign of progress*
- *The Right to Self Fulfillment as a guide to true freedom and happiness*
- *Global progress in Solidarity the guarantee for lasting peace*
- *Responsibility for the Environment, a basis for sustainable future*
- *The Right to Peace, founded on the practice of justice*
- *A Culture of Human Rights- The Responsibility of All*

All documents available in ancient cultures, in literature and art, in civilizations and values point to the nobility of Peace as a basis for progress. Human rights is that moment where People are Human and authentically mysterious in "the image of their creator". People must be enabled to manage, transform and reconcile conflicts and conflicting parties. Among the various reasons hindering the process of Human rights and conflict management, ignorance and dishonesty stand eloquent This remains our challenge in Africa and worldwide. In the Old Testament, the New Testament, the teachings of the Fathers of the Church, magisterial pronouncements, there is insistence on building bridges across ethnic, religious, gender, language, racial, class or otherwise distinctions. This insistence corresponds to the signs of the times.

The United Nations Declaration on Human Rights of 10th December 1948 is a document that posits the same tenets as a basis of peace and reconciliation for mankind. The African Church teaches that conversion implies conflict resolution and the building of communities of peace and justice as the essence of human *Koinonia*. The entire philosophy of Basic Christian Communities and the *Ujamaa* experience are practical examples.

A resource pack for conflict transformation, International Alert recently published in 1996 and edited by Ian Doucet gives us some data on these matters.

Violent conflicts seem to be an endemic feature of human history. According to one estimate, there have been 14,500 wars during the last 5,600 years of human history. Another study argues that there have been only 286 years of peace during the last 3,400 years of history. According to analysts, since 1945, there have been over 165 wars. In 1994 alone, there were 31 wars waged in 27 locations.

If smaller armed conflicts are taken into account the total is much higher.

Attempting a more detailed record of the incidence of armed conflict, the PIOOM Foundation, a non-partisan Dutch based human rights research centre, listed a total of 160 violent and potentially violent conflicts in the single year of 1992, consisting of 32 wars, 69 low intensity armed conflicts in which the violence is more sporadic and less intense, and 59 serious disputes in which one of the parties has threatened the use of violence or has deployed military troops or made a show of force. Many of these are frequently characterized as internal or civil wars. Whether the Bauchi and Katsina riots and the Zango-kataf clashes IN Nigeria are included in these statistics would be an interesting further research. And as the UN Human Development Report 1994 (UNDP) makes clear, the majority of these armed conflicts occur in the global South and East. More disturbing is the human and social cost of such violent conflicts.

Conservative estimates claim that between 1945 and 1989 there have been 21.8 million war deaths. Today, the vast majority of

these are civilian rather than military—approximately 85%, up from about 50% in the 1950's. One report holds that:

> *"Deaths are only a fraction of the human losses; many more people are injured and material losses further increase the loss of health or life in indirect, delayed ways. Just five wars of the 1980's (in Uganda, Mozambique, Angola, Afghanistan and Iraq/Iran) uprooted 17 million people, over seven million of them driven or fleeing to foreign countries. Some countries have virtually disintegrated as functioning societies... Others are on the verge of disintegration.*

These statistics should make uncomfortable reading. They should also lead us to ask whether such levels of human suffering are necessary, whether there are better ways of managing and resolving the seemingly intractable differences which lie at the heart of many of these violent conflicts. Our attempt is to see beyond the complexity of human exigencies and the complex nature of conflict as a multi-dimensional social phenomenon (which is an integral feature of human existence) and to assert that though essential to the ongoing processes of history and social change, conflict can be overcome since humanity desires and yearns for transformation and for peace. "*Our hearts are not at rest and shall not rest until they rest and find peace in thee O Lord*" (St. Augustine). Even though a common day experience, conflicts can be resolved and transformed for humanity to arrive at the world of our dream, the ***adumbratio*** preached by the prophets of old, ***the already but not yet*** understanding of the Kingdom of God.

5. Conclusion: Towards Genuine Conflict Reconciliation And Human Rights Protection

The Catholic Institute for Development, Justice and Peace (CIDJAP) has in the last two decades spent considerable time and resources on Human rights and conflict management, settlement and resolution. The impact on the lives of the peoples and the institutions within and without the territory of the diocese of Enugu has been enormous. What CIDJAP is doing in Enugu, others can do elsewhere. CIDJAP'S method is the theory of practice which is the basis of contextual theology. It is also incarnated in the Igbo worldview which believes in *Ekwu Eme* (saying and doing). Two methods are applied but they do not solve all the problems each time.

These criteria are extremely demanding and few conflicts may be said to have been resolved

- *Conflict settlement* means reaching an agreement on a particular aspect of the conflict rather than the conflict as a whole. It frequently addresses the interests of the parties without really addressing the underlying needs. It is most often characterized as a compromise solution involving surrendering "a piece of the cake". A successful compromise is when the "cake" is divided so as to leave each party thinking it has the largest piece. Direct violence may end but the parties still remain dissatisfied because all their interests and needs were not fully addressed.

- *Conflict resolution*, by contrast, is a comprehensive outcome, in which the underlying causes of the conflict are removed so that there are no latent, residual elements which may trigger a return to violence. Resolution entails an integration of the parties' objectives so that neither side has had to compromise. Its aim is a non-hierarchical, non-coercive solution that focuses on the underlying causes of the conflict and the establishment of legitimate relationships between the parties.

International Alert has identified seven dimensions of genuine conflict resolution which is the best guarantee for permanent solutions. Upon the realization and practice of these principles could we once again start the new world of our dreams, namely to renew the face of the earth. These principles are:

1. -**completeness**- the issues in the conflict have disappeared or cease to be important
2. -**acceptability**- the outcome is acceptable to all parties, not just to one or to their elites

3. -**self-supporting**- there is no necessity for third party sanctions to maintain the agreement
4. -**satisfactory**- all parties perceive the outcome as just according to their value system
5. -**uncompromising**- no goals have been sacrificed in the form of compromise solutions
6. -**innovative** – the solution establishes new, positive and legitimate relations for parties
7. –**uncoerced** -the agreement was arrived at without imposition by an outside force

In implementing agreement towards a resolution of conflicts, two stages appear very important, namely, *reconciliation and reconstruction*. The long term and structural nature of conflict resolution and transformation including settlement become clear when reconciliation and reconstruction in the aftermath of violent conflicts are considered. These two processes are mutually supportive and interconnected. The process leads to justice, to harmony, to order and therefore to human fulfillment and peace which is the ***summum bonum*** of the philosophers.

If people would be taught the truth that human beings are fundamentally equal, if people would agree to the basic guidelines of justice which insists on "to each his or her due", if humanity would learn to respect one another on the basis of the ontology of the *"imago Dei"*, if all sorts of bias (whether cultural or historical) were given up or at least reduced to a minimally tolerable level allowable for mutual co-existence and the guarantee of basic rights, if fundamental respect for the dignity of each being would be re-echoed and made an educational foundation for every child in this world, conflicts may reduce. But above all truth must prevail. Most conflicts take place because truth has been ejected and lies have taken over. Jesus once told his followers: *"Only the Truth shall set you free"*.

As Michael Novak, the 24th recipient of the Templeton Prize for Progress in Religion has written in his Templeton Address of 1994 delivered in the London Abbey:

> "to obey the truth is to be free, and in certain extremities nothing is more clear to the tormented mind, nothing more vital to the survival of self-respect, nothing so important to one's sense of remaining a worthy human being—of being no one's cog, part of no one's machine, and resister to death against the kingdom of lies—nothing is so dear as to hold to truth. In fidelity to truth lies human dignity".

We conclude our reflection by looking at our point of entry. We set out to share our thoughts on the need to initiate a dialogue where Human Rights, Conflicts and Reconciliation are reckoned with in global community and to set emphasis from African Wisdom Calabashes for some form of solution. We are still far from reaching that goal. But we are able to see that the search is not isolated to Africans alone. Human Rights concern all. Conflicts engulf all societies in more or less dimensions. It behoves humanity therefore in the new millennium to seek for new forms of solidarity and action. This is where Pope John Paul II, looking towards year 2000, states in his Apostolic Letter "*Tertio Millenio Adveniente*" and in the 1999 World message of Peace, that:

> *"The new millennium has filled the hearts of many with hope for a more just and fraternal world. This is an aspiration which can, and indeed, must become a reality. All are invited to walk the path of authentic conversion, which involves rejecting evil and making a positive choice for good. On the threshold of the year 2000, it is our duty to renew our commitment to safeguarding the dignity of the poor and the marginalised, and to recognize in a practical way the rights of those who have no rights. Let us raise our voices on their behalf, by living in its fullness the mission which Christ entrusted to his disciples! This is the spirit of the now imminent Jubilee".*

5

Globalization, Economic Progress and Poverty Reduction*

Antonio Fazio

> *"...while earthly progress must be carefully distinguished from the growth of Christ's Kingdom, to the extent that the former can contribute to the better ordering of human society, it is of vital concern to the Kingdom of God."* **(Guadium et Spes)**

In his memorable 1967 encyclical *Populorum Progressio*, Pope Paul VI noted that the social question had become global, declaring, *"Unless the existing machinery is modified, the disparity between rich and poor nations will rather grow than diminish"*. He appealed to all men of good will on behalf *"of those peoples who are trying to escape the ravages of hunger, poverty, endemic disease and ignorance; of those who are seeking a larger share in the benefits of civilization and a more active improvement of the human qualities . . ."*

Thirty years on, the conditions must be found for a response to this appeal, so that the benefits of economic progress can spread to all the peoples of the earth. Man's work—the goods and services he produces for others and the collectivity—is the foundation stone of economic development. It is also a measure of progress. Fairly remunerated work furnishes man with the means to satisfy his primary needs and attain a dignified standard of living for himself and

* Paper presented at a conference on ***Work as Key to the Social Question*** organized by the Pontifical Council for Justice and Peace, Vatican City in collaboration with the John A. Ryan Institute for Catholic Social Thought of the Centre for Catholic Studies, University of St. Thomas, Minnesota, USA

his family. Work permits each individual to realize himself fully at the personal level and at the ethical level of his opening to society.

In the nineteenth century, world output grew by 1.9 percent per year; the population grew by 0.6 percent per year, with a steady rise in per capita income. In the first half of the twentieth century the growth of world output was adversely affected by the destruction wrought by two world wars; the world population, despite the heavy loss of life in Europe, grew by an average of 0.9% per year. Between 1950 and 2000 population growth doubled to 1.8% per year. World output grew at an average annual rate of 4 per cent, expanding sevenfold over the period. Per capita income rose by 2.1 percent per year to increase nearly threefold in half a century.

However, this large increase in per capita income was accompanied by growing disparities in living standards and the availability of goods between different parts of the world. Very rapid improvement in economic conditions in some countries and regions was coupled with limited gains, sometimes backsliding, in others.

In the advanced economies, economic growth and the improvement in living standards have been based essentially on scientific and technological progress. The expansion has been driven by industry through the development of new goods, product standardization and the application of technology on a large scale. The supply of physical goods has increased rapidly. Economic development has benefited from the institutional and administrative evolution of States. The protagonist in the process of economic growth has been the enterprise, from the artisan sole trader to the medium-sized and large firm. At the advanced stage of development the role of finance is fundamental. In the early stages of industrialization the transformation of the organization of civil life and of social and political relationships in economies where agriculture and traditional activities predominated often led to tension and upheavals regarding the distribution of the value of the goods produced and control of the economy. A new set of relationships between the various economic and social groups emerged in the industrial countries, with repercussions on the legal order, political power and the organization of the State.

Once primary needs are satisfied, the structure and organization of economics are directed towards expanding the supply of services to individuals and households as well as to business and production.

Some countries lacked the political and institutional arrangements and the entrepreneurial activity needed to reap the fruits of technological progress and launch the process of industrialization.

The World Economy in the Second Half of the Twentieth Century

The 1950s and 1960s were decades of exceptional growth of world trade and of the economy of the industrial countries. The system moved within the framework created by the international monetary rules laid down in the Breton Woods Agreements. Economic policy played a key role in stabilizing the economy. Controls on capital movements made it possible to prevent waves of speculation and adjust national interest rates.

In most of the industrialized countries, the expansion of public intervention in the economy contributed to high rates of growth in output and employment in a context of stable prices. The basic welfare state programmes were put in place and major infrastructure was built. The rapid expansion in economic activity supplied the means needed to finance the spending programme.

These were the decades of the economic miracle in Japan, Germany and Italy. The United States grew to its full economic, industrial and financial power. In Latin America recurrent political instability and macroeconomic disequilibria caused countries' progress to be discontinuous. The evolution of China was slow. Progress involved many countries of South-East Asia only marginally, and those of Black Africa not at all. The termination of currencies' link with gold in the early 1970s in conjunction with the excessive increase of dollars in circulation in relation to US gold reserves and, subsequently, the oil crises and wage pressures caused inflation to surge.

In 1979 the United States launched a new monetary policy aimed at curbing inflation through strict control of the volume of credit and money. The other industrial countries adopted similar policies; the monetary tightening brought down inflation but also slowed economic growth. The rise in interest rates and the appreciation of the dollar created the first difficulties for the developing countries in servicing the foreign debt, mostly in dollars, that they had accumulated in years when interest rates had been lower and the dollar weaker. The abundance of finance had allowed many economically backward countries to initiate development policies. The funds were not always utilized efficiently, however. Some major investment projects were unproductive. Substantial amounts were spent on weapons or fueled corruption. Starting in the mid-1980s, in connection with the progressive removal of capital controls and the intensive use of information technology, international financial transactions began to expand much faster than in the previous decades.

The ever-widening liberation of international trade in goods stimulated the growth and diversification of production worldwide. The inflow of financial capital fostered productive investment in some developing countries marked by low living standards, levels of social protection and labour costs but with sufficiently skilled work forces and stable political and institutional arrangements. Multinational corporations made massive investments in the emerging countries, introduced new production processes and models of consumption, and came to control a large part of world commerce. A phase of faster growth in these newly industrializing economies began, especially in Asia. In the 1990s the fall of the socialist regimes in Russia and Central and Eastern Europe brought those economies into the system of international trade and financial investment.

The Globalization of Goods and the Globalization of Finance

Free trade in goods was a fundamental cause of the very increase in output and the international diffusion of economic well being in the second half of the twentieth century. It worked to the advantage of the countries that managed to take their place within the system of world trade. Each country concentrated its productive activity in the sectors where its costs were relatively low; by selling its products, it procured goods that it lacked or whose production would have been very costly.

World trade expanded considerably in the 1950s and 1960s. From the mid-1970s to the mid-1980s the growth of commerce was slower, though remaining faster than that of world economic output. In the 1990s trade again expanded rapidly, as a consequence of the participation of developing countries.

The Uruguay Round from 1986 to 1993 was the first set of trade talks in which many of these countries were active participants. The negotiations tackled, albeit with only partial success, issues of trade in agricultural products, textiles and clothing, which had previously been excluded from the GATT. The growth of trade involved industrial products, the demand for which grows rapidly during the intermediate stages of development. The advantages accrued primarily to the economies that succeeded in producing medium-and high-technology goods. Advanced countries maintaining import restrictions on agricultural and textile products have penalized many developing countries. Some of the most background economies have suffered from their limited ability to organize production and move profitability into the world trade system.

Raw materials have generally been exported on unfavorable terms for the producers. The exception is energy, where the producing countries succeeded in imposing high prices by limiting supply. In merchandise trade, demand and supply generally find equilibrium in the free market in terms of qualities and prices. The supply of goods is limited by the raw materials available, by technology and by the amount of labour employed. A sharp increase in demand makes the prices of the products and factors of production rise, stimulating supply but also reducing demand and in this way restoring equilibrium.

In recent decades it came to be believed that a stable equilibrium could also be achieved in international trade in currencies and financial instruments. In the institutional context of purely fiduciary currencies, there is no cogent market mechanism limiting the expansion of credit, brining supply and demand back into equilibrium. Credit and money can grow indefinitely, in parallel. Unless there is also an increase in the production of goods, destabilizing inflationary pressures will arise. The ballooning of the nominal values of financial aggregates may lead to the instability of intermediaries and enterprises. Crises and failures half the inflationary spiral but have the opposite effect of producing deflation, with losses of savings, the contraction of production, and unemployment.

In recent years recurrent crises have afflicted developing countries in Asia, Latin America and other parts of the world. They have been essentially financial in origin, or have seen finance play a crucial role. When a country suffers a financial crisis, the standard of living of broad strata of the population worsens. Restoring and maintaining macroeconomic equilibrium involves sacrifices in terms of the purchasing power of wages and an increase in the tax burden. Political and social strains result.

In the wake of the Mexican crisis of the mid-1990s, with its destabilizing effects worldwide, the monetary authorities of the main industrial countries embarked on a new phase of intense collaboration aimed at preventing crises and limiting their economically and politically devastating consequences. The earlier, sometimes ingenuous faith in the ability of market forces to achieve financial equilibrium and, at the same time, generate harmonious growth in the world economy, has given way to reappraisal. The vision, more political than theoretical, of complete freedom of financial movements is being thoroughly reassessed.

On balance, despite the problems and crises, the growth in financial activity worldwide in the last two decades can be seen as positive. Opening to trade and financial flows has stimulated the growth of output and employment in some developing countries where investment is most profitable. The conditions and the policies must be found that, albeit in the long run, will allow the beneficial effects on living standards to spread to as many backward countries as possible. A setting of international détente and cooperation is essential.

States' Intervention in the Economy

Free enterprise in industry and finance is indispensable for economic progress at both the national and the international level. It is the means of diffusing economic progress. But it is not sufficient for balanced

development. It has to be regulated and guided with policies that, while respecting freedom of enterprise, correct its distortions and shortcomings. In the free market a fruitful relationship is established between individual interests and the collective welfare. In the second half of the nineteenth century the theory of human behavior underlying the free market became that of individualism and utilitarianism. In this theoretical vision, a society's search for economic welfare is based essentially on profit maximization by each enterprise and on competition.

Economic activity must, however, be carried on within an institutional framework in which the State provides the public goods that are indispensable for the orderly conduct of civil and economic affairs; an adequate legal and administrative system, public order, justice, infrastructure and other essential government services. The services of the State, infrastructure, rules and more generally, public goods are not produced by market forces. They must come from a political organization, a legal system and a constitution that are rooted in the social and political nature of human activity directed towards the common good.

In order for the market, through the individual's pursuit of utility and the firm's pursuit of profit, to promote the welfare of all, it is also necessary for competition to ensure that only the goods of highest quality and lowest price win out, and for market forces not to be obstructed by privilege or, worse, corruption. This is common and does not produce collective welfare; on the contrary, it holds back progress. States' intervention in the economy is also necessary in order to stimulate productive activity at times of generalized cyclical weakness, to moderate it in phases of overheating and inflation, to get processes of growth and development under way, to facilitate and orient the choices of entrepreneurs and economic agents with adequate policies and farsightedness.

Distorted interpretations of the theory of public intervention in the economy have sometimes led to excesses. The rediscovery of economic liberalism is in part a reaction to those excesses. After the fall of the socialist regimes, this vision is tending to assert itself as the dominant political philosophy. In order for there to be harmonies growth of the world economy, it is increasingly evident that the production of global public goods must be ensured. This will require a revision of international law. A better distribution of the benefits of commercial and financial integration, social justice, access to the fundamental goods of nourishment and health are not guaranteed in sufficient measure by the market. It is the task of States, through cooperation, to guarantee an adequate supply. The international community is committed to eliminating the risk, possibly following dramatic events capable of upsetting the global order, of instability with serious economic and political consequences.

Poverty Reduction

According to the World Bank, one billion two hundred million people in the world, the large majority of them in Asia, live on less than one dollar a day. Forty-eight percent of the population of sub-Saharan Africa and forty percent of the southern Asia live on less than a dollar a day.

Excluding the Far East, where the percentage of poor people declined between 1987 and 1998 from 27 to 15 percent, there have been no appreciable reductions in the poverty rate in the developing areas in the last decade. Economic growth has been irregular in Latin America, where 16 percent of the population still lives on less than a dollar a day. The situation has worsened in sub-Saharan Africa. Income is not the only yardstick of living standards. Welfare is captured more fully by indices that incorporate other variables, such as health and the level and diffusion of education. Taking account of these indicators, the picture is less negative in the majority of the developing countries; between the first half of the 1970s and the second half of the 1990s, average life expectancy at birth rose from 56 to 64 years. The prospects are worrying for some African countries afflicted by grave diseases. Demographic factors and improvements in living conditions also contribute to economic development in the long term.

The Spread of Progress

Only rapid economic growth can bring a widespread improvement in living standards. A recent analysis by the International Monetary

Fund confirms the existence of a positive correlation between an increase in national output over several years and a reduction in the number of poor people. The developing countries that have recorded low or negative growth in per capita income in the last few decades have not achieved significant results in terms of reducing poverty.

In the more advanced economic and social systems maintaining a high rate of growth requires continuous innovations, which are passed from the world of science to that of production, where they give rise to new forms of organization of work and the production of new goods. In the most backward countries it is possible and necessary to promote economic development by replicating the methods of production of the advanced countries, albeit with the appropriate adjustments. Processes that accumulate knowledge benefit the firms and economies that develop them and apply them to production first.

The fact that the distribution of output has failed to improve at world level—on the contrary, the inequalities have actually become more pronounced—is due, according to eminent scholars, to the slowness with which technological progress spreads to the less advanced countries. Imitative behavior, in the production of goods and patterns of demand, should foster the spread of progress.

This is not a pessimistic view. On the contrary, it is basically hopeful: the spread of technical, economic and organizational progress may permit rapid growth of the most backward economies as well, and possibly a closing of the gaps between countries.

There must be no impediments at the international level or within developing countries to the spread of progress. It is necessary to create the conditions, including those of an institutional and social nature, for the transmission and dissemination of knowledge. The institutes serving to provide an appropriate definition and legal protection of property rights will have to be strengthened; the commercial barriers and the social and political obstacles to the free circulation of technological knowledge will have to be removed. The possibility of expanding output in the backward economies depends on the availability of sufficiently educated labor, able to perform the tasks required by new production processes and the economic activities that come with development.

Qualified human capital is indispensable for the use and adaptation of the new technologies: there is a marked complementary relationship between capital, on the one hand, and skilled labour, on the other. The spread of technology can generate the mechanisms that bring an improvement in the quality of labor through learning by doing. Respected economic analyses shows that the countries which have been most open to the new technologies have seen the quality of their labour forces improve through endogenous processes and recorded much higher rates of output growth than other countries that had similar initial conditions but have been reluctant to adopt new production processes. Developing countries must be able, with political and institutional stability and thus with an adequate economic organization, to assimilate the advances that have been made in the industrial countries.

International Trade and Capital Movement

A major factor for the take-off of backward economies remains that of their opening to trade, to be carried out with the necessary gradualness. With consistent policies for the reform of the domestic market, this is likely to permit the spread of progress. At the same time the poor countries have to be able to expand their exports of agricultural products and manufacturers to the industrial countries, so as to exploit their comparative advantages in the productions of such goods. The countries whose economies have grown fastest are those that have had greater access to international trade. There are still substantial obstacles to trade; they are primarily the consequence of the protectionist policies of the industrial countries for agricultural products and textiles. The level of protection of the agricultural markets of the OECD countries has fallen since the 1980s, but much less than would have been desirable.

The resistance of the industrial countries to the dismantling of the Multi-Fiber-Arrangement, the reluctance of Japan and the European Union to abandon their protectionist agricultural policies have allowed no more than partial results to be achieved in the

process of liberalization. The results of the Uruguay Round with regard to textiles and clothing products were disappointing for the developing countries. It is estimated that the planned dismantling of import quotas by the industrial countries has so far had a very limited impact on the exports of the developing countries.

The proposal for a new round of global negotiations launched in the ministerial meeting of the World Trade Organization in 1998 has made difficult headway since the failure of the Seattle meetings, held against a background of anti-globalization demonstrations. Forms of violence offering no constructive proposals must be isolated. A political response is needed to the imbalances that globalization has created. The measures recently announced by the leading countries at the Genoa summit and by the European union with its "*everything but arms*" initiatives, intended to guarantee unrestricted access to imports from the 49 poorest and most backward countries, are a step in the right direction. They are not sufficient, however. More effective measures are needed to allow the poorest countries to increase their exports of agricultural products and textiles to the richest markets. The efforts being made to arrive at the decision to launch a new multilateral trade round must be intensified. The main beneficiaries will be the developing countries as a result of the attenuation of trade tensions and the lessening of the importance of the regional agreements from which some countries tend to be excluded. The spread of progress at the international level remains closely linked not only to trade but also to the unrestricted movement of financial capital.

The saving rate is low in the backward countries and the need for investment high. It is natural for these countries to build up debts vis-à-vis the more advanced countries in the early stages of their development. Even substantial external debt is physiological at a time of rapid economic growth.

Debt Cancellation

Failure to use borrowed funds efficiently may lead to an unsustainable situation, in which the payment of interest and the redemption of principal absorb a substantial proportion of the resources the country produces. Debt relief measures can break the vicious circle; they must be conditional on the implementation of structural reforms that foster an efficient use of the capital inflows.

In 1996 the International Monetary Fund and the World Bank jointly launched the initiative in favour of the heavily indebted poor countries. The Group of Seven leading industrial countries have embraced it. Forty-one very poor and highly indebted countries were selected. The implementation of the programme began in 2000 with twenty-two countries. Their debt burden has been reduced by more than 50 percent. The preliminaries are under way for the other countries but in some cases political and institutional instability and armed conflict are hindering the start of the programme. The conflicts that are endemic in the most backward parts of the world are both the cause and the effect of poverty.

At the same time, the leading industrial countries have launched initiatives to cancel the debts of the same countries on a bilateral basis. Italy is participating in this programme and has approved the cancellation of $6 billion of debt. Debt cancellation will enable the poorest countries to take part in international trade; it will thus contribute to faster and more balanced growth of the world economy. It will help to foster greater political stability at the global level.

Immigration and the Protection of Labour

Economic growth turns into and fosters widespread welfare in the countries concerned only if it is coupled with a parallel development of rights that are fundamental for human dignity. Compared with the past, globalization has intensified the perception of the shared nature of the human condition. New forms of poverty and social exclusion are emerging in advanced countries as well. The problem of inclusion is thus widespread and present in diversified forms at the global level.

The growing importance of migratory flows of people in search of better living conditions, or simply fleeing from situations of serious distress and oppression, brings new problems, a reality with

which we must come to grips. Forced labour, slavery and trafficking in human beings, especially women and children, are on the increase. The International Labour Organization has stated that the elimination of these phenomena requires the full collaboration of States and the adoption of measures to reduce poverty and reform the labour market. It is necessary to intensify the efforts to cure these ills of economic life, in part through careful coordination of the national and international initiatives under way.

The achievement of basic standards, such as the elimination of child labour and the guarantee of trade union right, fundamental objectives of economic progress, must be based on measures for the support of household incomes and school attendance. The application of trade sanctions is likely to produce the opposite effects of those desired.

The ageing of the populations of the more advanced countries in the next few decades will call for large flows of immigrants from countries where living standards are miserable and the population younger. It is a new form of globalization, directly involving men and women. For the countries receiving immigrants it raises important questions of civilization and culture. But in the long term it can bring substantial advantages. In the meantime emigrants' remittances can help to alleviate the often-wretched conditions in their countries of origin. In the decades to come there will be a need for cooperation between states, not only to tackle the new emergencies, but also to take advantages of the new opportunities. The key to the elimination of these problems also lies in more robust and sustained growth of the world economy, capable of bringing higher employment and a more balanced distribution of wealth. Work is the fundamental means of reducing poverty, eliminating the worst imbalances and achieving the orderly life of the *polis*.

It must be possible to reconcile social tension in an organization of collective life that permits everybody to participate in decisions and the definition of policy guidelines. Productive employment and the welfare brought by economic growth give substance to dignity and rights, to the exercise of freedom. Quoting again from Pope Paul VI's *Populorum Progressio*, it is necessary for individuals and families *"to be freed from misery, . . . guaranteed a fuller participation in responsibilities, with no oppression, . . . To enjoy a higher level of education; in short, to do, to now and to have more, so as to be more'.*

Social Doctrine

The epochal changes we are experiencing lead us to question the adequacy of economic and social ideologies based exclusively on the pursuit of profits by firms and individual participants in the markets. In his sweeping vision of universal order, Thomas Aquinas saw, together with the relationship of every creature with the Creator (ordo ad Deum), a reciprocal relationship among men (ordo ad invicem), which is the substance of the social fabric. In a realistic vision, the actions and mature and responsible motivations of men are directed not so much to advancing their own interest as to creating a material and moral welfare that pervades the environment in which they live and work. This is true not only for those who are engaged in public service but for the vast majority of private economic agents as well.

Man is born and lives in society, and this ensures the welfare of individuals to a substantial degree. The family and the state originate from a profound need, from human reason and man's moral nature; they complete and in a way extend the individual. The advance of democracy in the second half of the twentieth century was not unrelated to the expansion of trade and finance. Economic freedom proceeds in parallel with political freedom. A system based on the market economy finds its most adequate form of political organization in democracy, in which the people are sovereign and exercise their power in constitutionally defined ways.

Maritan, with *Man and the State,* demonstrates the fundamental concord between the principles of democracy and liberty and the values of Christianity. He considers the sovereignty of the State as residing in the people. *"The people are above the State, the People are not for the State, and the State is for the People".* At the end of the nineteenth century, in the light of the great changes in the organization of production and the economic structure, changes that sometimes overturned previous social equilibrium, with repercussions on the

moral, civil and religious life of the multitudes, *Rerum Novarum* founded the social doctrine of the Church.

Social doctrine measured itself against the great changes that marked the twentieth century. Its landmarks include *Mater et Magistra, Gaudium et Spes* and, almost at the conclusion, *Centessimus Annus.* The last-mentioned reaffirmed the organic link between democracy, free enterprise and economic and social progress in a context in which a fundamental solidarity prevails between citizens, firms and economic agents in respecting the rules of justice and seeking the common good. I believe that study of the problems posed by the globalization of the economy must be conducted with a philosophical and moral analysis of the structure and dynamics of collective life, accompanied by a capacity to interpret the new that emerges in politics and the economy. This is the *'methodology'* adopted at the inception of social doctrine. *Laborem Exercens* addresses a problem of crucial importance, man's work, the meeting-point between society and economy. *"New things"* still characterize contemporary society at the national and the international level. The innovations of capitalism, finance and communications are transforming the economy and society in the advanced countries; they will lead to major changes in the emerging countries as well. They are a positive force, because they can bring economic and social progress to the hundred of millions who still live precariously and in material poverty. They create new cooperative relationships at the international level. They can sometimes generate subjection and marginalization both within societies and internationally. They can overthrow the pre-existing social order in economies where the cultural substratum and the force of tradition are weakest.

These are movements that need to be coordinated and governed with a clear vision of what is good for the community, so that the maximum benefit can be derived for all. The great transformations in the nature of work will require the revision of institutes, relationships and practices to make the best use of man's labour, enhance growth and increase employment.

In the words spoken by John Paul II on May 1 2000 *"The new realities. such as the globalization of finance, the economy, trade and work,* *must never violate the dignity and centrality of the human person nor freedom and democracy of peoples'*. A *"Strong Philosophy"* is needed, but it must also be open, able to reform changing and contingent situations into a whole. A solid knowledge of economic and political realities is needed, knowledge born of the study of the relevant disciplines and of continuous comparison with an ideal structure. There must be a new and fruitful exchange between secular sciences and theological and philosophical sciences. The great thinkers of the past have much to teach us in terms of content and method.

The Anglo-Saxon world, which is always aware of the philosophical basis of modern economic, social and political life, is rediscovering the major classical works of mediaeval and modern philosophic thought. It is significant that the first volume of a new, highly rigorous scientific collection dedicated to the foundations of modern political and social philosophy published by the Oxford University Press bears the title Aquinas. The Book of Wisdom tells us that the wise man studies the thought of the ancients to discover hidden treasures, but also knows how to interpret the present and the future. We must read the present with the aid of a vast and deep knowledge of the economic and social phenomena that characterize it, and in the light of the ancient and ever-new wisdom abundantly *"deposited"* in the church.

Development that extends to every aspect of social life and spread of economic progress that reduces disparities creates work even in the poorest countries. Work contributes to the nation's welfare and raises the dignity of those who perform it. In this direction must go the reflections and decisions of those responsible for acting, the efforts of men of good will.

Closer cooperation between States is the way to achieve the peaceful community of mankind, to defeat violence and terrorism, to avert the risk of new and more sophisticated conflict.

Today even more than yesterday, *'Development is the new name of peace"*.

6

Global Business with a Human Face: An African Perspective on Economic Issues*

Ndidi Nnoli Edozien

Introduction

An opportunity to present an African perspective towards promoting constructive dialogue across cultures in an increasingly plural human society is welcome, and especially if such initiatives might engender greater intercontinental collaboration and deeper intercultural understanding to the benefit of humanity.

Let me begin with a reminder that much of what is known or written about Africa has been described by non-Africans, most of whom are western 'intellectuals', 'travelers' and 'experts'. In general terms the tendency has been to look down on Africa and its peoples.

To understand Africa, one must understand its time-line and pattern. Africa must be seen in long view, and understood as a work in progress, in yet unfinished evolution. This approach is relevant to culture generally, defined in this context as the entire way of life of a people, past and present.

On the level of both individual and social groups, culture has remained humanity's form of self-expression on its journey through

* Paper presented at the International Association of Human Rights Conference, Frankfurt, Germany in May 2004.

history. Cultural change therefore constantly challenges people to maintain their identity in the face of new conditions, and not surprisingly, culture is marked by stable and enduring elements, as well as by changing and contingent factors. In this light, perhaps the times has come for Africans to define themselves, their context and to redefine or even reverse the frames of reference in which Africa is perceived. This implies establishing relevant values and putting them into the context of our history and authenticity without denying basic universal truths, such as:

1. The shared universal values of solidarity expressed through the promotion of justice.
2. The value of peace which is the primary objective of every society.
3. The value of life itself as the most sacred and inviolable earthly reality, for it is not possible to invoke peace and despise life.
4. The values of education and respect for diversity which enables regard for one's own identity with an understanding of others.
5. The values of forgiveness and reconciliation necessary for building bridges over the barriers caused by non-communication and misunderstandings, thereby nurturing the path that leads to peace.

There is a clear need to harness the innovative potential in African communities and cultures with a view to effecting their sustainable and self-determined rationalization and modernization. In this regard, there are already efforts underway. For instance, the thesis of the Frankfurt-Hohenheim Guidelines (which seeks to establish an ethical rating concept to promote investing and businessing that incorporates sutainability – in an ecological, cultural and social sense) refer to a situation where:

> *"the current form of economic growth is no longer of service to the public welfare or to the preservation of the natural environment but has become an end in itself - one that primarily serves the purpose of increasing monetary wealth, tending at the same time -properly calculated - to reduce prosperity rather than to raise it."*[1]

In an interdependent world economy, a global perspective has become crucial to solving local problems. In this paper, the potential importance of socially responsible business and investment practices is acknowledeged and referred to, with the Nigerian context in mind, in particular, and Africa in general.

Having said this, it is important to note the following:

1. When discussing business internationally, studies often utilize measures benchmarked against the economic standards of western and industrialized nations;
2. It is often assumed that the referred economic standards based upon a western-style, individualistic, capitalist economic system are applicable, and indeed desirable, in Africa or elsewhere.

However this cannot be taken as the standard by which Africa is measured. Fortunately, a wide body of literature acknowledges the discrepancy that exists between countries on the Northern-Southern axis, simultaneously expressing concern about the unsustainability of the situation. For instance, in a statement on poverty elimination and debt remission, the Catholic Bishops of England, Wales and Scotland describe:

> *"a world in which the gap between the poorest and the richest has become a chasm; a world in which the global market is tilting steadily and decisively against the poorest nations; a world in which lives are sacrificed daily to debt obligations acquired by past generations and past leaders in sometimes the most dubious of circumstances."*[2]

An African response

[1] Scherhorn et al (1997); taken from the write-up: *Frankfurt Hohenheim Guidelines*

It is imperative that, as responsible global citizens, we review critically the present world economic structure (upon which foundations most socio-economic postulations are built). The point being that, from an African point of view, global economic policies (such as the IMF's Structural Adjustment Programs) must <u>also</u> be evaluated in terms of their impact on human lives to avoid the referred economic growth against which Scherhorn, Hoffmann and others warn.

Resulting from observations on the current global economic order, the following shortcomings are relevant vis-à-vis the African socio-economy:

- Culturally, most economic theories on property ownership neglect adequate treatment of the predominantly African concept of *property as a social mortgage*. For example, in traditional African society, social status is not defined by material wealth but rather, by the sharing of this wealth in the community. Similarly, in rural Africa, *labour is viewed as a communal good* as is most evident in the agricultural practices of small-scale farmers across the continent. Land, on the other hand, was a treasured asset in this African society and belonged to no one in particular but to the entire community. The use of social goods such as access to land, respect for land and eventual rituals associated with the land among other communal properties are issues often not given adequate consideration.
- Ecologically, economic theories often assume the monopolization of the earth's resources, such as water and crude oil, by institutions with access to capital. In traditional African society, resources were primarily neither for exploitation nor for profit, but rather existed to secure human survival, thus engendering sustainability. This orientation allowed for a more equitable distribution of resources and ensured responsible usage and due consideration for communal interests.
- Socially, the western thinking tends to emphasize individual rights more than it speaks of the interests of communities. In so doing, it fulfils the principle of subsidiarity, but does not bring enough emphasis to bear on the principles of solidarity and the common good, so fundamental to African society and culture.[3] Or what else does an African make of theories that would itemize several categories of rights, duties and obligations toward the satisfaction of individual prerequisites but fail to place them within their communal and social context?

[2] *Life, Debt & Jubilee: a Statement on Poverty Elimination and Debt Remission* by the Catholic Bishops' Conference of England & Wales and the Catholic Bishops' Conference of Scotland; April, 1999.

Impact and sustainability - the dilemma for Africa

With these short-comings in mind, it is necessary to comment briefly on the correspondent issues of *impact* and *sustainabilty*, in the African context. As a case in point, consider the Heavily Indebted Poor Countries (HIPC) initiative of the IMF and World Bank, which highlights that 31 of the 41 countries recognised as heavily indebted by the IMF are of African origin[4]:

1. The HIPC initiative requires highly indebted countries to complete up to six years of *western-style*, stringent financial management and market-oriented economic reforms, before any debt reduction is considered.
2. The referred debt, of the poorest developing countries, is owed almost entirely to the western countries and to the World Bank and IMF in which the richest nations have majority voting power.
3. Policies adopted by the creditors, such as the capitalisation of interest, have given rise to unpayable debt i.e. debts that

[3] Hoffner, J. *Catholic Social Teaching*, Ordo Socialis, 1998, English edition.

[4] UNDP Human Development Index, quoted in *Life,Debt and Jubilee*, CAFOD, 1999,p.15

grow faster than the debtor countries' capacity to service them.

4. The present African reality is that lifetimes of hard work and dutiful payments will make no impression on debts owed and most unfortunately, that these debts will impose the heaviest burden on those the least to blame for their creation: the poor![5]

As such, the importance of initiatives such as the Microcredit Summit Campaign (in alleviating poverty), which builds upon decades and centuries of micro-finance at the local level in Africa, cannot be undermined; but it is important to realize that these efforts merely alleviate symptoms, without offering a sustainable cure. From an African perspective therefore, a review of global economic policies remains an important precondition for sustainable development in African countries. This also implies Africa's direct and respresentative participation in the process and decision-making of any proposed review.

The following two areas offer options that might engender better economic circumstances on the African continent:

1. The first is in the ability of socially responsible companies to influence strongly the positive socio-economic future of a country, no matter how corrupt and inefficient the government in place may be;

   'After all, governments need companies to develop their economies, but companies do not necessarily need governments to do business'.[6]

2. The second is in promoting micro-finance as a powerful and effective tool for the alleviation of poverty and the realization of self-determined, sustainable and healthy economic development in Africa. To this end, it has been emperically proven that:

[5] *Life, Debt and Jubilee*, p.9

- Micro-lending increases the revenue stream and purchasing power of a growing consumer base;
- Micro-enterprise development provides opportunities to get company products and services into the market place;
- The payback rate of micro-lending is higher than that of most commercial banks;
- Micro-finance has been proven to create jobs, grow businesses and help raise family income well above poverty levels;

Germany, and most other western countries, can attest to how critical it is to foster the sustainable development of small and medium scale enterprises. Even moreso is this required in Africa, where:

> *"given the necessary investment capital, smaller and medium-sized companies in particular possess both the requisite creative potential and the flexibility to blaze new trails for a lasting change of direction in the development of products, production methods and services."*[7]

And furthermore that :

> *"with the help of an ethical rating...small and medium-size companies in particular can be provided with an incentive to develop and implement technological innovations that on the basis of short-term economic criteria would be doomed from the start. This would provide considerable impetus for the movement of entreprencurial development in an ecologically oriented direction, as well as for the safeguarding of the environment."*[8]

The importance of micro-finance initiatives:

Micro-finance, rooted deeply in the communal culture of self-help and self-initiative, encourages the development of businesses

[6] Sullivan, L., *Moving Mountains*, USA, 1994
[7] FH Guidelines, *Conference Working Documents*, 2000

aligned with the culture socio-economy and ecology of local communities. It would appear, therefore, that especially in the African context with its emerging small and medium-sized enterprises, micro-finance offers an excellent platform for the pursuit of sustainable development by businesses.

Given the scale of poverty existing in African countries today, an important local pre-requisite for sustainable development will be the integration of the formal and informal sectors of African economies.

The Growing Businesses Foundation (GBF) and the Catholic Institute for Development Justice & Peace (CIDJAP) have acquired considerable expertise in both of these areas. The following points will throw more light upon the crucial relevance of this study:

- Most African countries operate a communal-based society with the vast majority of its population operating in the peripheral, informal sector. For this reason, if the objective of promoting social responsibility amongst corporations is to improve the prosperity of society at large, African–based corporations must be encouraged to conduct business with the informal sector as part of their core business strategy.
- In many African countries, electricity, running water, health care facilities, telephones and many other amenities are literally non-existent, and available only to a priviledged few. Most western and industrialized nations, on the other hand, take these services for granted. Thus whilst corporate social responsibility is desirable in Europe and elsewhere, it is an integral requirement for engendering economic development in Africa.
- Given the cultural values of communality in African society, there exists a natural predisposition towards socially responsible behaviour. However, in the frenzied chase to play "catch-up" with technologically advanced countries in an interdependent world, companies are not encouraged to

[8] FH-Guidelines, *op. cit.*

seek indigenous methodologies for sustainable development. The application of western ideas to African countries should follow, therefore, upon significant investment in research and advocacy for the development of African solutions for self-determined and sustainable development.

- In the absence of an institutionalized social welfare system, African countries have the most to gain from the adoption of socially responsible corporate practices. On the other hand, the tradition of poor law enforcement systems makes many western concepts a potentially weak methodology for achieving impact. We must thus identify new methods for integrating the formal and informal sectors to engender healthy economic development by building sustainable businesses.
- Since most Africans still live in the rural areas, development efforts must respond to questions as to how it touches the lives of people at the grass roots of the economy. This implies that the questions of this interest group become relevant and determinant, not vice versa.

Does the development agenda of the western world have a broad enough scope to address issues raised by people who were never consulted? On the other hand, what are the issues likely to be articulated by these people? In African rural communities, issues of religion, integrity, order, extended family systems, relationship to the land, the role of the elders, the belief in consensus building, the concept of time and space, the search for harmony and historical ancestry would play a vital role. To what extent has the western world considered these issues from an African (grass-roots) point of view?

Conclusion

Nigeria is a country where modern democratic governance is evolving and corporate social responsibility constitutes one of the single, most important means of achieving sustainable economic development in the near future. It is therefore as much in the interest of Nigerians, as it is in the interest of humanity, to dispel completely any conviction that business should not concern itself with ethics.

Gradually, humanity is coming to realise that we have to give a human face to business if it has to be a recognisable human activity. The entire body of Catholic Social Thought plays a significant role in reminding global players in the economy, the social and cultural sphere of this responsibility.

Finally, one may need to explore further ways of accommodating the cultural and socio-economic variations undoubtedly present in our pluralistic world. For in pointing the way towards socially responsible investments, resources may be utilized to nurture socially responsible businesses that will sustainably safeguard the common good of mankind.

7

The Consequences of Economic Globalization on Nigeria: Response to the World Bank's Report*

Obiora F. Ike and Emeka Ngwoke

Introduction

"The joys and hopes, *the grieves and anxieties of men of this age, especially those who are poor or in any way afflicted, these are the joys and hopes, the grief and anxieties of the followers of Christ.*" (Gaudium et Spes, no 1)

The above words in the opening paragraph of the Vatican II Councils' Document, "*the church in the modern world*" (Gaudium et Spes) has been, since publication, the underlying principle of the church's intervention in the temporal order—political, social and economic-and forms the basis of her preferential option for the poor. They also form the basis of this response to the World Bank's Report, for "the joys and hopes, the grieves and anxieties" of suffering Nigerians, especially the poor and those who are in any way afflicted too are "the joys and hopes, the grieves and anxieties" of the church in Nigeria and indeed of all who truly bear the name Christians. In going through the report one is almost overawed by its sheer size and depth of research: 165 pages in print including 24 pages of statistical data and three pages of bibliography. And 27

* Official CIDJAP response to the World Bank Document: Nigeria, Prospects for Development, Prepared by Country Operations Division, West Central Africa Department. The World Bank, October 28, 1996

pages of executive summary precede this and a page of précis to the bargain. It is therefore quite a challenge to read through the entire Report without getting lost in a maze of information and often-ponderous economic analysis. Reading through the first few pages of the report, it is obvious that one is not being presented with an unbiased, objective assessment of Nigeria's socio-economic situation with a view to laying open an array of policy options for the country's leaders. Rather, one notices a determined defense of an entrenched position and a thinly veiled attempt to sell or rather force down our throat a particular model of fiscal policies and macro-economic management. (See pp.4-6)

For instance, while recognizing three policy positions in what is an on-going debate on Nigeria's way forward in socio-economic management, unfair comments bothering on ad-hominem are used in dismissing the other two options. The Nationalist approach is condemned for being "strongly supported by interest groups hungry for power, and who benefit from rent-seeking activities that can be undertaken because of an excessive regulatory role of the state. "(p.5). Its failure is a forgone conclusion, and therefore "it is not analyzed as its outcome has been documented in Nigeria's economic history: such a vision has led Nigerian along the road of reductions in real incomes and increases in poverty." (p.6) The third option which the report terms the "mudding-through" approach is similarly rejected because its advocates wish to "maintain the existing status-quo in terms of existing economic and political power structure between the North, South and middle-belt regions." Besides, we are told, it "allows interest groups both within the military and the civilians to profit for personal gain." (p.6)

By contrast, the so-called market-friendly Internationalist approach, which the Report advocates, is glamorized for being supported by *"interest groups that want to see the country move forward at a fast pace by liberalizing the economic system and strengthening the country's links with the international community"* (p.5). Suffice it to say this manner of reasoning is rather unfortunate and only capable of generating much heat without light while obscuring the real issues at stake. Beside the obvious lie involved in the claim that the Nationalist approach has led Nigeria *"along the road of reductions in real incomes and increases in poverty"* (p.6) one must point up the fact that a policy option is neither good nor bad because of who supports or opposes it. Any policy option can only be legitimately rejected for superior reasons—economic or pragmatic—and not simply for flimsy political reasons of name-calling.

In the Paragraphs that follow, we shall, in the spirit of what should remain an on-going debate, proffer our own suggestions about Nigeria's multiple problems of socio-economic management, and our own assessment of the Bank's major policy prescriptions as contained in the said draft Report, to wit: privatization, liberalization, divestment, exchange rate deregulation and removal of subsides. In the course of our discourse, it would become obvious that as a recipe for economic development, the Report is a disaster since it ignores human capital enhancement, which is indispensable for the development of a good economy. Rather one finds a carefully orchestrated plan of fiscal and macro-economic management aimed at ensuring continued repayment of Nigeria's huge external debts, and paving the way, for an eventual takeover of Nigeria's economy by Western international and monopolistic finance capital.

Nigeria's External Debt Burden

Although the Report is quite on target in identifying the many ills of Nigeria's macro-economic management, it failed to highlight and give prominence to the greatest obstacle to Nigeria's continued economic development namely: her unsupportable debt burden which is at the root of the present crisis. Otherwise, what makes it the Bank's business how Nigeria manages her economy? Nigeria's fortunes took a plunge in the early 1980s when oil revenues began to decline and, rather than curtail her expenditure, Nigeria allowed herself to be goaded into contracting international debts. The situation grew progressively worse as the country remained profligate while her incomes continued to decline and so her debts kept mounting. With the virtual collapse of oil prices in 1985, Nigeria lay prostrate and by 1986 she was forced to submit to the IMF/ World Bank's harsh therapy of economic Structural Adjustment

Programme (SAP). What Nigeria has seen since 1986 has been an eternal lesson on how not to run a national economy. Put simply, Nigerians have been paying, in tears and blood, huge and crushing reparations for the nation's past profligacy.

The World Bank's Report alongside earlier policy prescriptions in the Structural Adjustment Programme (SAP) easily calls to mind the fuse of the Second World War, which was laid at the Versailles Peace Conference in 1919. When the First World War ended, the victor nations—America, Britain, France and Italy—met in Versailles France and imposed a humiliating and punitive peace on defeated Germany. She was asked to pay a whopping $40 billion for damages of the war. Lord John Maynard Keynes, the world famous Cambridge economist saw the imposition as a reckless settlement of political sores and denounced the peace as "outrageous and impossible" and warned that it "can bring nothing but misfortune behind it".

In protest, Keynes resigned his cabinet position at the London exchequer and went on to publish The Economic Consequences of the Peace in which he took further swipes at the peace pact. Wrote he: *It is an extraordinary fact that the fundamental problems of an Europe starving and disintegrating before their eyes, was the one question in which it was impossible to arouse the interest of the four.*

He then went to warn, rather prophetically: *The danger confronting us, therefore, is the rapid depression of the standard of life of European populations to a point which will mean actual starvation for some.... men will not always die quietly. For starvation, which brings to some lethargy and a helpless despair, drives other temperaments to the nervous-instability of hysteria and to a mad despair. And these in their distress may overturn the remnants of organization, and submerge civilization itself in their attempts to satisfy desperately the overwhelming needs of the individual. This is the danger against which all our resources and courage and idealism must now cooperate.*[1]

Lord Keynes's appeals and warnings went unheeded by a world already deafened and blinded by the rattling sambas of war and the

[1] Quoted by Heilbroner, R. L. The Worldly Philosophers: The Lives, Times and Ideas of Great Economic Thinkers New York: Simon and Schuster, 1972, p. 251.

lure of enriching plunder. Germany was forced to pay the "pound of flesh" and predictably widespread resentment followed. It was only a matter of time, of course when, Adolf Hitler arrived on the political scene and with a rare combination of oratory, organizational skill and sheer demagoguery, fanned the collective rage and humiliation of the German people into a fierce blaze that almost consumed the entire word in World War II.

Nigeria has not been engaged in warfare nor is she suffering as a vanquished nation. Nevertheless, the collective experience of African nations emerging from colonial rule and trying to organize their national economies in a world dominated by greed and fierce competition has not been less daunting than the prosecution of war. Their failures in a game dominated by stronger nations where it is 'the weak to the walls' has been as humiliating as the loss of war. The very sub-human existence and social disintegration that greatly alarmed Lord Keynes about Germany have become the standard fare in Nigeria and in most African nations (Rwanda, Zambia, Ethiopia, Zimabwe, Burundi, Zaire, Sudan especially) as they groan under the yoke of the IMF/World Bank regime. Lamenting Nigeria's fate the Catholic Bishops Conference of Nigeria (CBCN) wrote in a recently issued statement: *Nigerians are faced with starvation and destitution of incredible magnitude. Workers do not earn enough to live above starvation level; one can only imagine the deplorable conditions of the teeming populations of the unemployed. The nightmarish condition of life and property experienced in the upsurge of armed robbery and hired assassinations make life extremely difficult and precarious for the people of this country.*[2]

Also writing on Nigeria, Osamaro Ibie, links his graphic portraiture of the situation with an analysis of the country's prolonged economic crisis and social distress. In his own words: *Unemployment has become a routine dread to live with, while the incidence of the public sector's inability to pay salaries and wages regularly to its employees has become a regular feature. Public sector employees and some strata of the private sector are compelled to pay distressed wages and salaries to their*

[2] CBCN "Communiqué of the Second Plenary Meeting of the Catholic Bishop's Conference of Nigeria for 1996, Benin City 10, 13 Sept., 1996" Nsukka: Jetan Printing Co. 1996, p. 6.

employees. The result is that a large proportion of the society now lacks the purchasing power to buy their basic necessities. The reading of the external barons of the World Bank and IMF who are overseeing our economy—but who are no more than Ivory tower theoreticians—is that there is inflation in the economy, which is the explanation for taking several counter-productive measures to keep real and money wages at forlorn levels....

Furthermore, he wrote; *My reading of the present condition of our economy is that it is suffering from the anorexia nervosa of stagflation, that is, an economy beset by high cost inflation, a high rate of unemployment of all production actors and lack of purchasing power.*[3]

In order to understand the Nigerian situation properly and to be able to proffer genuine solutions, it is necessary to locate it within a general economic theoretical framework. The prosperity of nations is not measured by the volume of their mineral deposits or by the vastness of their infrastructural development but by their present incomes. When the individual and collective incomes of a nation are high, a nation is said to be in prosperity; when otherwise, it is said to be in a depression. Incomes themselves move from hand to hand as goods and services are demanded and provided. This reciprocal exchange of incomes through the provision of goods and services keeps the wheels of the economy turning. This process will remain unchanged even when people save up their earnings with banks or by buying up stocks, simply hide them away in their homes. If this practice becomes widespread there will be a shortfall in the supply of funds into the economy. This, however, does not usually happen.

Depression arises principally because of the inability of Business to expand endlessly to invest savings. Business, of course, does not need savings for its day-to-day activities. They become necessary only when business is expanding. A thrifty community will always be saving but business cannot be expanding all the time. This disjunction between continuous saving and sporadic investment creates a depression, which is economic contradiction. *"If our savings do not become invested by expanding business, our incomes must decline.*[4]

[3] Ible, O. "Crisis of a Manipulated Economy (1)"in The Guardian (Lagos, Aug. 28 1996), p. 25.

[4] Heilbroner, R. L. op cit, p. 259.

When however, investments pick up again, wages will in turn begin to rise. This is called the sea-saw theory of savings and investment. This theory, however, fails to explain how an economy could remain in a prolonged state of depression. John Maynard Keynes provides the necessary explanation. The savings and investments see-saw are not unrelated business activities. They meet at the capital market where savings are traded at a price or interest rate. If savings were low, interest rates would be high; but if savings accumulate, lending rates would fall. This fall in lending rates was expected to entice reluctant investors back into business expansion. In this way the sea-saw theory sought to explain the boom and burst swings of the economy. But not quite satisfactorily. The Great Depression of 1929 and the early 1930s happened and failed to respond to this neat theory of rebound after a collapse. John Keynes in his book, *The General Theory of Employment*, Interest and Money resolved the puzzle by observing a simple and quite obvious fact of economic life that instead of a flood, there would be a trickle of savings in the vaults during a depression.

For what happened when an economy went into an economic tailspin was that incomes contracted, and what happened as incomes contracted was that savings were squeezed out. How could a community be expected to save as much when everyone was hard up as when everyone was prosperous, asked Keynes. *Quick obviously, it could not be a glut of savings; not a flood savings but a trickle.*[5] Since 1986 when Nigeria's economy came under the regime of the World Bank and the IMF, her economy has been plagued by the twin ills of spiral inflation and stagnation which were occasioned by massive currency devaluation which has virtually wiped out the purchasing power of the vast majority of Nigerians. Savings have dried up and investment is almost completely non-existent. Notwithstanding, Nigeria has a Frankenstein hanging around her neck namely an external debt burden of over $32 billion that attracted a service obligation of a whopping $4.7 billion (13% of her export earnings) last year. Nigeria is therefore caught in the web of the paradox of "want in the midst of plenty,

[5] Ibid, p. 263.

the anomaly of idle men and idle machines". The reason for this paradox is that the economy does not produce to satisfy wants, which are limitless—rather, it produces to meet demands, which are as small as one's wages. Nigeria's growing army of the non-employed, the under-employed and the middle class whose purchasing power has been wiped out are therefore virtual economic zeros since they are incapable of making any real impact on the economy. With such a prostrate economy Nigeria is unfit to meet her external debt service obligations (only $2 billion was paid out of $4.7 billion which was due last year) talk less of engaging in any meaningful development effort. Nigeria's problem is not without historical precedents. Britain and then the Soviet Union suffered a similar fate in the past. Writes Richard Akinjide: *By the first two years of the Second World War, Britain was practically bankrupt. Germany had overrun the rest of Europe. The Britain Channel Islands were occupied. Defeat was starring Britain in the face. In January 1941, the concept of Lend-Lease was enunciated. Britain and the Soviet Union badly needed to be rescued. The notion was that military equipment could be transferred by the USA to Britain and the Soviet Union for war efforts and could later be returned or paid for in kind. The truth was that neither Britain nor the Soviet Union had the money to pay for them. In reality it was a free grant of funds replacing international lending. The unacceptable consequences of post-war debts were thereby cleverly avoided. Rather than ask for repayments, in June 1947, the USA initiated the Marshall Plan in a Harvard address by Secretary of State, Marshall Plan in order to rescue war devastated and debt-socked Europe and Japan.*[6]

If the World Bank's draft Report were proposing a "Marshall Plan" or rather an "Albright Plan" or perhaps a "Clinton-Major-Kohl-Chiraq Plan" for Nigeria and Africa, we should be popping champagne! Rather, the Report says quite bleakly and matter-of-factly that "The Preferred Option" is to use the positive windfall to repay Nigeria's external debts. Lower spending levels should compensate for revenue shortfalls in order to avoid increasing the

[6] Akinjide, R. "World Bank, IMF: Friends or Foes?" In Newswatch (Lagos July 3, 1995), p. 34.

stocks of external or domestic debts. The FGN should not consider another approach until the debt stock has been reduced to a comfortable level" (9.11). We may hasten to ask: comfortable for whom? Nigeria should as a matter of honour and national policy stop all external borrowing. And in the absence of a "Marshall Plan" and outright debts cancellation, the World Bank and Nigeria should be working towards a moratorium on debt servicing for a minimum of ten years plus a fully cushioned and spread-out system of repayments requiring not more than hundred years. The present arrangement in which Nigeria spends 16% of her export earnings on debt servicing is unhealthy and can only hamper her chances of self-sustaining development. If however, Nigeria cannot count on the Bank and her creditors' cooperation to ensure a less painful method of repayments, she must find her own solution aimed at making her completely free of debts within a decade at most.

Nigeria's Path to Economic Recovery

In the mean time the historic task before Nigeria today is to find ways of breaking through the vicious circle of unemployment, stagnation and spiral inflation in which her economy is trapped. She must find ways of reactivating her economy by engaging all her productive resources. She must be able to get business to start investing again in order to generate further wealth. Here again Lord John Keynes's insights are crucial. In his book *The General Theory* earlier referred to, Lord Keynes draws certain telling conclusions after a thorough diagnosis of economic trends:

- First, that an economy in depression might well stay there; there was nothing inherent in the situation to pull it out.
- Second, that prosperity depended on investment; if savings were not put to use, the dread spiral of contraction began.
- And third, that investment was an unpredictable drive wheel of the economy; through no fault of the business-

> man it was constantly threatened by satiety, and satiety spelled economic shrinking.[7]

The Nigerian economy, which has been in tailspin since 1986 and may well, remains there far beyond the turn of the century. There is nothing inherent in the situation to pull it out of the woods. To jerk the economy back into action, Nigeria needs the moral equivalent of Roosevelt's New Deal in America, which broke-up the noose of depression that had held up America's potential for development in the early 1930s. Roosevelt was able to jump-start the American economy into recovery and sustained growth and development through relief packages and public sector investments. "Relief began under Hoover; then under Roosevelt relief turned into leaf-raking, and leaf-raking turned into constructive enterprise. The government was suddenly a major economic investor, itself: roads, dams, auditoriums, airfields, harbours and housing projects blossomed forth."[8] It was this deliberate undertaking of government investment, which saved America at the time.

In an open letter published in the Dec. 31, 1933 edition of the New York Times, Lord John Keynes urged Roosevelt to place "overwhelming emphasis on the increase of the national purchasing power resulting from government expenditure"[9]. Unfortunately, the directions of Nigeria's economic policies have been deliberately anti-people and quite contrary to Roosevelt's New Deal and to Lord Keynes's advice. Instead of increasing the national purchasing power through government investments, government has rather been "forced" into the path of continued decrease in the national purchasing power through currency devaluation, wages freeze and removal of subsides.

Luckily, however, a Nigerian Keynesian scholar and retired bureaucrat Osamaro Ibie, has taken an informed look at Nigeria's prevailing economic condition and has come up with an answer that is

[7] Heilbroner, R. L. op. cit., p. 266.
[8] Ibid. pp. 266/7.
[9] Quoted by R. Akinjide, "Nigeria Needs Keynesian Strategy" in The Guardian (Lagos, Sept. 9, 1996), p. 29.

well worthy of serious attention. His views are incisive, lucid, illuminating and exhaustive and can bear a lengthy citation here: *"In spite of the impact of the World Bank and IMF on global economic management in the last two decades, no one has been able to fault Lord Maynard Keynes's employment theory. After the Second World War, when the economies of Western Europe were down and out, he advises the post-war labour government in Britain, and the rest f Europe took the cue from there, that even if the public sector had to employ workers to dig up pits and refill them, provided it produces basis for paying them wages, it would be beneficial to the economy. What Keynes meant is that if an economy is in a recession as ours has been since 1986—it cannot, in a capitalist system, rely on market forces to jolt it back into recovery. This is where the public sector has to seize the initiative, because investors in the private sector are fair weather friends of continence.*

"Therefore, inferred Keynes, even if the public sector has to print more currency notes to pay wages to its employees it will in real terms provide purchasing power to impoverished consumers. When the suppliers and producers of necessary goods and services suddenly discover an upsurge in demand for their wares, it is then that they will have the confidence to expand production. The production of additional goods and services will necessitate the employment of more workers in a chain reaction, which over time will stimulate the entire economy from stagnation through reflation to recovery. This is what Keynes described as the "multiplier" which has to be ignited by additional public sector investment. It is therefore reasonable to argue that when government pumps new money into a recessed economy either to back-up more wages, salaries and incomes or to generate additional employment, the additional purchasing power given to the beneficiaries of government goodies will immediately generate net, new and additional investment and employment. There is a yawning gap between inflation with growth in a depressed economy and inflation and abatement in an over-heated economy. To pump more money into an ultra-vibrant economy can only overheat it to the point at which its fuses begin to blow up here and there.

"On the other hand, to pump more money into a somnolent economy promises to activate reflation and recovery via the multiplier and the accelerator. It is therefore ludicrous to hear of a national government, which is not only forcing its work force to underwrite national economic misfortunes,

but also to starve in the midst of plenty. Wages and salaries in the public sector are paid in local currency and not in hard currency. It means in effect that even if government prints more naira notes to fund additional employment and increase in wages and salaries in the public sector, it is only fueling economic growth, that is the summation of the justification for social welfare economics in which the public sector subverts the unemployed, the sick, the aged and pensioners, to ensure that they remain viable consumers of unavoidable goods and services. As long as they retain some purchasing power, the economy will remain hale and hearty.

"Therefore, it is perfectly safe for the government of a brushed and battered economy to print additional notes to prevent workers from degenerating below the starvation line. When the Naira was devaluated from four naira to one US dollar in 1986, our economic managers, in defiance of the breaks which were being applied forcibly by local representatives of the bank and the fund, should immediately have worked out the safe margins of increase in wages and salaries of public sector employees to provide then with adequate cushions against the hiccups and convulsion sequel to the devaluation.

"When the Naira eventually depreciated from four to eighty to the dollar, the situation called for a cost of living adjustment. Since 60 to 70 percent of all Nigerian consumption has an import factor, it meant that decline in real incomes of workers was inevitable. That is why the salaries of executives in the banking and petroleum sectors rose from an average of 20,000 per annum in 1986 to between 1.5 and 3 million per annum a decade later, while the salaries of their public sector counterparts continued to crawl at between 60,000 and 120,000 per annum. It only betrays the impression that the private sector managers are more proficient than their public sector counterparts who are supposed to be pace setters. There is therefore no imaginable justification why public sector executives like directors general, managing directors, general managers, professors, etc, should earn less than 100,000 per month or 1.2-1.5 million per annum. There is nothing hyperbolic about these figures because no top executives can survive on anything less today without resorting to subjective, extra-curricular contrivances for supplementing their incomes.

"It is not surprising therefore that wherever one turns, there is corruption in the public sector because it is only to be expected. Hence, it is always safer for government to print more notes to satisfy the minimum requirements of its employees than to set a crime wave in motion. We cannot afford to feather bed a crime culture in the society because it is like cancer which takes quite a while and effort to remove from the body.[10]

Osamaro Ibie is quite on target. If his recommendations are accepted and implemented by government that would be the beginning of socio-economic regeneration for Nigeria's battered economy. The impact would be to unleash a wave of economic growth and development that would be internally coherent and self-sustaining. The culture of graft and corruption, which has been growing by geometric progression since government was forced into several counter-productive measures of economic management, will begin to abate. The low morale of public sector workers and the rent-seeking activities against which the draft Report rails insistently (p. xiii) and which less optimistic commentators refer to as "the Nigerian Factor" will begin to decline for greater transparency and productivity.

Nigeria and Economic Globalization

The policy measures which the World Bank's draft Report advocates for Nigeria namely: privatization, divestment, liberalization, unification of the exchange rate regime and the removal of subsides, can all be properly located within the wider context of what is called "globalization". This is a vast and complex process—cultural, political, religious and economic—which seeks to transform the entire world into the so-called "global neighborhood"without first achieving "global neighbourliness".

In a small pamphlet titled *The Global War Against the Poor*, Richard Barnet of the Washington DC-based institute for policy studies, identifies four webs created by this process through which the destinies of unsuspecting billion of people the world over are shaped. These webs are:

1. The global cultural bazaar;
2. The global shopping mall;
3. The global financial network;
4. The global work place.

[10] Ibie, O. "Crisis of a Manipulated Economy (2)" The Guardian (Lagos, Aug. 29. 1996), p. 25.

Barnet notes that "two-thirds of the world (including the bottom 20% of people in rich countries and 80% of people in poor countries) are effectively left out, marginalised or hurt by these webs! For most people they provide a window on what is not a global market place, but no door".[11] At the root of the negative effects of globalization says Carole J. L. Collins, is its failure to address the issue of distributive justice. "The unprecedented rise in global trade, the buying and selling of goods and services among countries, has created a planetary supermarket. But of the world's 5.6 billion people, 3.8 billion are only window shoppers. Only 1.8 billion have the actual money or credit to actually buy anything in the mall." Further he notes that "Trade is also ever more highly concentrated in fewer firms: 200 of the World's largest corporations control a quarter of world production of all commodities."[12]

Truly, the global war against the poor is already here with us in Nigeria as we shall seek to show while trying to unravel some of the implications of the policy prescriptions contained in the draft Report for Nigeria and her citizens.

1. Privatization

Privatization cannot be gain-said as a means of spurring growth and higher performance in a vibrant economy through free competition. It however collapses on its face as an option for the recovery of an underdeveloped economy in a depression. This is because privatization is predicated upon the profit motive of private investors. People invest where there is an upsurge in demands and the mood is optimistic. With the tight fiscal policies imposed in Nigeria by the IMF and World Bank, and the consequent freeze in public sector wages since 1992 privatization in the context of Nigeria now is either a case of putting the horse before the cart or a veiled attempt to sell Nigeria's patrimony to international capitalist interests for a mess of pottage. Only people who have the purchasing power can

[11] See Collins, C. J. L. "Reshaping Africa; Effects of Economic Globalization in SEDOS Bulletin (Rome 15 Oct. 1996), p. 258.

[12] Collins, C. J. L Loc. cit.

engage in buying up of government stocks. The vast majority of Nigerians is completely lacking this power and so cannot be expected to participate in what should be primarily their own business. Privatization is like competitive sports. Only trained, strong and healthy athletes can reasonably go into such competitions; sickness or weakness is a good reason for opting out of such competitions. The Nigerian economy is weak and unhealthy. Therefore, to go along with privatization now will simply be tantamount to organizing a cheap bazaar for foreign capitalist interests at the expense of Nigerians.

This is precisely what the Report advocates. In p. xxii we read: *"Private Nigerian and foreign firms should be invited to purchase and refurbish the existing refineries, pipelines and depots"*.

One could immediately ask: What chance do Nigerian firms stand in bidding against their bigger, richer and more experienced foreign competitors? For the purchase of Nigeria's National Electric Power Authority (NEPA) one understands that two foreign firms, Mobil Power Inc and Asea Brown Boveri (ABB) are bidding, according to a recent newspaper publication.[13] Which Nigerian firm can compete with these two? What we have in the Report, therefore, is simply a euphemism for calling on Nigeria to invite foreign firms to purchase, refurbish and run her existing refineries. One must also ask: With what implications for Nigeria's status as an independent and self-governing nation?

There are worrisome indications that the Nigerian government is already giving in to pressures being mounted by her creditors through the IMF and World Bank to privatize. In a recent government advertorial published in Time magazine one reads that *"Final confirmation of the liberalizing trend will come when the government gives the go-ahead for its promised privatization of the biggest national companies, after further considerations on the manner of its divestment. The list is widely expected to include Nigeria Airways, the National Electric Power Authority (NEPA), Nigerian Telecommunications (NITEL) and parts of the all-important oil sector, probably starting with the four large oil refiner-*

[13] See Business Concord (Lagos, Jan 6, 1997), p. 1.

ies. Meanwhile the Head of State, General Sanni Abacha, announced last month that all laws inhibiting competition in all sectors of the economy will be repealed this year."[14] Here Nigeria must thread very slowly for it is impossible to be too careful and circumspect in a matter of such great moment. The experience of other nations should instruct us. Take the case of Ghana. *"At the instigation of the World Bank and IMF, the Ashanti gold mines were recently privatized. Ghana received $350 million from it. During a single year after "privatization" one billion and two hundred million dollars worth of gold were sold from the mines. A multinational company who (sic) holds a slice of the privatized shares earned fifty percent of its total worldwide profits from the Ashanti gold mines alone. Of course, the home base government of the corporation would take about a third of the profit for 'taxation'. Meanwhile, the Breton Woods institutions had "advised" Ghana to introduce Value Added Tax, VAT, to improve its revenue base. It was done with disastrous consequences. The cost of living and inflation skyrocketed. Riot broke out. There was mayhem. Corpses littered the streets. The Ghana government was forced to cancel VAT. Who says the IMF policies are not working? Farce has been raised to a new height!"* [15]

If Nigeria is to avoid this Ghanaian-style tragedy and disaster, she must stoutly resist every push to privatise immediately and move rather very cautiously. First of all, she must provide an enabling environment, which will make the process people-driven and therefore ultimately beneficial to the vast majority of Nigerians. The process will become beneficial in this sense if government takes measures to ensure human capital enhancement to enable more Nigerians participate in the acquisition of shares—especially the public sector employees. In accordance with our earlier suggestion about increased wages in the public sector, about 40% percent of the envisaged wage increase of at least 1,000 percent could be converted into shares for the public sector workers. This will not only boost their low morale and productivity but also will also reduce rent-seeking activities (corruption) and help cushion the effect of

[14] "Nigeria: Market for the Next Millennium" in Time (Amsterdam, Feb. 10, 1997), p. 31.

[15] Akinjide, R. op cit., pp. 32/3.

any staff-shedding measures, which might be undertaken when the enterprises become fully privatized. The government must also insist on a ratio participation of say 30 to 40 percent for foreigners and 70 to 60 percent for Nigerians. Of the Nigerian share participation about 50 or 60 percent should be earmarked for public sector workers and pensioners.

In the absence of these necessary measures of human capital enhancement which, even if adopted today, will take quite a while to yield necessary results, Nigeria is therefore safer adopting the option of commercialization as advocated by Prof. Sam Aluko. Aluko is an Economics professor of international repute and chairman of Nigeria's National Economic Intelligence Committee (NEIC) whose contributions to national economic policies have been characterized by forthrightness, patriotism and passionate concern for the welfare of the generality of Nigerians who are poor and marginalized. Reacting to Nigeria's 1997 federal budget, which continued the tilt toward the prescription of the IMF and World Bank, the learned professor made the following policy recommendations:

- A uniform exchange rate of 22 to the dollar, as opposed to the current dual rates and their proposed harmonization at the 80 autonomous tally;
- Commercialization of public agencies rather than their proposed privatization;
- Adoption of one-digit interest rate;
- Marginalisation of the International Financial Institution's such as the World Bank and the International Monetary Fund (IMF) in Nigeria's economic policies;
- The establishment of NEIC at state and council levels to effectively monitor expenditure; and
- Sanitation by the Federal Government of State and Council Agencies.

Commercialization as envisaged by Prof. Aluko has the merit of making public agencies profitable and efficient while avoiding the hiccups associated with privatization especially the grave danger of hurting the poor further and the wholesale takeover of otherwise Nigerian enterprises by foreign financial interests "Privatization" writes Aluko, "is unpatriotic. It is just calling foreigners to come and take over the corporations for chicken fee. Let us commercialise, motivate the people, punish and discipline them. After all, are those who run the private sector not Nigerian's"? [16]

Experience elsewhere confirms our foreboding and Prof. Aluko's charge that privatization is unpatriotic. For as Carole Collins notes: *"Privatization too often has been little more than a means of ducking social responsibilities and protecting private wealth (as in the push by White businessmen to privatise public sector entities in South Africa and Namibia prior to elections). In Countries like Zaire, it has become one means of rewarding thieves (the 'dinosaur's or 'les gros legumes' of the regime) who have bankrupted the public sector to begin with."* [17]

In Nigeria today, privatization will be pretty much an issue of sharing the loot of conquest between Nigeria's military elite, their civilian collaborators and foreign investors. Ironically, the only Nigerians who can profit from this economic bazaar are principally those responsible for looting the nation's treasury.

2. Divestment

The Report recommends "Divestment from crude oil joint ventures from 1997 onwards in an amount roughly corresponding to the expected cash call requirements to minimize demands on gross fiscal revenues and for "burden sharing" with the creditors for the resolution for the external debt problem" (p. xxvii & p. 136). In fact the Report provides a schedule for a gradual divestment from these joint ventures: "The equity sales would need to be front loaded, at the rate of 10 percent annually in 1997—99.5 percent in

[16] See Ayoola, b. "Aluko Faults Budget, Proffers Alternate Policies" in The Guardian (Lagos, Jan. 22, 1997, pp. 1/2.

[17] Collins, C. J. L. op cit., p. 263.

2000 and 2.5 percent in 2001-02, to contribute to the external financing requirement" (p. 136).

This is rather a curious piece of advice and quite surprising because of its far-reaching implications. It appears pretty much like cutting off the head in order to cure a headache. The joint ventures constitute the backbone of Nigeria's economic life. The debt burden is a suffocating affliction of which Nigeria would be most happy to be rid of. But, then at what price? In simple language, the Report is asking Nigeria to trade debts for her shares in the joint ventures through which she earns about 80 percent of her national income. Of course this would bring her some temporal relief only to plunge her into perpetual poverty. At face value the Report seems to be sympathizing with Nigeria over her huge debt burden and the cash requirements of her joint ventures. To help, the Report wants the cash call requirements transferred to Nigeria's creditors in return for equivalent debt relief. Let us examine the facts briefly.

"Cash calls" are Nigeria's contributions to the operations of the joint venture companies, which are engaged in crude oil production. Last year a total of $2.05 billion was earmarked in the budget to meet these demands. The same year Nigeria earned oil revenues of $10.981 billion. Who doesn't see that it is good business to invest $2.05 billion to earn over $10 billion? When Nigeria divests to gain some debt relief, she will simultaneously lose proportionate revenue annually. For instance, if, as advised, Nigeria divests by 10 percent this year, she will get a debt reduction of about $200m (which is about 10 percent of $2.05 billion) but she will also be losing annually revenue equipment to $1 billion (which is ten percent of $ 10 billion).

There are positive indications that the government is not about divesting from these ventures, which would be tantamount to shooting ourselves on the foot. Even while complaining loudly about heavy loses in these ventures because of lack of transparency in the operations of the joint venture partners, the Finance Minister, Chief Anthony Ani, is rather proposing a new arrangement namely, production sharing agreements. According to The Guardian's Report: "Ani said in Abuja that most members of the

Orgnaisation of Petroleum Exporting Countries (OPEC), including Saudi Arabia and Kuwait are currently using production sharing in preference to joint venture agreements. He considered unacceptable a situation in which the nation was making huge financial contributions in cash calls without a commensurate say in how these were invested."[18]

Even while the difference between the joint ventures and production sharing agreements eludes ordinary folks in their minute details, we are comforted to know that production-sharing agreements will help to preserve the perimeter fence of our national autonomy from further assaults.

3. Liberalization

The Report is critical of import restrictions and the high tariff structure of the Nigerian economy for restricting competition. "Protection", it says, "whether through customs duties on imports or exports or through import and export prohibitions, not only fosters an inefficient and uncompetitive structure of domestic production, but also discourages exports". (p. 40). It then goes on to recommend a solution: "In order to remove the anti-export bias, the government needs to lower tariffs and lift banns. In going further, the government should seriously consider the option of completely eliminating customs duties on imports. The Philippines and El Salvador, even without oil revenues, have already scheduled the elimination of their import tariffs by the year 2000". (p. 41). The Report also regrets Nigeria's tagging of her tariff level at 150 percent which is much higher than actual tariff level during 1995 Uruguay trade negotiations of the World Trade Organisation (WTO).

The point to note here is that liberalization is a double-edged sword: it can ignite growth in an economy through competition and foreign investment while it can also destroy an economy using the same weapons. Weak, underdeveloped economies like Nigeria's are particularly vulnerable to the latter possibility, which makes various protectionist measures categorically imperative for weaker economies, like Nigeria competing with stronger economies of the industrialized world. It was sensible management that Nigeria refrained from anchoring her tariff level of external anchors or monitors at the WTO negotiations to enable her retain the weapon with which to protect her citizens when free trade begins to hurt and destroy them.

[18] See "Nigeria May Dump Joint Ventures" in The Guardian (Lagos, Jan. 21, 1997), p. 1.

On this issue, Bakary Kamara, Managing Director of African Reinsurance Corporation (Africa Re) provides some exhilarating insights: *It may be necessary at this juncture to clarify a point of view or an ideological attitude: the acceptance of the principle of trade liberalization and opening of our borders should not be synonymous with giving up of the protection of our national interests. State subsidy of coal mining in Germany, the zealous readiness of American congressmen to defend the sovereignty of the United States against certain provisions of GATT, and the strong response of the French Agricultural lobby during Uruguay Round of trade talks all demonstrate that, it is necessary, even the advocates of this ideology do not hesitate to contradict their adopted principle when it conflicts with their own interest.* [19]

It is even an imperative of sensible economic management for weak economies like Nigeria with limited foreign exchange earnings, for example, to prioritize by allocating the available foreign exchange to key sectors of the economy rather than allow the reign of unrestrained competition. The manifest welfare of the people must remain the final appeal and not some doctrinaire principles of armchair ideologues.

Here again, Nigeria must not wait to have her fingers burnt first. She must learn from the experience of other nations. In a recent publication, *South*, the global business magazine, reported on the experience of liberalization of the insurance industry in parts of Africa, Latin America and Eastern Europe. The report summarises the tragic outcome thus: *Not only were the local companies in those regions totally unable to compete with the vast resources of the foreign multinationals, but the cutting-rate among the local companies themselves as a*

[19] Kamara, B., "The Way Out for Africa" in South (London, Feb. 1997), p. 28.

result of the scrapping of the official tariff structures forced many of them into liquidation. In Chile, the retention of reinsurance premium was reduced by nearly half within two years after the market has been opened up to foreign reinsures and the legal cession had been abolished. In Africa, countries such as Zambia, Ethiopia, Mauritania, Benin, the Seychelles, Rwanda, Gabon and Burundi have thrown open their insurance markets to foreign insurers, often with disastrous results for the local industry.[20]

In contrast to the unrestrained access of foreigners to their local markets, which has brought local companies in these countries to ruins, China adopts a more deliberate, graduated and circumspect approach that should be instructive to Nigeria and to other Third World Nations. Despite having potentially the world's biggest insurance market, the Chinese have refused to allow unrestrained market entry to foreign firms. Since 1992 for example, only four foreign companies have been licensed to operate in the Chinese insurance industry. Explaining this restrictive policy of his home government Dean T. Chiang, a joint venture lawyer with the firm of Lee and Li in Taipei, China, states: *Despite the overwhelming interest by foreign insurers to enter the PRC insurance market, the government, through the People's Bank of China (PBOC), has been taking a course to encourage the growth of the domestic industry first and leave foreigners entry into the market as a second priority. When foreigners are allowed to enter the life insurance market, they are generally required to form a joint venture with local interest. The percentage of share holding by foreign insurers is also a matter of policy, which fluctuates from time to time. Sometimes a 51 percent foreign share-holding allowance is permitted whereas at other times only a 49 percent minority share holding is allowed.*[21]

This makes all the sense in the world. No nation can safely depend on foreign investors who are fair-weather friends of convenience to prop up her economic life. Neither should they be allowed, under the guise of free trade, to control a nation's economic life by ruining her chance of self-sustained and integral economic growth and development.

[20] Jamie, R. "Local Risk, Foreign Cover" in South (London, Feb. 1997), p. 15.
[21] Chiang, D. T. "Venturing into China" interview with South (London, Feb. 1997), p. 19.

4. Unification of the Exchange Regime

The Report also advocates the unification of Nigeria's dual exchange rate regime "for proper valuation and credibility." This obviously refers to Nigeria's exchange rates of 22 to the dollar for government transactions and 80 to the dollar for private transactions as determined by so-called market forces. Such unification is obviously desirable but the question remains: Unification at what level? The Report, in consonance with its other policy prescriptions, wants the unification at the market-determined level of 80 to the dollar. Theoretically this is correct and certainly valid but what will be the practical consequences of such a move? Can Nigerians bear the tidal wave of hardships that it is certain to unleash? Can we contain the spiral of further inflation that will accompany such a move?

Nigeria's 1997 Federal Budget retains the dual exchange rate regime. Advisedly so. Defending the dual exchange rates, Prof. Sam Aluko says that it created stability. Which is certainly true. Uniting the rates at the market level of 80 is capable of taking the bottom off the nation's fragile political stability and consequently leading to a major humanitarian disaster of far greater magnitude than Rwanda and Bosnia put together.

In contrast to "unification of the market rate of 80" we support a unification at the government rate of 22 as suggested by Prof. Sam Aluko. This will have the effect of saving the naira from further battering at the foreign exchange market and restore some purchasing power to the vast majority of Nigerians who have been undergoing progressive pauperization through currency devaluation. And what do we have to show for it but poverty, destruction and misery. This confirms Lord Keynes' warning about currency devaluation.

Lenin is said to have declared that the best way to destroy the Capitalist system was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method, they not only confiscate, but also confiscate arbitrarily. Lenin was certainly right. There is no subtler, no surer means of overcoming the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the *side of destruction, and does it in a manner which not one man in a million is able to diagnose.*[22]

Nigerians can tell in its painful details what it means to be the victim of this fearsome mobilization of economic forces. They need no more of the experience. They have suffered and learnt enough! For Nigeria to accept exchange rate deregulation—that is, a market-regulated naira would be to expose her national currency to further debauchery and her citizens to increased misery. In the past years since 1986 Nigeria has meekly tried to abide by this death-dealing prescriptions with rather disastrous consequences. Honestly, one cannot point out any benefit, however minimal, which has accrued to Nigeria through the devaluation of her currency. Rather, while her creditors have been gloating while Nigerians have been groaning. Even the much-vaunted increase in export earnings has not materialized in any real terms because whatever increases there might have been have already been wiped out by the wave of spiral inflation that has followed in the wake of devaluation. No nation, even the creditors who prescribe devaluation, can afford to allow a free fall of her national currency in the manner Nigeria has been made to since 1986.

5. Removal of Subisidies

Part of the battle-cry of the Report is the call for removal of subsidies on fuel and fertilizer and their appropriate pricing. The recently announced budget of the federal government seems to have silently removed whatever subsidies exist for fertilizer and therefore forecloses any further debate on the issue. The same cannot he said of fuel subsidies. The point of the Report is that Nigerians should pay 'international prices" for fuel and other services hence the call for appropriate pricing. Here again the Report is quite correct on logic but fails because it ignores the social context. For the record, in the past decade, fuel prices in Nigeria have been increased by over 1500% from 70k per litre to N11 per liter at the time of writing this paper. Nigerian workers are among the least paid in the

[22] Quoted by Heibroner, R. L. op. cit, p. 274.

world even when compared with sister African states as shown in Box 6. 3 in p. 107 of the Report. In fact, the Nigerian worker is already distressed and cannot absorb further stress: no public sector worker here can survive of his wages! And quite alas, many a time these meager wages are not even forth coming at the end of the month. One cannot therefore reasonably call for any upward adjustments in fuel prices without a prior review of wages in the public sector without sparking off a vortex of distress-induced rioting and looting.

Nevertheless, it is all part of the recovery package of the IMF and World Bank which does not discriminate between patients. In the words of Bakery Kamara: *Liberalization and Privatization programme normally go hand in hand with deregulation. Thus, the international institutions that support these programme make "appropriate pricing" their* battle-*axe, by proposing that market forces replace the fixed tariff system that was inherited from the era of state monopoly. However, although this argument is correct in principle, it is dangerous in practice. Therefore, it should be approached with care and pragmatism. Experience in Ethiopia and Zambia has shown that such an approach can badly affect entire markets. A tariff war begins, only to end most often in the liquidation, or at least the financial distress, of the local companies. Most often in fact, liberalization, when accompanied with deregulation, is profitable only for the large foreign groups which, armed with a solid financial base, chose to conquer the local market by implementing a policy of dumping, which make it very difficult for national companies to stay in business.*[23]

Kamara's remarks are not just true of the insurance industry; they are also true of other industries and businesses as well. Such is the challenge and danger of free trade and liberalization: it can make or mar. Nigeria had better listen to the warnings of Mr. Kamara.

Conclusion

The crisis of the Nigerian economy is not a crisis of ownership of the means of production and so cannot be resolved simply through

[23] Kamara, B. Loc. cit.

a transfer of ownership from the public to the private sector through privatization, divestment, liberalization, exchange rates deregulation and "appropriate pricing" of services as recommended in the Report. Nigeria's economy did not come to grief as a result of excessive government regulatory role in macro-economic management. Rather, the economy came to grief because of the failure to diversify into non-oil sectors like agriculture, mining and industrial production that greatly limited its ability to absorb price-change shocks affecting the oil sector. For this reason, therefore, when oil prices collapsed in 1985, the nation's wages also collapsed and, in consequence, the economy went into contraction or depression: demands fell as incomes collapsed and investments dried up. This awful situation was further exacerbated by the IMF/World Bank policy of Structural Adjustment Programme (SAP), which forced upon Nigeria over 8000% devaluation of the national currency and a virtual fixation of public sector wages at distress levels since 1992. This has led to further economic contraction as more and more investors have been forced to close shops because of the near zero level of demands.

The answer, to this situation cannot be found in trading Nigeria's assets at a planetary bazaar (privatization and divestment) and throwing Nigeria's borders open as a ready dumping ground for whatever industrial contraption there is (liberalization). Rather the answer must be sought in re-establishing an internal link between investment and demand. This can only be achieved through the deliberate undertaking of a massive human capital enhancement programme that will return the people's stolen purchasing power to them. Here one must commend the vision behind the Family Economic Advancement Programme (FEAP) announced in the nation's 1997 budget. Government must however go further to address the urgent issues of low public sector wages and deliberate creation of jobs to arrest the wave of unemployment and rise in violent crimes.

As the economy begins to recover, the nation should be working towards the creation of regional economic linkages (like ECOWAS becoming a common market) and even continental economic integration (an African Common Market). It is only as a united force

that Nigeria and her African sister nations can hope to compete in the global market. *Any integration into the global market now can only spell present doom and future disaster. This is because the global market place is a Darwinian world where only the fittest survive.* Should the World Bank and IMF insist on integrating weak economics like ours into the global economy without appropriate protectionist measures, it would be underwriting the worst form of human misery and humiliation namely; the re-colonization of a continent. For as Prof. I. Potekhim once wrote, *"The economic essence of colonialism, whatever form it takes, consists in exporting a part of a colony's national income to the metropolitan country without imports of an equivalent values"*.[24]

This linkage with colonialism must be stressed. In the colonial era foreign companies under the supervision of colonial administrators were allowed to exploit the resources of the colonies for shipment to their metropolitan industries and for the overall economic benefits of the colonizing powers. Brute force was used in suppressing any movement in the colonies that threatened this exploitative relationship. Scholars have richly documented the impact of this relationship on the colonies and on the metropolitan nations that colonized them. See for example, Walter Rodney's *How Europe Underdeveloped Africa*. In the present day, using international debts and the regulating institutions of the World Bank and IMF as a battering-ram, the erstwhile colonial powers and their industrial sister nations under the Organisation for Economic Cooperation and Development (OECD)—this is, the creditor nations or the "Paris Club"—are bent on re-enacting the old colonial order of blatant exploitation by forcing poor nations to sell their economic patrimony to so-called investors (usually companies owned by their own nationals) for supposed reasons of efficiency and profitability—all in the name of free trade and competition. The poor are, as a rule, being crushed under the weight of these harmful economic policies.

[24] Potekhim, I "Problems of Economic Independence of African Countries" in Proceedings of the first International Congress of Africanists (ed. by Lalage, B & Crowder, M), (pp. 171-183).

The Church, on her part, has never wavered in her commitment to the defense of the poor and the preservation of human dignity. She has always spoken out against all policies and measures which compromise the rights and dignity of men and women created in the image and likeness of God (Gen. 1:27). In 1994, as the harsh economic policies of government were taking their toll of the people, especially the poor, the Catholic Bishops Conference of Nigeria read the riot act patriotically. The Bishops warned: *It is the responsibility of government to organise the public affairs in such a way that citizens can live with a minimum of human dignity. This responsibility also includes catering for the welfare of the family as the nucleus of the nation. Government policies must be concerned, not just with the impact of such policies on people, and especially on the family. Recent and prevailing economic policies of government, especially those connected with the Structural Adjustment Programme (SAP), have shown a tragic insensitivity and almost criminal lack of concern for the people and their families. It is the responsibility of government to defend the people against pressures from oppressive and unjust foreign interests, be these international monetary agencies, or presumed foreign creditors. These foreign interest should be reminded that the nation cannot survive if the people are destroyed and families dissolved.*[25]

If, as recommended in the Report, international investors, armed with superior managerial skills and vast financial resources, are allowed to penetrate, invest and repatriate all their profits from Nigeria (with appropriate international legal guarantees pp. 119 xxvi) the hapless majority of Nigerians would have been crushed under the boot of free trade and competition. An immense weight of misery would follow such a development. And, for aiding and abetting such a disaster scenario both the IMF and the World Bank have a very important question to answer before God and humanity: What are you doing to your sisters and brothers?

For as the editors of *South* wrote in a recent editorial: *Economies can be structurally adjusted. Growth can be stimulated, investment promoted, prices stabilized, waste and inefficiencies minimized and government expenditure controlled. But economic problems cannot be solved without taking into account the effects of policies on ordinary people. The pain of adjustment must be minimized; otherwise reforms will be seen as punitive as opposed to rehabilitative. Economic management, in other words, needs an ethical, caring dimension.*[26]

[25] CBCN "Save the Family and save the Nation "Communiqué of the Plenary Meeting of the Catholic Bishops Conference of Nigeria (Ikeja Feb. 21-25, 1904) no. 8.

[26] "Soul Searching" in *South* (London, Feb., 1997), p. 9.

8

Developing Content on Africa - Why the West must Take Another Look at Africa*

Ndidi Nnoli Edozien and Obiora F. Ike

Introduction

Some journalists have guts. Stella Orakwe's piece in the November 2002 issue of the "New Africa" magazine confirmed what many already know about the bias by Western Media reports on Africa. In general terms, Africa is not taken very seriously in the West.

What is printed or broadcast consists mainly of reports on disasters. *"Africa doesn't count. Africa is full of countries that don't matter. And countries that don't matter contain people who don't matter"*. The British magazine "Economist" last year headed a cover story on Africa with *"Continent without Hope"*. Why is the *"Black Continent"* now largely written off as hopeless? How has the image of Africa changed so negatively in the West, from high hopes to sad disillusionment and curiously too, over a continent upon which the West depended largely over centuries , for most of its mineral, natural and human resources and as a dumping ground for trade on finished products, at no fair deal?

* Presented for the *Financial Times* and the Bertelsmann Foundation, 2003.

The time has come to challenge and to change this attitude replacing it with an "Afro-optimism" that believes in the future of Africa and a new dawn for its peoples. This future may not be too long in coming for we can all shape it into reality.

A magazine like the *"Der Spiegel"* of Germany according to a recent article by Hans Hielschler, desk editor responsible for reporting on Africa, reveals that "Africa is not in demand, not even in journalistic terms". The statistics are revealing: In the year 2001, reports on Africa filled only 23 pages, a continent of 55 countries, accounting for less than 2.5 percent of its foreign news coverage. By comparison, the 125 pages on the USA accounted for 13 percent; Europe less the former block held 147 pages with 15.2 percent; and / Asia including Afghanistan with 206 pages made 21.2 percent. In other European media, the general tendency is that PR management on Africa by individuals and institutions depict unfortunately, negative reporting, even if some of these correspond with some of the facts on ground. There is a growing Afro-pessimism/skepticism and the continent seems to have largely lost some respect to be treated equally in international relations. It is a well known fact that the European Union (EU) is not giving sufficient priority to its relations with Africa, despite the fact that these two continents are the nearest of neighbours with much of historical interconnectedness. There is need for urgent attention to the people of Africa, prompted by ***Hope*** and ***Concern*** for its current situation.

Prospects for Africa

Hope, recognizing the huge potentials of the African peoples themselves, the history, abundant mineral and natural resources, its markets of tomorrow, the fastest growing region in the world with a population growth rate that is high in comparison with the marginal or zero growth rates in other regions of the world.

The hopes include the massive land, water resources, geographical and other weather conditions, the cultural heritage, youthfulness and strength, the spirituality, wisdom and courage of the African peoples who have refused to die or to give up, despite all attempts over the centuries at exploitation, aggression and degradation of the continent and the African personality. Of all things, the world's most disparaged continent produced what is possibly the most admired figure of the 20th Century, Nelson Rolihlahla Mandela, an Idol to youth, men and women all over the world.

Concern, recognizing the prolonged consequences of colonial and neo-colonial structures, occasioning armed conflicts in many countries, especially in Sub-Saharan Africa for nowhere else have wars displaced so many people; nowhere is illiteracy and poverty so high and the tendency catapulted by a teleguided globalization, despite the genuine efforts by some African leaders and their peoples to help themselves.

There is deterioration in health care, for nowhere is infant and maternal mortality so high, an increasing spread of disease and other threats to the lives of people such as the AIDS pandemic which is the highest worldwide; for while life expectancy in all other regions of the world is rising, it is dropping in sub-Saharan Africa. At an average statistics of 48 years, the region holds the global record for shorter lives the weakening of social, economic, educational and community structures has led to so much poverty that Nigeria's president Olusegun Obasanjo once called Africa "The Third World of the Third World". Africa's share of World Trade has fallen from 2.4 percent in 1972 to a current level of about 1.2 percent.

We shall have to take on board the truth that you don't make the poor rich by making the rich richer and hoping that the riches will trickle down, because they don't. Paradoxically, it works the other way round. You make the rich richer by making the poor rich, because then they have more money to spend. To start the cycle, however, you must first invest in the poor, enlarging their capabilities, enhancing their skills and boosting their initiatives. This is logic which works for the world at large as well as for individual societies and organizations, but it always calls for short-term sacrifice by the rich in the beginning.

If the West invests in Africa, Africans would purchase products manufactures by the West and the economy would recycle. If the poor increase and have little purchasing power, the rich would soon have no sales and with the sure hope to become, alongside China, the market of the future. This market shall of course be prepared through revisiting the social, economic and political landscape in Africa, gradually but surely, to ensure compliance with standards which assure security, the rule of law, democratic and good governance, transparent accountability, market values that are culturally sustainable, control of corruption by local and international legal instruments, need for regional and global integration, corporate social responsibility, global governance and a new culture of multilateral cooperation.

The attraction of business opportunities exists in Africa, combined with the desire of many institutions to help the continent join the global economy on the foundations of justice and a fair global competition, for this it seems, would turn out positive for all concerned. As long as financial institutions such as the IMF and the World Bank, which were set up to help weaker economies, but instead are seen to be indulging in the sabotaging of these economies, continue in this practice, developing countries shall tarry longer on the road to economic progress.

Multinationals and greedy corporations must never be allowed to pollute the water supply only to exploit the minerals in their place of operation. Corporate Social responsibility calls for responsible business. This is what Africa expects from the West at this age. Congo has 80% of the world's Coltan reserves, used for the manufacturer of cellular phones. The country remains poor, in spite of its strategic

resources, survives without leadership and is destabilized to favour the continuing exploitation of its natural resources.

As long as certain countries take it upon themselves to send armies and mercenaries to other countries for the purpose of changing the elected governments of these weaker countries, so they can install puppet regimes through which they can plunder the natural and otherwise resources of those countries as they did in Congo and are still doing elsewhere, there shall be no peace or lasting development. As long as there are people who have the audacity to go and settle on other people's land, and then seize the arable land to the indigenous owners and refuse to share the profits as we hear about Zimbabwe, there shall be no peace, no matter who is right.

Leadership and Development in Africa

A new African leadership is desired. African peoples themselves are faced with a choice – either to wallow in the problems of the past, or look at opportunities we face. And there are many of these. For no one understands the continent, her needs and problems, history and aspirations better than the people themselves who call it HOME. After the "collective imperialism of the past centuries and its hang-over into the present realities of the continent, Africa today needs intelligent and visionary leadership with moral credibility to use resources for its own people.

Such leaders exist and should be sought after. Blaming the West for everything wrong in Africa has limits. While it remains true to this day to say that some global players are behind the many conflicts on the continent, it has to be added that African leaders share the brunt of the blame as they participate in undermining their own peoples and potentialities, willy-nilly. They are no longer "babies" as statesmen. The famous Kwame Nkrumah of Ghana did once say that he would not wait for foreign investors to come and build his economy – a lesson many African leaders of today must learn.

The best help is self-help. Even insects gather themselves before crossing a river or pathway by using their instincts. So why can't African leaders do the same by building their individual economies and when necessary in partnership with all those who have something to offer, but on equity and mutually agreeable terms?

Looking positively towards the future and taking her destiny into her own hands, African leaders at a summit in Duran, South Africa in July 2002, replaced the Organization of African Unity (OAU) founded in 1963 with the African Union (AU). The tasks of the Africa Union include the establishment of new political and economic structures to cope with continuing poverty, political instability and international marginalization. The AU also plans to establish a common band and a common currency. It also provides for a Peace and Security Council, modeled on the Conference on Security and Cooperation in Europe (CSCE).

The founding of the AU follows the establishment of the New Partnership for Africa's Development (NEPAD), as a sub-structure of the AU. NEPAD is a political and economic programme, presenting anew opportunity for Africa, a new hope for an era of equal opportunity and access to power and resources by African peoples themselves. NEPAD aims at promoting democracy, stability, good governance, human rights and economic development on the contingent. It is Africa's own response to Africa's problems and has no foreign agenda or input.

The programme was developed as a joint initiative of the presidents of Algeria, Egypt Nigeria, Senegal and South Africa. These countries constitute the steering committee. The Executive Committee of NEPAD is made up of 15 heads of state from five regions of the continent under the chairmanship of Nigeria's president Olusegun Obasanjo.

Although NEPAD expressly wishes to be seen as an effort to marshal Africa's own resources and strengthen regional cooperation, it also seeks the assistance of the rich countries to implement its goals. In fat, NEPAD says that USD 64 billion annually in foreign investments are needed to overcome poverty in Africa.

In response, the G8 (major industrialized countries) and the European Union at their meeting in Kananaskis in Canada in June 2002 adopted an *Africa Action Plan* which pledges support for the African initiative. Such support would be given on the satisfaction of criteria which the G8 and the EU consider satisfactory in their own eyes as compliant with NEPAD and the AU's agenda.

The G8 did not commit any new resources at the Canada meeting to Africa, but made a promise that half of the additional US$12 billion in official government assistance (ODA) which are to be raised until 2006 will be given to African nations. Promise was also made to assist African nations resolve the principal armed conflicts on the continent support African efforts to build capacities for improving political governance and fostering trade, investments, economic growth and sustainable development.

On the question of debt relief for the Heavily Indebted Poor Countries (HIPC), The G8 pledged to finance the shortfall in the HIPC Trust Fund of US $1 billion. Help was also promised in the fight against HIV/AIDS and other mortal diseases.

The Action Plan for Africa has received some bashing from writers and Non-governmental Organizations such as Oxfam which said in a statement published in the Development and Cooperation Journal DSE of the German Government (Dieter Brauer, D+C, 5/02), " *a year of promises and grand intentions came to nothing as the leaders of the industrialized world agreed to an action plan lacking two ingredients: ACTION and PLAN.*"

Providing Needed Assistance to Africa

Investing in the leaders of tomorrow remains a priority area where the West can add value to the African continent in her search for a brighter future. This implies investment in educational infrastructure, information technology and opportunities both within African countries and abroad. Africa has only 0.06 percent of all computers with internet access. In a world of information technology, the digital divide provides another growing gap for opportunities and development criteria.

Africa's human resources remains its most important development potential even before the technological and natural resource. Africa's economic and social development requires that the historical *brain drain* be revised into a *brain gain*. Thereby, thousands of well-trained Africans can find employment in their own native countries. Efforts by *"Africa Recruit"*, set up by the Commonwealth Business Council works to this end. The *"Find a job in Africa"* database has a register of more than 20,000 African professionals in the Diaspora interested in employment in Africa. The website received an average of 250,000 hits a month from job seekers across the globe. The West can enable trained African professionals return to take up jobs in Africa instead of competing with them in sending Europeans to take up same jobs in Africa, as in the name of market factors.

There are many skilled Africans trained in Western nations with African background who share a dual business culture, understand the western and African world better and could be bridge builders for the new African leadership canvassed for in this article. For such persons, professional career opportunities exist on the continent. It is estimated that up to 40 percent of Africa's high level technical managers and professionals are now living outside the continent. This does not advance the cause of developing the "world's potentially richest continent" (in mineral resources). In transferring their skills back to Africa, they develop the continent, combat poverty, enhance globalization on a somewhat more culturally rooted manner and assist development potentials in Africa and by Africans. Information reaching us states that Schlumberger in West Africa has 52 percent expatriates and is working hard to find qualified locals from abroad and bring them home for available jobs. The company's upper management is 89 percent expatriates from the USA and Europe. The company is developing a policy of reducing this to 60 percent by the year 2004 through employment of local engineers.

Conclusion

The value of freedom must be a social good, not just for some but to each and everyone of us. Economic freedom is one of the fundamental liberties. It is based on ties and depends on preconditions. It will quickly expire where there is no order and where order cannot be enforced.

Giving the market a framework and organizing competition fairly is one of the West's major cultural challenges today. No one is free simply because he or she can participate in the market. Buy everyone loses part of this freedom if he or she is excluded from the market.

Like the president of Germany, Johannes Rau, writing on Globalization has once said, *"Only those who regard the freedom of the market as part of universal human freedom can credibly seek the freedom of the market. The market, too, depends on conditions which it cannot itself create. If the market is now becoming global, we need systems of order which will secure peoples' freedom worldwide. Everyone must be able to share in the benefits of the global division of labour. We are a long way from this ideal. Globalization is not yet as global as it sounds"*.

Hard words but true. Developing content on Africa and taking another look on the continent appears one sue but very important step for the West, particularly the European Union to take towards its nearest neighbour.

9

Fight Against Poverty by Sustainable Development*

Johannes Hoffmann

Introduction

IGBO KWENU! ANAM EKENE UNU. I'm happy to be with you. I'm very impressed by the presentations of your projects about sustainability. I was overjoyed by your creative initiatives; about your engagement and about the quality of your projects. You gave me inspirations which I hope to bring to Germany to my University and to my parish and to our local church.

My dear friend Obiora Ike! Seven years ago when I came to Nigeria with my wife we were invited to participate at Umana Ndiagu Day. On that feast when you got the new title "Onwa netilora" we got an impression of your activities, your engagement on so many places. I hope God will give you the gift of bilocation. Thank you for your invitation. Thank you for the honour to speak to you. I do not take this for granted. It is not self-evident for me to speak as a European to African people in Nigeria.

---

* Keynote address at the 7th Micro-enterprise Development Co-operation (MDC) Colloquium (a GBF-CIDJAP initiative), November, 21st 2002 on *Sustainable Development, Self-help Initiatives and Poverty Alleviation* at the Ofu Obi African Centre for Catholic Social Thought and Action, Enugu, Nigeria

Euro-African Imbalance, An Honest Reflection

In our common history in the last 500 years Europe was dominating Africa. Europe took African people into slavery. European colonizers divided Africa at the Berlin conference in 1985 arbitrarily without any respect to people, tribes and nations. Europeans violated the cultural indigenous system of order, with which—as Bishop Sarpong from Ghana in the foreign ministry in Germany has explained-before the Europen colonizers came the African people were able to manage their internal and external problems. In other words: Europeans did hurt the cultural indigenous system of a sustainable governing and sustainable leadership grounded on your own fundamental values, ideas and visions. By Imposing on the African people the European System, the Europeans wounded the cultural indigenous internalized skills and institutions to form a sustainable living in respect to human beings, and in respect to nature and the whole creation. So, why may I have the right to speak to you as a European, and as a German.

Why I want to speak to you/Reason for this speech. The first reason is your friendly invitation and your generosity. The second point is the dialogue which is coming up between Africans and Europeans and in which we Europeans learned to listen to the questions of Africans how to manage a sustainable future for all human beings and for all nations in justice, freedom and peace.

The first step I learned was to reflect our own system which has been imposed on you. I learned to reconstruct our liberal market economy and our capitalistic system and to look for possibilities to tame our market economy and fit our system for a common sustainable future. Not having an alternative to our system we have to tame it. All what I tried to do in the last ten years after having made the acquaintance of Father Obiora Ike was, to look for steps and possibilities to realize the vision of a common sustainable future in peace.

Please let me show you some results of the dialogue between me and Father Obiora Ike and the results which we found in our interdisciplinary scientific project group "Ethical and Ecological Rating"at the University in Frankfurt.

On August 14, 1941, President Roosevelt and Prime Minister Winston Churchill, at the conclusion of the mid-ocean conference, made a joint declaration of "certain common principles in the national policies of their respective countries on which they base their hopes for a better future of the world", "The Atlantic Charter". In this declaration we can read the following sentences:*"They will endeavor, with due respect for their existing obligations, to further the enjoyment by all states, great or small, victor or vanquished, of access, on equal terms, to trade and to raw materials of the world which are needed for their economic prosperity. They desire to bring about the fullest collaboration between all nations in the economic advancement and social security"*.

On the contrary, the gap has been widened between poor and rich in all countries and between the countries of the South and the North. For example: The 20% richest people of the world population could heighten their share of the global income from 70% in 1960 to 90% in the year 2000. In the same time the share of the poorest people has been diminished from 2.3% to 1%. Not only that shift must be called a world-wide scandal but also the fact that the development aid decreased by 20% since 1990, while every year 200 billion USD have been paid for debts servicing and liquidation of debts by the countries of the South to the countries of the North. That is the result of a wild and unchecked active capitalism. How is it possible in the view of these facts to do a contribution for the fight against poverty by sustainable development?

Thesis 1: Sustainability is a colorful term. First we have to distinguish between weak and strong sustainability. Weak sustainability is a concept of unstructured quest for maximation of the economical goals. But strong sustainability is one of high structured quest and by its nature is known as non substitutable. So we need an understanding of the term "sustainability" which contains the definition of the economically active allow the present generation a way of living their lives in a fulfilled and satisfied way without affecting the conditions and necessities of life for the following generations.

Thesis 2: Sustainability in a holistic sense includes four presuppositions: economical, ecological, social and cultural aspects and these demand for a higher prosperity of poorer nations and countries into account.

Thesis 3: If we would look for such a sustainability in such a holistic sense we have to tame our neo-liberal market economy and our capitalistic system. Making absolute the value money and economic capital we are confronted with an unclean and unfair capitalism.

- Using up all natural capital: over-fishing of the oceans, poisoning of waters, pollution of the air, global warming etc.
- Using up social capital: increase of differences of income world wide, of numbers of no-needed workers, no-needed countries and continents, monotonous shopping streets etc.

Thesis 4: Money as the most important reference point is leading to a changing of all main values. The relationships between persons and persons as well as between persons and objects are only understood as relationships mediated by money in the philosophy of the capitalism.

Thesis 5: The capitalistic money economy has resulted: "that our esteem for objects has got his measure in their value of money" (Simmed). The most important example for the changing of the value "money" into means and ends can be seen by the fact that money puts itself in the place of the highest means and aims, in other words: the place of God.

Thesis 6: Money becomes an idol: the thought of God is having its essence in that fact that all the differences of the world are united in the nature of God. God is the: "coincidentia oppositorum", according to Nikolaus of Cusa. If money as a value finishes the teleological value rows, money becomes that last and highest aim, the absolute purpose, as it were a religious characteristics.

Thesis 7: Money becomes a sacrament of the civil society. If sacraments are signs of the nearness and mercy of God, it has to be concluded, that the one who is having money is the owner of all

property-oriented society. Capitalism is becoming a religion, religion in "market economy". (Walter Benjamin).

Thesis 8: Money is having a cultic and ritual fascination. It lengthens adoration. It lengthens constant feasts/events. The principle of enrichment becomes the idol. The character of the money is a character of duty. Monetarian pantheism according to Peter Sloterdijk. Example: the one dollar note is carrying some interesting inscriptions: In God we trust on one side and on the left hand side the pyramids of the order of the illuminates combined with the freemason-eye of God subscribed with: Novus ordo saeclorum. That means: Money is the new world formula.

Thesis 9: Main Commandments of Capitalism: Permanent increase of performance/speeding up/ expansion/tempo/trend/modernization. It presents itself as a character of promising; Advertisement is having an inclination to an utopian, to an eschatological way thinking: smiling, wealth, admiration, success, charisma, pleasure, adventure, realization, fortune, freedom.

Thesis 10: From the beginning capitalism is an unfair business; it took over the privileges of the feudalism/namely:

- The claim of power in feudalism over land and farmers corresponds with the privilege of capital ownership in capitalism in comparison with nature and work. That means: off-load the costs to the nature and society.
- From the feudal right of booty resulted the exploitation of the natural surrounding, instrumentalization of employees, subjugation of customers under a brand and exploitation of the community.
- Oligarchic stratification of supremacy, respect and prosperity in the feudalism do still exist in the claim of higher classes and in the dreams of lower classes especially if the question of the distribution has been put under taboo.
- The feudal principle was what meant that the feudal vassals were obliged to the feudal lord to build castles and

churches. The obligation changed into the commitment of relatives and employees especially women to work for free of charge and without getting paid and without any respect. Only the gainful employment is counting and gets any respect.

Thesis 11: Do we have the possibility to tame that form of unfair capitalism? A sociological cognition should encourage us for changes. All knowledge, all technical developments, all economical systems, mechanisms and structures are results of social processes in cultures. They can be changed in social processes in cultures, if we realize that these structures are standing against:

- Preservation of the Creation.
- Protection of the Social Peace.
- To enable a life for human being for all people.

Thesis 12: Sustainable capitalism is a capitalism, which puts themselves under ethical responsibility; a capitalism, where money is seen as a social institution, influenced by the community, by the state coined and warranted in its values by the work of all. More and more investors try to manage their capital on ethical and ecological ratings.

Thesis 13: That capitalism can be tamed is not a wild dream or an utopian vision. A test for the tameability of capitalism are the social movements like:

- women's liberation.
- peace movements.
- ecological movements and all the initiatives we get presented today here.

We have to accomplish a possible contribution to release the required social processes.

Thesis 14: Christians, communities of Christians, Parishes, Church as a whole, have to testify to the blessings, saving, liberating, delivering, assisting and providing presence of God in our society and at our time even with the money they have and which is managed by them.

Conclusion

As Chinua Achebe says: The story of the "Palmwinedrinker"written by the Nigerian writer Tutuola may show us a way. The first sentences of the story are: "I was a palmwinedrinker since I was a boy and ten years old. I had no other work to do. My life was existing in drinking plamwine". In the story the palmwinedrinker changed to a normal life. On this way he was made aware and responsible for what he had done when he was a plamwinedrinker. For example, using other people as means only for his own interests. He had to do penance, to do atonement—as Christians say.

In my own culture we have a similar opinion. When I was a child my father told me the following proverb as a rule for my life: "Repentance is a limping messenger. He is coming slowly but he will come sure". As the saying goes: We will be kept responsible for our deeds and achievements in our life. That applies not only to our personal responsibility but also for firms, companies, institutions, countries, governments and so on. In Germany for example firms, which took Jewish people in forced labour in the second world war are now 60 years after they were taken to do reparation.

I think it is the time, that the North does reparation to the South for colonizing then since 500 years, for Exploitation by the rules of World Trade Organisation" (WTO) until now and for the unjust practices of the IWF. About a sustainable reparation, we have to establish a dialogue. I think one step of reparation could be general debts-release. To go this way we are obliged to create sure suppositions: There are;

To look for transparency on all levels of our civil societies in the North and in the South to prevent corruption such as recruiting thugs and assassins.

- To do intercultural dialogue, face to face and on an equal level, and not a dialogue between rider and horse.
- To establish independent information centres and information systems to bring out the truth about reality. If you have one source for public information, you cannot be sure to become manipulated by those who have the power.
- Sure communication systems and controlling systems, functioning democratic institutions and structures. Here we can learn from the Igbo traditional fundamental democratic system. The village assembly and the practice of the palaver are such fundamental democratic institutions. Lets renew it!, take it and realize it!

10

Micro-Credit Financing: Positioning Micro, Small and Medium Scale Enterprises (MSMEs) for the Challenges of Globalization*

Ndidi Nnoli Edozien

The Concept of Globalization

Globalization is often defined in economic terms and yet its impact on humanity is no more profound economically than is its impact on the social, ecological, political, cultural or religious dimension of peoples' lives the world over. The multiple dimensions of globalization and its impact on peoples' lives are most important as we consider the concept of globalization, most appropriately described as the world's evolution into 'a single place'.[1]

Strides in information technology and the influence of the mass media in the 20th century have significantly advanced the creation of a 'global village' wherein it is no longer possible to isolate the local from the global. Globalization has resulted in the elimination of physical, cultural, social, political and economic boundaries and with the popularization of technological innovations such as the internet,

* Paper presented at the USAID/World Bank sponsored Workshop in Abuja, 2000

[1] Roland Robertson: 'Globalization, Modernisation and Post-Modernisation: The Ambiguous Position of Religion.

there is often more communication with persons on other continents than with our next-door neighbors. As a result, we speak of the interconnectedness of people, businesses and economies worldwide. In many instances, this has resulted in valuable information sharing, cultural exchange, economic empowerment and international dialogue. Increased interdependence and dialogue amongst people will play a decisive role in creating more responsible, involved and tolerant participation in the establishment of a more peaceful, just and equitable world order. Thus, it must be that globalization has a crucial role to play in improving access by the vast majority of people to goods and services available in the world economy.

Globalization in the African Context

From the point of view of African scholars (Ike, Hoffmann, Ngwoke et al)[2] globalization as championed and pursued by the west emphasizes solely economic criteria and does not adequately cover the socio-cultural, ethical and religious dimensions which actually for the African is the basis for any meaningful development. Culture for the African is that arena where history and achievement combine to give existence a *raison d'etre*. Therefore, Africans must distinguish between an integral global understanding and a simply economic and technological dimension of globalization. This is also why in our context there must be a place for the weak, the neglected, and the not-too-powerful.

Professor Wilfred has pointed out that globalization is the pinnacle of imperialism[3] Hence from an African perspective, globalization is not new, but a continuation of a long tradition of over five hundred years of domination, colonization and commercialization. Wilfred goes further to say: *"Colonialism presented itself as a movement of unity and integration—political, cultural and economic. But we know the exploitation to which the peoples and nations were subjected, and the devastation it left behind.*[4]

[2] Ike, Hoffmann, Ngwoke: 'Church and Economy in Dialogue' Enugu 1997.
[3] Professor Felix Wilfred: 'Globalization and Cultures—The Other Voice in BETH Volume 9: 1-2, 1997
[4] Ibid.

A simple Igbo man is known to have said: *"People who do not look back to their ancestral-cultural heritage cannot look forward to posterity"*[5] As Africans we must therefore proceed with caution, embracing the positive attributes of globalization whilst safeguarding against the repetition of history against which Chinweizu warns in his book: *'The West and the Rest of Us'*.

"The rulers traded and sat on the crumbling carcasses of their states as they stagnated and decayed. The rulers took little thought for the future that was encroaching on them from across the waterfront. And when that future burst upon their heads, it toppled their rusted power, pitched them off their stools and thrones, and blinded them with the dust of ruin. And because they had not adequately prepared for the showdown with the west, their desperate heroism under attack was thoroughly wasted. Four centuries, four long centuries wasted on particularist greed, four exhausting centuries bloodily exporting their kind, four centuries of political disorientation and social disorganization. May their souls sleep without rest in our memories to warn us away from any repetition of their ruinous neglect"[6]

The Impact of Globalization on the Nigerian Economy

In the face of rebuilding the Nigerian economy within the context of an increasingly competitive and interdependent world economy, the following challenges posed by globalization should be considered:

- Firstly, globalization poses a major challenge to the identity, tradition and stability of peoples, nations and economies as it intrudes upon local communities, alters cultural values and destabilizes national economies.
- Secondly, globalization deepens inequalities between the western nations and countries with underdeveloped financial, communication and political infrastructure unable to compete effectively in the global economy.

[5] Rev. Professor Ike Obiora: 'Freedom is more than a Word', CIDJAP Publications, 1998.
[6] Chinweizu: 'The West and the Rest of Us', NOK Publishers, 1978; Lagos and London.

- Thirdly, the merging of businesses and globalization of big firms poses a challenge to the ability to nurture and sustain micro, small and medium scale enterprises (MSMEs) that are the bedrock of any strong economy.

It is upon these challenges that the frame of this paper is built to address issues pertaining to Micro-credit Financing and the positioning of MSMEs for the Challenges of Globalization.

The Relevance of Micro-credit Financing

The vast majority of Nigerians are self-employed as petty traders, market women, farmers, road-side mechanics, electricians, plumbers; the list is endless. Unfortunately, due to the absence of an information management culture in Nigeria, we can only guess that the country's population is 120 million, and again only guess what percentage of the population is employed by the formal business sector. I imagine, the figure will not exceed 20% given that Oil accounts for 95% of Nigeria's income and the oil industry is not a labour intensive industry.

Schumacher has written a book with the title 'Small is Beautiful'. This could be applied in our description of micro-enterprises. Contrary to the centralistic philosophy of the now demised communist era, micro entrepreneurs correspond to the philosophy of social and free markets, creativity, innovation, promotion of individual and group initiative, self-reliance and above all self-fulfillment. We highlight a few areas to illustrate areas in which micro-enterprise assists the development of our young nation. The areas highlighted below contribute towards the establishment of a sustainable, culturally-rooted and stable economy, a feature crucial for a nations's survival in the global economy:

Job Creation
Wealth Creation
Culture of Self-Help
Industry and Productivity

Women and Youth Development
Rural and Community Development
Career, Skills and Crafts Development
Capacity Building and Development of New Industries.

Challenges Faced by Micro-entrepreneurs

Nigeria's future is in the diversification of its economy and in the empowerment of micro, small and medium scale enterprises. The challenge before the country then is in providing access to capital and loans for a large number of people, and in forgoing mutually profitable linkages between indigenous, small and medium scale businesses and the global economy. This phenomenon will play a crucial role in diversifying the Nigerian economy, creating employment and nurturing MSMEs. The time in Nigeria for theorizing is past and what we require at this stage are practical solutions for our problems, increased dialogue and the creation of win-win partnerships that will bring good ideas to fruition. Nigerian has never had a dearth of good ideas but rather has failed in the implementation and follow-through on a retinue of well-intended, often appropriate, development programs that were not executed.

The greatest challenge faces by MSMEs today is the lack of access to capital at affordable rates and with appropriate loan terms. This is unfortunate because loans are boosters that increase the speed and volume of business growth. Thus, the banking sector's classification of MSMEs as high-risk, high-cost, low-volume transactions and the consequent denial of access to capital denies the very economy we wish to resuscitate of the much-needed oxygen it desperately requires to survive. The world's most open secret is in the discovery that small money is big money when collected by many and when used by the entrepreneurial savers for mutual benefit. This is the reality of successful micro-enterprise operations spread across Nigeria today, with repayment rates on non-collateralized loans exceeding 95% over a ten-year time frame. Unfortunately, there is an endless list of challenges faced by micro-entrepreneurs who should really serve as the engine of growth for the Nigerian economy. Some of these challenges are highlighted below:

Lack of access to capital on affordable and appropriate terms
Lack of access to services of the formal sector; banking, insurance, etc.
Unfavourable Legal and Policy Environment
Political and Socio-Economic Instability
Lack of appropriate or adequate Education and Training
Poor Monitoring, Control and Accountability in the Public and Private Sectors
Poor Infrastructural Facilities: roads, electricity, telecommunications and water supply.

Two Practical Applications

By way of introducing a practical element into the discussions, the Growing Businesses Foundation has been involved in consultations with the public and private sectors in a bid to address the needs of MSMEs in some key areas. Two of such initiatives are summarized as follows:

1. The establishment of a Second-Tier Financial Institution (STFI) to provide access to capital as a tool for strengthening MSMEs and stabilizing the national economy. The sizeable capital base of this institution would be dedicated solely to the financing of MSMEs. Community banks, micro-finance institutions and other retail financial intermediaries serving MSMEs will be the primary beneficiaries and stakeholders of this initiative.

2. The establishment of community owned, community based and community initiated rural telecommunications service providers (RTSPs) to serve the telecommunication needs of the local communities. In this instance, the widespread access of telecommunications will combat the creation of a 'digital divide' between urban and rural areas and link MSMEs to the global economy.

Conclusion

For a country like Nigeria with poor teledensity, dilapidated or non-existent infrastructure, declining educational standards, weak mono-product economy, cultural diversity, political vagrancies and large population, largely unemployed and otherwise certainly underemployed, the challenges of rebuilding the Nigerian socio-economic fabric within a competitive and rapidly evolving global economy is a great one. Within this context, the importance of supporting and nurturing micro, small and medium scale enterprises and linking these up to the global economy cannot be over-emphasized. This has been the focus of this paper.

Globalization is bringing people, businesses and governments closer together. The challenge of the 21st century is to weather this proximity with improvements in neighbourliness, by forging new, mutually beneficial international relations and engendering win-win public-private sector partnerships locally and abroad. This applied especially to a country with an underdeveloped economy, uncertain socio-political climate and lacking in infrastructure. It is imperative therefore to acknowledge globalization as a phenomenon that extends beyond the elimination of political and economic boundaries to incorporate the impact of bringing together peoples, businesses and governments into a web of mutual international interconnectedness with far-reaching consequences on the lives of billions of people the world over.

Globalization must serve the common good and its impact on the people must be observed and questioned to ensure that it does not widen the already-existing divide between the haves and have-nots.

11

Globalization and the Need for Development Leadership in Africa*

Mbaya Kankwenda

Introduction

It is my pleasure to be here this morning and to deliver this public lecture. The high caliber of selected audience both as development actors at different levels and development thinkers from different perspectives indicates the high level of commitment and dedication to the development of your community, your country and of course to Africa's development. While lauding the high caliber of this audience, I feel somehow frightened by the same caliber. What value added can I have in addressing a so distinguished audience?

Let me immediately say that I really feel honoured and privileged to be invited to address this distinguished audience and I accept the challenge. I therefore, crave your indulgence for probably having to repeat old and well-known things or for wrong presentations and analyses that may bias your views.

I want to take this opportunity and thank the co-organizers and co-host institutions: the Catholic Institute for Development, Justice and Peace (CIDJAP), the Enugu State University of Science and Technology (ESUT), the Enugu Development Trust Fund (EDTF), Growing Businesses Foundation (GBF), the Micro Enter-

* Keynote address presented at the 6th Micro-enterprise Development Co-operation (MDC) Colloquium (a GBF-CIDJAP initiative), April 2002 at Hotel Presidential Enugu, Nigeria.

prise Development Cooperation (MDC) and UNDP office in Enugu State.

I am very grateful for your invitation. I want also to express a special thank to Professor Reverend Monsignor Obiora Ike who first contacted me a few weeks ago when he was launching the initiative, and to Mrs. Ndidi Edozien in the capacity as Coordinators of the initiative.

I want to extend my thanks to the organizing committee, and of course, to all of you distinguished guest and respected participants for being here today to share your views and learnt lessons from your valuable and diversified practice. It is my understanding as lecturer, that my role is not to lecture you, as very distinguished audience, but to introduce a discussion, a constructive debate and a rich exchange of views or a collective conversation among development actors and thinkers.

When Monsignor Obiora Ike invited me for this lecture, he presented me a range of topics or issues and suggested that I decide for myself which topic to address. Governance, poverty, globalization were some of the topics he mentioned. I thought that globalization was "global"enough to include governance and poverty at least at global level. Therefore my choice went to globalization. But the literature is too wide and I did not want just to give you summary of what I have read so far and apply it to Africa from my personal point of view. I wanted to present in this perspective, a more challenging issue, which has not been widely discussed, and which focuses on one of the critical challenges that globalization presents for Africa; the challenge of development leadership. Hence, I have titled my lecture; **Globalization and the Need for Development Leadership in Africa.**

The Globalization Process

The Concept

The concept is well known and the literature is more and more abundant. It refers to the processes of integration of not only world economy, (production, trade, labour, investment and capital flows), but also the integration of other dimensions of world life: technology, governance, social development, and culture across national borders. Therefore it is a strong integrating process and force, with impact on political institutions, economic progress, social life and cultural values. It is an old process that is now characterized by shrinking space, shrinking time, disappearing national borders and by the fact that it embraces all dimensions of humanity life. That is why one should have a holistic approach to this process.

What is new in the current stage of the process includes the following;

- Growing new markets in commodities, services and finances;
- New actors: multinational corporations that are the driving force of the process through integration of production machinery, integration of markets and technology progress, the World Trade Organization (WTO), proliferating regional blocs especially from developed world, policy coordination groups and even an emerging international network of NGOs.
- New rules and norms; with emphasis on greater privatization and liberalization, adoption of democracy as part of the process, multilateral agreements in trade, investments, intellectual rights, etc.
- New tools of communication, including Internet and electronic ways, cellular phones, fax machines, faster and cheaper transport means (air, rail or road).

Globalization and Political Institutions

Although the emphasis is always put on the economic dimension of the process, the economic globalization requires a political globalization, in the sense that new economic institutions are mushrooming and claim new political institutions or at least a new governance pattern compatible with the requirements of growing economic globalization. What is preached is to reinforce the market development paradigm and its role in economic and social life regulation, while dramatically reducing state or Government role. The latter is being confined to creating a conducive environment, including macroeconomic policies for private sector enterprises to flourish and competitive markets to function.

Globalization is therefore a gradual reduction and informalization of state power if not loss of state sovereignty. It is a process of state or government instrumentalization. In this perspective, structural adjustment programme in Africa have been a powerful policy instrument in the process, and they have contributed to transform African states into a sort of executing agencies for the overall globalization process.

Globalization and Economic Implications

It is suggested to African countries to open up their economies to international trade, foreign investment, labour, and capital movements if they want to achieve economic growth and solve their social problems. That is not quite sure. Indeed globalization generates new development constraints with the cumulative and uneven processes of growth and wealth distribution. Although it is an integration process, globalization is truly a process of hierarchization of countries on the basis of their economic power in the world economy and trade. It is somehow the reign of the Have, as opposed to the reign of the Being.

The current economic struggle among globalization forces concerns the control of space resources and technology, information technology, environment resources and technologies, and the world trade. What are the prospect for African economies and countries in these areas? Is it possible within the framework of the current international division of labour, for African countries to have a significant room for a dynamic role, except being "accompanying societies"? What could be their objectives and strategies in this context and what are the means and instruments at their disposal?

Globalization and Social Change/Development

The process has also important social implications. Among them are growing marginalization, social exclusion and increasing impoverishment of populations in large sections of African societies, thus contributing to social and political unrest. For most of the African populations, daily struggle is rather a surviving battle. Market rules are a way of wealth extraction from poor people in favor of the rich within and out of the country, which has a potential for social and political tensions at different levels. That is why the new role assigned to African governments is to manage—even by force—tensions and contradictions generated by the globalization trend in such a way that African countries integration into the global economy should not suffer any meaningful impediment. Issues related to human insecurity such as job insecurity and unemployment, increasing poverty in some important areas like in Africa, development of world crime networks, HIV/AIDS, unsafe environment etc are part of social consequences of globalization.

Globalization and Cultural Integration

Globalization is also a cultural integration process through the transnational flow of ideas, goods and images. Thoughts and forms of art expression are being globalized and therefore part of the process. This is obvious in music and movie industries, painting, dressing, literature, language and even religion. The new world market embraces all these aspects. Since the cultural integration goes to some extent with the economic globalization, it is obvious that culture and cultural expressions will be dominated not by small and developing countries, but rather by powerful economic countries and their transnational corporations. Globalization is in its cultural dimension, a denial of cultural identity.

Globalization, Polarization and World Poverty

In 1999 Global Human Development Report, UNDP gives the following indications on stark disparities between rich and the poor on global economy and opportunity:

- The share of the richest 20% in the global economy is 86% of world GDP, 82% of world exports of goods and services, 68% of foreign direct investment, 93% of internet users and 74% of world telephone lines.

- The share of the poorest 20% in the world (mostly in Africa) represent 1% of the world GDP, 1% of exports of goods and services, 1% of foreign direct investment, 0.2% of internet users and 1.5% of world telephone lines.
- OECD countries with 19% of the global population have 71% of trade in goods and services, 58% of FDI and 91% of internet users.
- The world's richest 200 people more than doubled their net worth between 1995 and 1998. And the assets of the top 3 billionaires are more than the combined GNP of all least developed countries (whose two third are in Africa) and their 600 million people.
- The income gap between the top fifth of people living in the richest countries and the bottom fifth (certainly living in poor countries) widened from 30 to 1 in 1960, to 60 to 1 in 1990 and to 74 to 1 in 1997.

All these disparities are based on 1997 statistical information. Today, five years later, one can imagine to what extent the disparity situation has worsened, increasing poverty and misery in developing world in general and in Africa in particular.

Addressing the World Social Forum on 4 February 2002 in Porto Alegre, Brazil, the Secretary General of the United Nations informed the civil society organizations represented at the second annual forum that he was going to address the World Economic Forum the same day; and that he was going to remind the driving forces of globalization at the WEF that they are sharing this planet with well over a billion people who are denied the very minimum requirements of human dignity, and with four or five billion whose choices in life are so narrow compared to theirs. And he compared out planet to a small boat driven by fierce gale through dark and uncharted water, with more and more people crowded on board, hoping desperately to survive.

And the Secretary General concluded: "None of us can afford to ignore the condition of our fellow passengers on this little boat. If they are sick, all of us risk infection. And if they are angry, all of us can easily get hurt".

Globalization is therefore a process made not only of economic, financial, social, political and cultural integration, but by the same token it is also a process of marginalization, exclusion of the majority of world people from its benefits and opportunities, in fact a process of Africa impoverishment. But globalization is a world dynamics. Progress in science and technology, world production and trade lead to globalization process. However, this doesn't mean that this process is unavoidable. I have to clarify my position. Since it is a social dynamics, it is a man-made process. The way it operates with number of its negative consequences on the majority of the world population can be changed. The world has to create and manage a different globalization process that should be inclusive and beneficiary to the current and future generations of humanity, this ensuring its sustainability.

As indicated, the world context is made of course of the growing globalization process that covers the economic dimension (integration of production, market, capital, etc.), the political dimension (harmonization of political systems for the required management of national economies and societies as sections of a globalized economy), and the socio-cultural dimension, meaning polarization and uniformity of cultural models in the economic globalization.

But the world context is also characterized by a powerful, conservative and collective neo-liberal ideological and economic dictatorship of the North on the South and therefore on Africa, with the tendency to strengthen the role of instruments and institutions such as the World Trade Organization (WTO), the World Bank (WB) and the International Monetary Fund (IMF) especially. The world economy is also characterized, as a component of the globalization process, by the strong principle of competitiveness in the global market, principle that is becoming more and more the guiding force and the only one reference and main criteria for production decision even at the national level. Finally the world economy is characterized by a fierce struggle between important driving forces of globalization not only for market control, but also for scientific and technological control of ICT, natural and environment resources, space resources and cutting edge techniques to replace basic primary products.

Africa Facing Globalization

Today's Situation: In spite of national and regional development programmes and despite decades of general and sectoral development proclaimed here and there, the indicators show that but for a few exceptions of short duration, and in spite of the progress made in the social sector during the first two decades, it has been noted that:

- Real GDP growth has declined on annual variation over a long period for the continent as a whole, from 4.5% in 1965-1969 to 4.2% in 1970-1979, 2.5% in 1980-1989, 2.3% in 1990-1999, 0.9% in 1990-1994 and 3.5% in 1995-1999;
- A rather negative evolution of real GDP per head for African people, falling from 0.4% during the period 1970-1987 to -0.4% during the period 1988-1997;
- increasing poverty, contrary to other continents;
- Growing number of African LDCs, which today stands at 32 out of 48 countries , or 37 out of the 50 last countries, according to the WB ranking list on development progress;
- Decreasing share in world exports and imports, from 4,6% in 1980 to 2.3% in 1990, 1.6% in 1995 and 1999 respectively for exports and from 3.6% in 1980 to 2.4% in 1990, 1.8% in 1995 and 1.9% in 1999 for imports;
- Declined domestic investment ratio from more than one-third of GDP in the late 1970s to less than one-fifth in the late 1990s;
- And therefore declining trend in foreign direct investments which represent today less than 3% of total FDL and, in per capita real terms, inflows in 2000 were less than one-third of their level in 1980;
- An increasing external debt burden, compared to Africa GNP and export earnings.

This is a combined consequence of national development policies and strategies as well as development cooperation programmes and their conditionalities, that are part of the globalization trend. The first two decades after independence were mainly decades of sale of development appearances and projects by the West to Africa. In spite of the so-called economic takeoffs and miracles then showcased, just as success stories of economic reforms are being paraded here and there today, selling of development appearances to Africa during the first two decades could not prevent the continent from entering a profound economic and social crisis.

The third decade became that of stabilization and structural adjustment policies and programmes aimed at managing the African crisis, more as it pinches the West (debt repayment, integration into the global market by export-led strategies, liberalization and privatization) than in bringing African economies out of the crisis. The end of the Cold War and the crisis of the liberal economy helped to make economic reforms look like the touchstones of development policies. They became the conditionalities imposed on African countries for them to benefit from development aid and loans. Development business entered therefore another dimension, because it includes new development policies and strategies or such suppositions, and which, like goods, have their producers, their vendors, their buyers and their financiers.

The fourth decade consisted of strengthening the globalization of the economy (the ultimate reason for economic reform policies) through globalization of politics with a strong demand for political reforms and good governance as new conditionality and we will see the raison d'etre for this conditionality. But the result is there, thumbing its nose at Africa as well as at Africa's partners: there is neither sustainable economic growth, nor tangible and sustainable progress on human development for the continent.

And yet this is the announced goal of Africa's development partners, partners, who have been selling development projects, economic and social programmes and policies, and who have financed them through grants and loans to Africa. Development has an ideological dimension and that of Africa has, since independence, its ideologists and doctrinaires, who in the guise as guides in the quest for the good of the continent, have rather been trading in development goods and appearances. And like in every business, the sellers (the West) and the buyers (African political regimes) have profited at the expense of development of the continent.

Let me elaborate a bit on the concept of Development Merchant System (DMS). Globalization as a mechanism has been borne by a specific approach to development in Africa, which makes development a business system and an ideological integration process that benefit the North and firmly tie the Africa canoe to the North's neo-liberal ship on the waters of globalization. The DMS is therefore a combination of institutions—public and private agencies—, their procedures and work methods in

i. Passing to development policies,

ii. Financing, implementing and evaluating them and,

iii. Making economic, financial, political and/or strategic benefit from them, no matter whether or not they result in human development and progress for these countries.

Africa is therefore very integrated in the globalization trend and the world economy through development policies, economic and political reforms, development cooperation aid and development merchant system, trade and debt repayment. But despite this growing dependence, development gaps have widened between the West and Africa, instruments and aid programmes have become institutionalized, perpetuated, justifying and defending their existence, which is nothing but a confession of the failure of aid programmes and policies.

Today and Tomorrow Challenges for Africa

Africa's development challenges have to be apprehended on the basis of the analysis of African current situation and its causes, implications and prospects. They have to be apprehended also on the basis of African development objectives in the 21st Century. As indicated early, economic reforms in Africa are meant not only to ensure that debt is repaid, but more importantly to trace the way for the adjustment of African countries and economies for their insertion in the globalization process, and to control the march and progress of these economies along the prescribed way. In order to avoid that they are questioned during their implementation, economic reforms and the processes of integration into the world economy, should therefore be accepted by the main economic, social and political forces.

In this perspective, cooperation programmes for capacity building have been designed and implemented in Africa. Their objective is to ensure that African governments have the capacity to manage their economic reforms programmes as required by moneylenders who are also representatives of globalization driving forces. The last decades and this one continues to be decades of political reforms in Africa, as another aid conditionality. Democracy and good governance are being preached for African countries. But good governance is apprehended in the sense of political regimes that would manage public affairs according to world market creed, and follow the Western model of democracy. For driving forces of globalization and DMS, any political regime in a position to effectively carry out its economic reforms, to manage its insertion in the world economy while controlling internal forces that may be reluctant, even if this regime doesn't fully play the democratic game, it will be largely supported by DMS and globalization driving forces. Through polarization, marginalization and exclusion, globalization creates or contributes to create socio-political tensions whose potential to cause social explosion is not always well known, and which one should be able to handle, prevent and manage politically. It is therefore the prime function of the good governance concept as preached by the West: capacity to manage the globalization process's contradictions as generated by economic reforms at the country level.

Globalization has a strong dogmatic and doctrinal dimension. In this respect, it concerns the globalization of the market fundamentalism and its paradigm, which in reality is nothing but the keeping in step of developing countries, hence Africa, taking the continent as an object rather than a subject and partner. This is why I term it the "the globalization" of African economies; an imposed insertion into globalitarization through development aid conditionalities, economic and political reforms.

Good governance or democratization of the adjustment process to globalization is not the governance that Africa is craving for. The continent needs another development model whose political dimension would be called democratization of development socialization. It gives priority to national development priorities, collective and permanent social dialogue, and true participation by the masses in choices and decisions concerning their life, and accountability and transparency from the ruling bodies and individuals at all levels. In this context, a controlled integration into globalization or a limited deglobalization with the active role of the government would position Africa better as a partner and subject, and therefore less marginalized as it joins the globalization process. Three principles that are also development goals that can assist and guide Africa in the search of bearing ways towards sustainable human development in this context include:

i. The internationalization of the accumulation base, which means that the main economic function is realized at the national and/or sub-regional market. It means also that basic sectors for economic accumulation are in relationship of surplus exchange and not extortion with other sector, with the view of ensuring an equitable and sustained development.

ii. The enlargement of the social base of development, which means on one hand, that relationships of surplus exchange are established between different components of the population through economic and social sectors they represent, and on the other hand, it means that these populations fully participate in the development process in its political, economic and socio-cultural dimension, own it and benefit from it.

iii. The prerequisite and permanent principle of peace, security and political stability.

To achieve these development goals, Africa has to face some important challenges. Among them are:

i. **Population Growth Rate** which is still high and which should be controlled in conformity with historical development needs. I should emphasize here that growing population isn't by itself a cause of poverty. On the contrary, it is a requirement for development factor rather than development constraint. But this requires another human resource development strategy.

ii. **Good Governance and Democratization**, not in the sense of good governance and democratization of structural adjustment, but rather as explained above in the sense of development socialization.

iii. **Science and Technology** that should be developed, internalized, mastered and popularized. Science and technology are now the driving instruments of development and even of globalization. Africa cannot survive in the 21st Century by continuing to be a foreign technology consumer. Innovation and creativity in this strategic area is crucial for the development of the continent. And this applies to all development sectors and all development actors, down to at the community level. There are certainly technology levels that have to be popularized and democratized.

iv. **Mastering of Environment Resources Management:** Africa is one of the richest continents in terms of natural resources endowment. The challenge for Africa is not only to protect and regenerate environmental resources, but also to make the right use of them for the benefit of current and future generations, and to make them a contributing factor to a safe and healthy social life.

v. **Getting out of Development Aid and Development Merchant System:** This may be perceived as a crazy and utopia dream, and I understand those who may think so, but I believe it. It is achievable. Africa should build her development on continent assets: human resources, natural and material resources, institutional capacities.... Forty years of development merchant system and development aid have shown their failure for understandable reasons. African governments have to plan an exit strategy to get out of development aid if they want to be development subject and partners, if they want to escape development aid conditionalities.

I'm a Christian and I know that in this religion we say every day: "Through Him, in Him and with Him". Of course we are talking about Jesus Christ. But in development aid and development merchant system, things are done and preached in such a way that the only safe way towards development is through the West, with the West and in the West. The West is presented as Africa's reference and model, indispensable provider of development grace and energy so needed by the continent, source of inspiration and guarantee for the continent to get in the promised land and paradise of development. I say No. If Jesus can say that he is the only right way to Heaven, nobody else can pretend that he is the only right way to salvation/development for Africa. That's why I preach this crazy and utopian idea of exit strategy from development aid and development merchant system. Because such a vision has to be questioned seriously, and for that to happen Africa needs a different leadership.

vi **Promoting Strong Development Leadership at all Levels:** I will come back to this important challenge very soon because it is the subject of the point number three of my presentation.

All this requires a holistic development approach and strategy that include a number of important elements such as:

i. A mastered/controlled insertion in the globalization process, notably in grounding economic growth first of all on domestic resources and investments, and on internal and regional markets principally, and finally by accelerating a sustainable and equitable economic growth.

ii. A healthy, effective and efficient public management.

iii. An increasing economic integration at national and regional levels.

iv. An international competitiveness based on the African capacity to utilize the world economy in terms of the requirements of an indigenized, sustainable and equitable growth.

v. The development of human and institutional capacity.

vi. The empowerment of Civil Society Organizations as active development partners who will contribute to improving the overall development environment and process.

The Need for Development Leadership in Africa

The world is being globalized and Africa cannot afford to stay out of the process. But she cannot resign herself to entering it with both hands and legs bound. She has to be player and handle her insertion into this dynamics in the light of the development path that she defines for herself and thinks that it is the best for the well-being of her people. Putting the African continent in the sustainable human development dynamics contributes to the building of a pluri-centrist and multi-polar world in the interest of all, and against the current uni-polarization of the globalization process. Moreover, the requirement of pluri-centrism and multi-polarity is not only economic, social and political, it is also conceptual, including issues relating to development leadership for the continent comes in, to enable it adequately afford other development challenges of the globalized world. Because forty years of what I call development illusions in Africa, forty years of development merchant system in Africa has shown that the continent is yet to build such an effective development leadership.

Concept and Implications

The continent has had strong political leaders who struggled for her liberation from the colonial power. Those are leaders who had a nationalist vision of their respective country's future, and who were able to share their political vision with their people and mobilize them around the ideals of this political vision.

They were feeling, at different levels of course, responsible towards their people whom they spearheaded, and fought for towards the economic and social benefit of their people. It is for this reason that one Gamao Va Ngengi was even called Jomo Kenyatta, meaning the "Shining Spearhead of Kenya".

The generation of independence leaders no matter what their ideology was, that generation was made of this kind of political animals with uneven fortune of course, in leading their people towards a common goal of progress for their country. It is for this reason that the first 15 to 20 years of independence were years of economic and social progress in most of the African countries: economic growth rates and social achievements (education and health) were commendable during this period. But independence leaders were mostly keen on political struggle and less prepared for development struggle. I consider that their historic mission—the continent political liberation from colonialism—was achieved. Independence efforts and early independence achievements needed to be sustained and democratized. For this to happen, these efforts need another types of leadership, the development leadership, after the political leadership which led to African countries independence. That is one of the big challenges of Africa of today and tomorrow; finding ways and means of blossoming and developing the capacity of development leaders, those who can incarnate another development vision, who are bearers of it and who can as such galvanize the socialization in a globalizing world.

A development leadership means a leadership that incarnates development socialization, and continuously mobilizes people and development actors for the implementation of ideals, objectives and programmes around this development vision. Its vision is to generate and sustain a decent human life to the majority of the populations and open up opportunities for the people in a politically, economically and socially participatory process. This leadership requires also to be supported by social forces that have to be identified for the blossoming and the implementation of its development vision. Development leadership empowers people at the grassroots levels, mobilizes them and makes them actors and owners of their development ways and achievements. It is inclusive, it democratizes the development process, and it leads while being supportive of people's efforts, and has a human rights-based approach to development because human development is a genuine and legitimate human right for African populations. Development leadership is needed first and foremost at the national political leadership level. That is where the overall development direction and content are designed, where the objectives, strategies, progress and implementation pace are defined, the actors and beneficiaries identified, and finally, that is where the mobilization of adequate (political, economic, social and human) means, resources and other instruments has to be decided and achieved. This level is the most crucial one.

However, development leadership is needed at other levels of political responsibility: state, local and community levels. Development leadership at national political level not translated at these other levels will certainly suffer critical failures and may not result in tangible achievements. In the same vein, development leadership at lower levels can of course achieve a number of commendable developments results, but they will be limited if they are not supported by or if they don't respond to the same development leadership at higher level. But it is needed at all these levels.

In addition to political categories of development leadership, there are also other social and economic categories of development leadership. The private sector has been always perceived as the engine of economic growth and therefore as having a certain lead role in development process. That is correct. For years, development has been seen as a result of combined efforts between the government and the private sector. Although the private sector was understood in a narrow sense of wealth creation as the main objective and the human being as a production fact, today with the promotion of the human development, paradigm, people are at the centre-stage of any meaningful development effort, and wealth creation becomes a contributing factor. Moreover, the promotion of the corporate social responsibility concept, not in a philanthropic sense, but as part and component of business development strategy, the global compact concept, the principle of globalization with human face, all these efforts and initiatives have made it possible that some businesses can adequately play a development leadership role in communities where they operate.

But today's development leadership is even more active within civil society organizations. For years, only two development actors were being considered: the government and the private sector. We have witnessed during the last two decades, the emerging civil society both as development actor and legitimate society representative, voicing its concerns about development, political, social as well as economic and cultural issues, challenging political leaders at all levels, presenting alternative approaches to dominant trends at national and international levels, and even replacing failing political development leadership where that is possible, particularly at the community level. Development leadership from civil society is therefore very close to grassroots and community people, often well accepted and trusted. Examples are numerous and continuously blossoming. However, some have made them a new way of doing business, especially when it comes to benefit external funding.

We in Africa need development leaders at all these levels and in all these categories of development actors and thinkers. But there is also need for development leaders within development cooperation agencies, including those from the United Nations. Development cooperation agencies , be they bilateral or multilateral should not be development products sellers, but rather development leaders and agents who will support and contribute to promote national, state, local and community development leadership. I always say that we, in UNDP, are in a special army. Our role is to fight poverty and misery, an army to fight under-development. We are development soliders, or at least we should be.

From LPA to NEPAD

African Heads of States and Governments have tried to demonstrate that in addition to their political leadership, they have a high sense of their responsibility as development leaders, combining therefore the two dimensions. Basically a political leadership that is not doubled by a strong development leadership is ineffective and run the risk of being a dictatorship or agent of globalitarization as explained above. It will be unable to deliver development services in the benefit of its population.

Around twenty years after independence, African Heads of States and governments adopted the Monrovia Strategy and the Lagos Plan of Action LPA. This was followed nine years later by the adoption of the African Alternative Framework for Structural Adjustment and Socio-Economic Transformation (AAF-SAP) as an African responses to Structural Adjustment Programmes (SAP) sponsored by DMS through Bretton Woods Institutions. Five year later, African Heads of States and governments adopted the Cairo Declaration. Today since October 2001, in Abuja, they also adopted the New Partnership for Africa's Development (NEPAD) which is both a development strategy and a partnership instrument. Previous initiatives are very well knows and I'm not going to present or comment on them again. I would rather focus my attention on the new initiative, the NEPAD. The whole process began with three separate initiatives:

i. The Millennium African Plan (MAP) launched by President Mbeki of South Africa and finally co-sponsored with President Obasanjo of Nigeria and President Bouteflika of Algeria. Inspired by the Millennium Declaration, it underlines the negative impact of North-South historical relationship on Africa and suggests a new compact with shared responsibilities between developed countries and Africa.

ii. The OMEGA plan launched by President Wade of Senegal, which insists on crucial factors that explain disparities between developed countries and Africa, such as infrastructures, education, health and agriculture, and suggests measures to overcome these disparities.

iii. The ECA "African Compact"adopted by African Ministers of Finances and Planning.

During the marketing and sensitization period last year, including at the Davos World Economic Forum, the G8 Genova meeting, the EU meeting in Brussels, it was finally admitted that African initiatives should be merged. At the OAU Summit in July 2001 in Lusaka, African Heads of States and Government came up with a merged initiative called the New African Initiative (NAI). The NAI includes main ideas from the MAP analytical perspective, operational proposals from the OMEGA Plan and extension of priority areas from further-discussions. Although it was adopted at the Lusaka Summit, the NAI was still being discussed at different gatherings and the final and current version was adopted at the Abuja meeting in October 2001, as the New Partnership for Africa's Development (NEPAD).

The NEPAD vision of Africa's development and future is based on the concept of "catching up" developed countries by overcoming Africa's accumulated gaps and disparities due to long history made of slave practices, colonialism and economic domination after independence. For this to happen, it is proposed that developed countries should massively contribute to African financial and technical needs in priority sectors identified by African Heads of States and

Governments. Those are; good governance including economic governance, infrastructures, education, health, ICT, agriculture, environment, energy and access to developed countries markets. The NEPAD has a regional perspective, through the five OAU regions: North Africa, West Africa, Central Africa, East Africa and Southern Africa. In terms of implementation modalities, it was decided to establish fifteen Heads of States and Governments Implementation Committee headed by President Obasanjo with Technical support from a Steering Committee made of Founder Heads of State (including President Moubarak of Egypt), OAU, ECA, and ADB.

The Secretariat will be located in South Africa and five Sectoral committee chaired by each of the five founder Heads of State have been established in this way:

- Algeria for human resources development;
- Egypt for market access, governance and agriculture;
- Nigeria for good economic governance and capital flows;
- Senegal for infrastructures, environment, energy and ICT;
- South Africa for good political governance, peace, security and democracy.

Early this year NEPAD was also discussed with President Chirac of France, presented again at the New York World Economic Forum and to visiting Heads of State and Governments of developed countries, including Mr. Tony Blair of UK, J. Chrectien of Canada, etc. who have been also sensitized. But is it the new development leadership we are talking about? Or can NEPAD become an instrument of such a development leadership? Definitely NEPAD is a good attempt in a good direction. However, there are a number of questions that have to be addressed for NEPAD Resident Representative or UN Resident Coordinator, but rather as an African, as a legitimate citizen of this continent. The whole story of African political initiatives for economic and social development is made of sabotages and lack of support from developed countries and the bilateral and multilateral institutions. In some cases, just after the publication or the adoption of an African initiative, Bretton Woods Institutions, OECD or others were coming with their own initiative on Africa, borrowing some elements from the African document, but putting them in DMS perspective. That is why the Lagos Plan of Action, AAF-SAP, Cairo Declaration, the African Charter for Popular Participation in Development and Transformation could not get financial nor technical support from donor countries and their institutions. They were criticized instead of being supported for improvement and implementation. It is because they were preaching a development way, which was not fully integrating Africa in the North strategy made of SAPs, DMS and globalization. If developed countries seem to welcome NEPAD, that means that NEPAD may not really question the current situation. Historical background confirms indeed that all so-called development policies and programmes supported by donors were donor-led initiatives and conditions for development aid: stabilization programmes and their stand-by agreements, Structural Adjustment Programmes and Economic Reforms Policies, Poverty Reduction Strategy Papers (PRSP) today, etc. None of the genuine African initiatives got financial support from donors. Things are done as if Africa doesn't have the right or the capacity to think by herself her development way. NEPAD has been mostly marketed towards donors and not enough in Africa for ownership, not only by Heads of State and Governments, but rather by African people through their CSOs and OPS bodies. This approach means that NEPAD strategy is mainly aimed at showing to donor community that Africa deserves their support, and for this reason, it is ready to meet donors requirements and conditionalities. And we know the real goals of these conditionalities. Since NEPAD is going to be translated also in sectoral programmes for donor funding, it should be a requirement that African countries themselves include NEPAD programmes in their individual or national development programmes. Most of the previous initiatives have failed because of the lack of political commitment and determination at country level. If negotiations are left at the national level, this may not lead to the expected results. The move from New African Initiative (NAI) to New Partnership for

Africa's Development is significant in different ways. It shows that the whole process is launched towards donors to show the new way Africa under the current political leadership, is going to integrate in the world process, and what it needs from developed countries in this respect. It is not designed as a new development vision around which African people are going to be mobilized by their political leaders. In the same vein, NEPAD approach is about "catching up" developed countries! What is neither possible, nor the right direction. The gap is widening every day and Official Development Assistance (ODA) is continuously shrinking. That is known. Even at the last month UN Global Conference on Financing for Development in Monterrey (Mexico), EU and USA promised to increase their aid by approximately $7 billions and $5 billions a year respectively. Estimates and expectations are that ODA should be doubled if partners are to achieve or meet the requirements of the Millennium Development Goals. EU and USA announcements if materialized, represent 20 to 25% increase in total ODA, far below the objective. Conditions for private sector investments in Africa are far to be met. Therefore, realistically expected funding may not meet the NEPAD needs for its implementation. Those are some of the questions I wanted to share with you to stimulate our discussion on this important initiative as a potential African Development leadership instrument.

In concluding this lecture, I want to come back to a concrete example of collective development leadership through a partnership initiative and instrument, the Human Development Fund (HDF). And that is my fourth and last point.

The Human Development Fund

Development leadership can be illustrated in individual institutions actions. It can be also illustrated in joint or collective initiative. During the last two years, we have been trying to sensitize development actors from all critical segments of Nigerian society, to build a strategic alliance in fighting human poverty at grassroots level. Poverty level in Nigeria is so high that more than two-third of Nigerian population lives under poverty line, ie with not more than one US dollar par day. Figures concerning access to basic social services such as clean drinking water, basic education, primary health cares, etc indicate a high level of human deprivation. This also gives an indication of the high level of expectations towards the new democratic dispensation. The task is immense and nobody, individual or institution can claim alone to be strong enough to meet these expectations. There is a need for development actors to join hands and partner in fighting human poverty. It is in this perspective and for this noble goal that UNDP launched the Human Development Fund initiative in December 2001.

HDF Concept and Operational Modalities

The HDF is an instrument of the National Partnership Forum, an initiative of the United Nations Development Programme aimed at creating a coalition of development partners, that will make significant contributions to national efforts at all levels, in the fight against human poverty in Nigeria, especially towards reducing the percentage of Nigerian population living in extreme poverty by half by the year 2015. The HDF is therefore a joint instrument of collective development leadership, because it is a product of a coalition of development partners against human poverty. The HDF seeks to sensitize and mobilize development actors from institutions and privileged strata of the society: government at the three levles, the organized private sector fully aware of its corporate social responsibility, wealthy individuals and friend of Nigeria, to join hands with UNDP and partner with my organization in pooling resources for grassroots community development activities. Contributions made to the HDF would be used to fight human poverty by providing basic social services such as clean water and sanitation, basic education and functional literacy, primary healthcare, women empowerment, job creation opportunities for youths in rural and urban communities, micro-credit for community micro and small businesses.

Contributions to the Fund shall be of two main types: general or non-targeted and targeted donations. General contributions are those made in support of the HDF general objectives. Funds mobilized through this contribution modality will be used or allocated on the basis of ongoing and priority areas of support within the overall context of the HDF mandate. Decisions f or allocations are made by the HDF national Board on basis of the needs and requests submitted by HDF State chapter Boards. Targeted contributions are those earmarked for specific projects (water, health, education, roads, women, youths, micro credit) and/or for specific geographic areas: State, LGA or community. Contributors and partners in this strategic alliance don't get an immediate individual profit. However, any contributor will gain recognition as one of those helping to make a difference in his area or in a specific development sector. Partners and projects they sponsor will be featured on projects sites and regularly on UNDP web sites and global news networks. You and your partners will enjoy seeing poor lives changed and hopes renewed in blighted rural communities. Your company's corporate social responsibility activities would be enhanced beyond your dreams. You and your partners will earn the enduring goodwill of communities benefitting from your contribution. Overall, a prosperous Nigeria translates to better business for businesses. The Fund is administered by UNDP in accordance with the organization applicable rules, and managed by a National Board of eminent Nigerians compromising representatives of the private sector, civil society, government and donor community.

State chapters of the Fund are being established with similar management Boards.

Enugu Development Trust Fund (EDTF)

The EDTF is the Enugu State chapter of the UNDP HDF, although it was officially launched before 17th December 2001. I'm not going to present you your baby. I'm not going to present to you your strategic partnership instrument for poverty eradication in Enugu State. But I would like to make a few comments on this joint instrument for development leadership in this State.

First of all I want once again to commend our partners in this initiative: the State government and His Excellency the Executive Governor, the organized private sector, civil society organizations and development NGOs, eminent citizens of this State who accept to join hands and create the EDTF. Msgr. Obiora Ike accepted to chair the first HDF State chapter Board. Enugu State has not only pioneered such an important instrument, but you have given an example, a concrete illusion of how to set up an instrument of collective development leadership. This exemplary initiative becomes a reference for other States of the Federation, a model and therefore a challenge for you. You should not fail. You should maintain your lead role in this process both at the thinking and the implementation levels of your collective development leadership. UNDP will continue to be proud of you. We will send you other partners from other States and even from other countries to learn from your experience, but we'll do it only if you are a successful example. I want to confirm that UNDP will continue to support you and advocate for you. That is why I take this opportunity once again to invite you to make your contributions and or increase your contributions to the EDTF for the benefit of the good people of this state. UNDP stands as your reliable and committed development partner and you can count on my organization. I wish long life to our instrument of collective development leadership in Enugu State.

Let me stop here once again I thank you for your attention.

References

UNDP, Human Development Report 1999, New York, July 1999.

KANKWENDA, Mbaya, Marabouts ou Marchands du Development en Afrique?, L'Harmattan, Paris 2000.

HIBOU, Beatrice, (editor), La privatization des Etats, Karthala, Paris, 1999.

UNCTAD, Economic Development in Africa: Performance, prospects and policy issues, New York and Geneva, 2001.

SUTTNER, Raymond (ed), Africa in the New Millennium, Nordiska Afrikainstitutet, Discussion paper no.13, Uppsala, 2001.

ANNAN, Kofi, Message to the World Social Forum, delivered on 4 February 2002 in Porto Alegre, Brazil.

UNDP Nigeria, National Human Development Report, Millennium Issue 2000-2001, Lagos 2002.

UNDP, The Human Development Fund for Community Development, Draft concept paper and operational procedures, Lagos 2001.

12

Culture, Poverty and Development. A Response to Professor Kankwenda's Paper on Globalization and the Need for Development Leadership in Africa*

John D. Cochrane

Culture and the Neoliberal Paradigm

I would like to begin my response to Professor Kankwenda's paper by citing the view expressed in section 1.5, under the heading *Globalization and Cultural Integration*. On this issue, Professor Kankwenda tells us the following:

> "Globalization is also a cultural integration process through the transnational flow of ideas, goods and images. Thoughts and forms of art expression are being globalized and therefore part of the process. This is obvious in music and movie industries, painting, dressing, literature, language and even religion. The new world market embraces all these aspects.
> Since the cultural integration goes to some extent with the economic globalization, it is obvious that culture and cultural expressions will be dominated not by small and developing

* Reply to Prof. M. Kankwenda's keynote address presented at the 6th Micro-enterprise Development Co-operation (MDC) Colloquium (a GBF-CIDJAP inititative), April 2002 at Hotel Presidential Enugu, Nigeria.

countries, but rather by powerful economic countries and their transnational corporations. Globalization is in its cultural dimension, a denial of cultural identity."[1]

As I think you will agree, the last sentence in particular provides us with an unequivocal point of departure for engaging with Professor Kankwenda's paper. As far as the cultural dimension of globalization is concerned, he tells us, the process is unambiguously one of the denial of cultural identity. In terms of concrete impacts, this leads to a uniformity of cultural models:

> "As indicated, the world context is made of course of the growing globalization process that covers the economic dimension (integration of production, market, capital etc.), the political dimension (harmonization of political systems for the required management of national economies and societies as sections of a globalized economy), and the socio-cultural dimension, meaning polarization and uniformity of cultural models in the economic globalization."[2]

According to my understanding of his paper, Professor Kankwenda believes that building effective development leadership for Africa will mean successfully addressing this problem of cultural homogenization inherent in the globalization process. Indeed, he makes this something of a key conceptual problem in the introduction to part 3 of his paper – *The Need for Development Leadership in Africa* – where he offers us the following thoughts:

> "Putting the African continent in the sustainable human development dynamics contributes to the building of a pluricentrist and multi-polar world in the interest of all and at the contrary of the current uni-polarization of the globalization process. Moreover, the requirement of pluri-centrism and multi-polarity is not only economic, social and political, it is

[1] Kankwenda, M., Globalization and the Need for Development Leadership in Africa, Enugu (2002).
[2] Ibid.

> also conceptual, including issues related to development thinking. That's where the challenge of promoting a development leadership for the continent comes in."[3]

At this point, we might ask: Is this conceptual problem of uni-polarization merely an academic issue? My own answer, and I believe Professor Kankwenda's, would be: Absolutely not. Because, as Professor Kankwenda rightly draws to our attention, the primacy of the market over cultural identity, imposed by the dominant neoliberal paradigm of globalization, means the marginalization of most of the world's people, and the impoverishment of Africa:

> "Globalization is therefore a process made not only of economic, financial, social, political and cultural integration, but by the same token it is also a process of marginalization, exclusion of the majority of world people from its benefits and opportunities, a process of African impoverishment.
>
> [...] the world context is also characterized by a powerful, conservative and collective neo-liberal ideological and economic dictatorship of the North on the South and therefore on Africa, with the tendency to strengthen the role of instruments and institutions such as the World Trade Organization (WTO), the World Bank (WB) and the International Monetary Fund (IMF) especially.
>
> The world economy is also characterized as a component of the globalization process, by the strong principle of competitiveness in the global market, principle that is becoming more and more the guiding force and the only one reference and main criteria for production decision even at the national level."[4]

Ladies and gentlemen, these are the aspects of Professor Kankwenda's paper with which I wish to engage. Clearly, I have

[3] Ibid.
[4] Ibid.

been selective in my reading of the paper, and have been so in pursuit of my own agenda. At the same time, however, I believe that by focusing selectively on the idea of culture in the context of globalization and the need for development leadership in Africa, we are finally coming round to tackling at root an underlying issue whose significance has hitherto been sorely neglected by the international community. It is an issue on which there is much more to be said, and indeed, many leading development thinkers are now beginning to say it.[5]

Before I continue, I must confess that I have come here today with an explicit agenda. That agenda involves recruiting advanced students to pursue a doctoral degree in the disciplines of theology, philosophy or sociology, within an international Ph.D. Programme at the University of Frankfurt, Germany, entitled "Religion in Dialogue". More of Religion in Dialogue in a few moments. But let me first of all say a few words concerning the process of dialogue in the wider context of African development.

The first task of any facilitator of dialogue – or indeed any participant in dialogue – is to listen to what other relevant actors are saying. So in our present context, let us listen to what African leaders are telling us about globalization and development leadership today. Only a few weeks ago African leaders, including their Excellencies Presidents Obasanjo of Nigeria and Mbeki of South Africa, met in Abuja to consult further on a document which emerged in 2001 entitled "The New Partnership for Africa's Development" – otherwise known by the acronym NEPAD. And indeed, we just heard a good deal about that document in Professor Kankwenda's paper. The document sets out a vision, conceived by leaders of Africa, for Africa's development in partnership with the international community. What are we to make of this vision? Though much of the document's

[5] The reader is referred to the Summary Report of an International Policy Dialogue convened by the Development Policy Forum of the German Foundation for International Development (DSE) and the Federal German Ministry for Economic Cooperation and Development (BMZ) on "Development of Cultures – Cultures of Development. Cultural Aspects of Development and Conceptions of State and Society," held at Berlin from 4-5 March 2002. Go to: http://www.dse.de/ef/texte.htm.

content comes as no surprise – it identifies for instance, rather uncontroversially, the widening poverty gap in the face of globalization as but one problem in urgent need of eradication – it does speak of a "historic opportunity."[6] It identifies the presence of abundant resources and, with a view to their mobilization and appropriate utilization, calls for a "bold and imaginative leadership that is generally committed to a sustained human development effort."[7] Clearly, the shape and form which that bold and imaginative leadership might take is eminently relevant to our topic today.

So what does NEPAD contain that is truly fresh, and might be seen as a starting point for seizing the "historic opportunity" of which the document speaks? According to my own reading of NEPAD; the answer to that question can be formulated – and here I use my own words – as: "the need to peacefully manage cultural difference whilst maintaining diversity". NEPAD elevates this principle to a kind of categorical imperative for sustainable development in Africa:

> "The New Partnership for Africa's Development will be successful only if it is owned by the African peoples united in their diversity".[8]

I believe the importance of culture management may indeed prove paramount for sustainable development in Africa. And although the thorny issue of cultural or ethno-religious pluralism within a single polity together with all its attendant problems – sometimes referred to in African contexts as tribalism – is hardly a newcomer to the African development agenda, the unequivocal primacy which NEPAD attaches to it does mark a fresh, continent-wide emphasis. We should also note in passing that this principle of the primacy of culture for development might be applied not only to Africa in general, but also – and especially – to Nigeria in particular. Indeed, Nigeria's cultural, i.e. ethnic and religious, diversity makes it some-

[6] NEPAD, Item 6, 205.
[7] NEPAD, Item 6.
[8] NEPAD, Item 51.

thing of a paradigm case for the continent as a whole. And let us not forget that one in six Africans is Nigerian. The economic and political clout which go with the demographics make Nigeria perhaps the most significant country of Africa in the eyes of the international community. Within the foreseeable future, Nigeria may point the way forward, one way of the other, in how successfully the fact of cultural diversity is to be addressed in the interests of sustainable development.

Taking as a working hypothesis the notion of Nigeria as the paradigm case for the continent, I would now like to offer a few broad exploratory thoughts on culture management and development leadership for Nigeria. I dare say you will agree if I say that no Nigerian audience needs any lessons in history delivered by a white man, least of all an Englishman. Nevertheless, less us first recall to mind a few facts of history which apply both to Africa in general, and to the present political entity which is Nigeria in particular. As with the other colonized countries of Africa, the national borders bequeathed by the departing imperial power both forced disparate ethno-linguistic and religious groups to co-exist within a single polity, and at the same introduced territorial divisions within homogenous groups where previously none had existed. Today, the negative impacts of these territorial aspects of the colonial legacy are common knowledge, even amongst intelligent school children. Yet, as NEPAD draws to our attention, the cultural damage inflicted on Africa went far deeper than mere lines drawn on a map:

> "Colonialism subverted hitherto traditional structures, institutions and values or made them subservient to the economic and political needs of the imperial powers. It also retarded the development of an entrepreneurial class, as well as a middle class with skills and managerial capacity."[9]

So, taking a historical perspective we see that the culturally inappropriate national boundaries left behind by the departing powers merely compounded the prior introduction of culturally inappropriate and unsustainable economic, institutional, political, legal and ethical practices. And last but not least, this had been preceded by slavery. Can there conceivably be any more gross form of cultural expropriation than being literally shipped off to a foreign land, and transplanted as a mere economic commodity?

[9] NEPAD, Item 21.

In sharing these thoughts with you, I wish to make one simple point, which is this: In the African context, processes of economic impoverishment have gone, and continue to go, hand-in-hand with processes of cultural impoverishment. Accepting that to be the case for the purpose of argument, I would now like to propose a few ideas concerning the possible link between poverty and culture in today's context of globalization, and what the implications of that might be for development leadership in Africa.

Poverty and Culture in the Age of Globalization

Globalization has brought new forms and variations of economic and cultural impoverishment. In many regions of the South, the last two decades have witnessed urban migration in some cases on a quite breathtaking scale. The relentless onward march of globalization has generated intolerable economic pressures on rural populations, leaving them with no alternative economic option but to leave their homes and head for the urban centers. Within less than a generation, more or less integral cultures have been torn out at the roots and transplanted to informal peri-urban settlements. But there too, economic opportunities and basic services are usually few and far between. Where this situation of cultural and economic impoverishment is compounded by factors of multiethnicity and multiculturality, militant and divisive manifestations of formerly more wholesome cultures emerge to become a tool of political manipulation in the hands of unscrupulous power-seekers. This in turn can compound poverty by causing conflict, generating a further need for conflict management and reconciliation work.

Phenomena of this kind have of course been seen in the urban agglomerations of Nigeria – in your national context. Yet such traditionalisms – groupings that mobilize the natural vitality of disaffected, economically marginalized and culturally disempowered young men by purporting to draw on long-standing ethno-religious cultural traditions, whilst in fact merely concocting a neo-ideology of whatever species organized around a few potent symbols for the purpose of fuelling violent conflict in the service of unscrupulous power- or profit-seekers – are also being witnessed in other parts of the world. This observation is for instance made the organizing principle of a book by Benjamin Barber entitled *Jihad vs. McWorld. How Globalism and Tribalism are Reshaping the World.*[10] As Professor Kankwenda indicated, globalization means a neo-liberal hegemony of the North over the South, it means marginalization of most of the world's people, and, in its cultural dimension, means a uniformity of cultural models. For my own part, I would like to suggest that at least some of the causal factors behind many of the dreadful acts committed in the name of traditionalisms, for instance in Nigeria, originate from within the globalization process itself, in its present neo-liberal form. In local situations where decent economic and cultural structures have all but collapsed, in part due to pressures generated by globalization, groups worst affected sometimes have literally no other options left to vent their frustrations but to resort to traditionalisms. Please do not misunderstand me. I am not advocating that we withhold our condemnation of the perpetrators of evil acts motivated by ethno-religious hatred. On the contrary, such acts must be forcefully condemned, and met with the full force of the law. But if we are to make progress on these issues, I would like to propose that we address critically not only the economic, but also the cultural dimension of the neo-liberal paradigm of globalization.

Some might ask, am I taking culture a little too seriously? My answer would be that I am certainly taking it more seriously than development thinkers have so far tended to do. The dominant mode of discourse within the development community right now may be the language of economics. But I believe that this paradigm is about to shift, in favor of economic AND cultural sustainability. And judging from NEPAD's imperative of unity in diversity, it is

[10] Barber. B., Jihad vs. McWorld. How Globalism and Tribalism are Reshaping the World, New York (1996)

not inconceivable that such a paradigm shift may emerge first from Africa, and even Nigeria itself. I concede that there is an element of wishful thinking present on my own part here. NEPAD does not take things quite that far. It fails to do so, in my view, because it has a too narrow view of culture. Though it clearly acknowledges the peaceful management of cultural difference as key to sustainable development, including reconciliation and conflict prevention work to name but one area of meaningful activity, when it comes to actually formulating its objectives it reverts to the present conventional mode of liberal economic discourse which relegates "culture" to a sub-system comprising essentially the cultural artifacts or aesthetic products – literature, painting, song, dance, music, religion and so on – of a society, as opposed to an integral set of practices embracing the economic, the social, the legal, the institutional, the political, the ecological, the aesthetic and the religious spheres of human existence that make life a meaningful experience. This is the wider understanding of culture which I myself prefer, and which I believe should be an integral part of the agenda for poverty alleviation and human development.

Development leaders in Africa, it seems to me, whether in the governmental, non-governmental or what I might call the intellectual, scholarship or university sector, are now giving us this very message, whether implicitly or explicitly. During my last few days in Enugu, not a single African intellectual I have spoken to expressed any other view, broadly speaking. And indeed, this was reflected in the words of the distinguished speaker who preceded me, Chief Loretta Ukaegbu Aniagolu. Similarly NEPAD, a document geared to poverty alleviation, identifies diversity within unity as the key requisite to its own success. And many non-governmental development actors are already pursuing an agenda of building culturally appropriate business practices and structures, to counter the tendency towards corruption engendered – at least in part – by the subversion of traditional structures in the service of colonial interests, of which NEPAD speaks.[11] The entrepre-

[11] Cf. NEPAD, Item 21.

neurial class that was prevented from emerging and of which I spoke earlier, is now there for all to see. A further aspect of globalization which I have not yet mentioned is the creation of international legal frameworks and agreements to provide global governance. Here too, there is something of a culture gap at work, which African development leaders are drawing to our attention. In the year 2001 our two distinguished hosts – the Rev. Professor Ike and Mrs. Edozien – produced a book entitled *Understanding Africa – Traditional Legal Reasoning, Jurisprudence and Justice in Igboland as a Basis for Culturally Rooted and Sustainable Development*.[12] (And I might that, upon my return home, I will be inviting our legal philosophers at the University of Frankfurt to read this work). In all this, I see a new cultural assertiveness, a new self-confidence on the part of African development leaders. NEPAD itself speaks of "reconstructing the identity and self-confidence of the peoples of Africa."[13] It is as if Africans are saying, which they would be most entitled to do, "enough is enough" where the imposition of cultural identities is concerned. Self-determination means cultural self-determination.

As the continent worst afflicted by economic and cultural impoverishment past and present, I contend that Africa may at this point in history be best qualified to teach us a few lessons in this domain. I contend that African development leaders need to be trained, and the development community needs to be trained by African development leaders, in the peaceful management of cultural difference in the interests of global sustainability.

To place what I have said so far about Africa once again in the wider context of globalization, I would now like to make a few comments concerning culture management at the international level. 2001 witnessed the abominable events of the 11th of September. Since that point in time, can anyone seriously doubt the urgency – and primacy – of the need to address cultural and religious

[12] Ike, Obiora F. and N. Edozien, Understanding Africa – Traditional Legal Reasoning, Jurisprudence and Justice in Igboland as a Basis for Culturally Rooted and Sustainable Development, Enugu (2001).

[13] Cf. NEPAD, Item 14.

difference in the interests of global peace and stability? Religious difference, it seems, has made it onto the international agenda rather late – and indeed too late for some. There may be a historic lesson to learn here. The lesson is: We ignore culture at our peril. Economically, we are now picking up the bill for having addressed the problem too late. And whether, how and at what cost sustainable human development can be achieved in Afghanistan once the war on terror is finally over, remains to be seen.

We might note in passing that, whilst my earlier comments sought to establish links between economic poverty and culture, the big picture is at the same time rather more complex than that. Some of the perpetrators of the terrorist acts of the 11th of September were affluent, and had enjoyed the benefits of a Western education. And those payrolling them were infinitely more wealthy. So the (in part) culturally motivated fury that may lead some even to embrace their own deaths clearly need not necessarily be motivated by poverty in any economic sense.

The United Nations Year of Dialogue among Civilizations

In light of those events of the 11th of September, 2001 may go down in history as a turning point. Yet is it not an ironic twist of history that what some were quick to interpret as the Clash of Civilizations, actually occurred during the United Nations Year of Dialogue among Civilizations? The guiding principle of the Year of Dialogue offered a truly exciting prospect. It sought to bring about a paradigm shift in international relations, moving away from the will to power, and towards values of empathy and compassion. A lofty ideal indeed. And though we may need to remain modest in our expectations for some time to come, we may nevertheless continue to pursue that ideal.

I have with me a copy of the minutes of the Round Table held at United Nations Headquarters to mark the launch of the Year of Dialogue. It contains an abundance of eminently quotable lines, which more or less reflect the points I made earlier. Without a doubt, this dialogue between civilizations and cultures needs to be pursued at the level of scholarly discourse. But the urgency of its practical application was perhaps best captured by His Excellency President Obasanjo himself:

> "Each nation must embark on the urgent task of reconciliation and confidence-building. In many developing countries, reconciliation was indispensable for economic and social development"[14]

This is the essence of what I am saying to you today: There can be no sustainable economic and social development without peaceful and constructive engagement between cultures and religions. Though this factor alone will by no means be sufficient to generate sustainable development, it does represent a hitherto undervalued segment of development work. Though NEPAD emphasizes the importance of reconciliation, it makes no explicit reference to processes of dialogue between cultures and religions. This deficit is also reflected in what NEPAD has to say about human resource development. It calls on donor countries to help bridge the education gap. And it calls for the creation ~~of specialized~~ networks between institutions of higher education. But in doing so, it places strong, though not exclusive, emphasis on the technical disciplines. Whilst this emphasis is clearly correct, I wish to suggest that it urgently needs to be complemented by such international networks that foster dialogue among civilizations, among cultures and religions. This will create research capacities enabling development actors to systematically develop the theoretical expertise they need in order to better perform their work of building culturally appropriate activities for sustainable development.

Religion in Dialogue – an International Ph.D. Program

At this point it will be apparent to you where my agenda fits in with our topic today. Frankfurt University's International Ph.D. Programme – "Religion in Dialogue" – is one such network where

[14] Cf. http://www.un.org/Dialogue/pr/ga9747.htm

development leaders might acquire that further expertise to apply in their work.

Among the first participants of our new programme , launched in 2001 to coincide with the United Nations Year of Dialogue among Civilizations, will be our distinguished host Mrs. Edozien. She will shortly be enriching our pool of international participants, bringing her proven track record and wealth of experience as a development practitioner to bear. I have no doubt that she will be setting the standards by which others will be judged. And I might add that our university's cooperation with institutions in Enugu – namely CIDJAP and ESUT – is already well-established, and in fact predates our Ph.D. programme. Dr. Joseph Offor recently obtained his Ph.D. from Frankfurt, for instance, and will soon be returning to Enugu. Raffael Affam will soon be following in his footsteps. And I hope that through the new Ph.D. programme, our cooperation will Enugu will gain renewed vigor, and continue to bear fruit for many years to come.

Might I also humbly suggest that our programme offers the kind of HRD capacities that would complement the outstanding resources of UNDP, in an activity area which UNDP has hitherto not construed as falling within its own mandate. This is where I see Religion in Dialogue as having a special contribution to make to the development process.

Concluding Remarks

I have argued that the principles of the United Nations Year of Dialogue need urgently to be integrated into the planning and implementation of poverty alleviation measures by leaders of development in Africa, in order to protect global cultural sustainability. I have also said that Africans, worst afflicted by cultural impoverishment, might now be best qualified to help enable the international community to press ahead with this agenda of intercultural dialogue. I would therefore like to leave the last word to an African, a Nigerian, an Igbo, whose name will be familiar to you all – Chinua Achebe. In *Home and Exile*, an autobiographical work, Achebe succinctly helps us identify our present location on the path of dialogue:

> "To those who believe that Europe and North America have already invented a universal civilization and all the rest of us have to do is hurry up and enroll, what I am proposing will appear unnecessary if not downright foolish. But for others who may believe with me that a universal civilization is nowhere yet in sight, the task will be how to enter the preliminary conversations."[15]

I invite all those who share this view of Achebe's to join with me in dialogue. Thank you.

References

1. Achebe, C., Home and Exile, Oxford (2000)
2. Barber, B., Jihad vs. McWorld. How Globalism and Tribalism are Reshaping the World, New York (1996)
3. DSE Development Policy Forum, Development of Cultures – Cultures of Development. Cultural Aspects of Development and Conceptions of State and Society, Summary Report of an International Policy Dialogue, Berlin (2002)
4. Ike, Obiora F. and N. Edozien, Understanding Africa – Traditional Legal Reasoning, Jurisprudence and Justice in Igboland as a basis for Culturally Rooted and Sustainable Development, Enugu (2001)
5. Kankwenda, M., Globalization and the Need for Development Leadership in Africa, Enugu (2002)
6. The New Partnership for Africa's Development (NEPAD), (2001)

[15] Achebe, C., Home and Exile, Oxford (2000).

13

Globalization and the Social Teaching of the Church*

Most Rev. Diarmuid Martin

Introduction

May I congratulate the Pontifical Council for the Family and its President, Cardinal Alfonso Lopez Trujillo, on organizing this interesting Conference which in very original manner attempts to address the relationship between two important realities: the world-wide phenomenon of economic globalization and the first and fundamental cell of human society, the family. This insightful event is especially appropriate during the Jubilee Year. In the Exhortation *Ecclesia in America* (n. 55) the Pope noted that the "globalized economy must be analysed in the light of the principles of social Justice". At the same time, the Pope notes (Tertio Millenio Adveniente, n. 13) that the Jubilee year was meant precisely to restore social justice. The Jubilee was the occasion to restore relations between God and his creation to their correct form. It was to restore God's original design of harmony and equity among humankind and between humankind and the rest of creation. Today our world needs a jubilee. The world needs a jubilee in which the entire

* Paper presented at a conference *On the Social Question* co-organized by the Pontifical Council for the Family and the Acton Institute for the Study of Religion and Liberty, Michigan, USA, at Vatican City, Rome 2000.

community can rediscover the deep meaning of creation and of the manner in which humankind has been entrusted with the task of being the steward of the harmony instilled by God. This is vision far removed from that of extreme consumerism and/or the exploitation of human and natural resources for pure commercial gain of which we have many examples today. We need to celebrate a Jubilee and recall the plan of God for humanity and for creation.

I want today to look at some aspects of how the social teaching of the church address the theme of globalization, especially in the context of the jubilee message of harmony and equity, which stresses that "the riches of Creation were to be considered as a common good of the whole of humanity". But let us now look step by step at the reflections of the social teaching of the Church. It is rather unhelpful to turn to the index in the traditional textbooks and compendia of the Social Teaching of the Church to find references to the theme of globalization. They are simply not there. There are, of course, references within the social teaching from the 1960's onward to "the internationalizing of economic relations". Pope John XXIII, for example, in *Pacem in Terris* notes: "There is also a growing economic interdependence among States. National economies are gradually becoming so interdependent that a kind of world economy is being born from the simultaneous integration of the economies of individual States" (n. 130). The lack of reference to globalization in the past is certainly being made up for today. There are numerous references to the theme in Papal addresses, but never a detailed discussion. The theme has been taken up by many Bishops' Conferences, especially by those of developing countries concerned by the negative effects of globalization. The Bishops of the developed countries also note the ambivalence of globalization in its current manifestations.

What might be useful in our reflection would be to take up some of the traditional principles of the social teaching of the church and to examine how they are being applied to the current manifestations of the reality of globalization. Ecclesia in America (n.55) lists some of these: "human dignity, solidarity and

subsidiarity". It is not that the social teaching is somehow trying to superficially adapt itself to this new phenomenon, to put new wine into old wineskins. Rather, I hope, it will be seen that certain fundamental principles of the Church's social teaching are highly relevant to the phenomenon of globalization and give us some basic criteria for its long-term ethical evaluation. I will deal primarily with major Papal texts.

The Catholic Church: A Global Actor with Global Responsibilities

The Catholic Church is in fact, in a unique position to address the issue of globalization. The Church is quite clearly a natural global actor and has thus specific global responsibilities. The Catholic Church is a world-Church. It exists in almost every section of the world, even if in different numerical proportions and even if it impacts in different ways on local political and economic culture. Pope John XXIII noted: "The Church by divine right pertains to all nations. This is confirmed by the fact that she is everywhere on earth and strives to embrace all peoples" (*Mater et Magistra*, no. 178). It would be a mistake, however, to think that the Church's interest in and responsibility for globalization springs in the first place from the simple statistical fact that the Catholic Church is a world-church, from the fact of the territorial extension of the Church throughout the world.

The principal reason for which the Catholic Church is a natural actor on the global scene arises from the very nature and mission of the Church itself. The Constitution of the Church of Vatican II stresses in its very first paragraph that the "Church, in Christ, is in the nature of a sacrament: a sign and instrument, that is, of communion with God and of unity among all men" (*Lumen Gentium*, 1). The primary contribution of the Church to the debates on globalization is linked, therefore, with the mission of the Church to preach and witness to the fundamental unity of the human family in Christ. The primary criterion for judging the results of globalization is how far it contributed to fostering true unity among all persons.

Humanity as a Single Family

In his World Day of Peace Message for the beginning of this year, Pope John Paul repeatedly stressed this fundamental, yet very simple principle which must guide all our reflection of globalization, namely, that *"humanity, however much marred by sin, hatred and violence, is called by God to be a single family"* (no.2). The Pope was primarily addressing the theme of peace. *"There will be peace only to the extent that humanity as a whole rediscovers its fundamental calling to be one family, a family in which the dignity and rights of individuals—whatever their status, race or religion—are accepted as prior and superior to any kind of difference or distinction"* (no. 5). But the Pope goes on immediately to note that: *"this recognition can give the world as it is today—marked by the process of globalization—a soul, a meaning and a direction. Globalization, for all its risks, also offers exceptional and promising opportunities, precisely with a view to enabling humanity to become a single family, built on the values of justice, equity and solidarity"* (ibid.).

This fundamental unity of humankind is theological in character. This theological view defines the world-view of believers, even when they approach the technical questions of globalization. Pope John Paul notes: *"(An) awareness of the common fatherhood of God, of the brotherhood of all in Christ—children of God—and of the presence and life-giving action of the Holy Spirit will bring our vision of the world a new criterion for interpreting it. Beyond human and natural bonds, already so close and strong, there is discerned in the light of faith a new model of the unity of the human race, which must ultimately inspire our solidarity"* (*Sollicitudo Rei Socialis*, no. 40).

Globalization in Solidarity

The Social Teaching of the Church has tended to address the question of globalization and its effects on the unity of the human family within the context of its reflections on development. It is concerned especially about inequalities and the exclusion of individuals and peoples from economic and social progress. Pope John Paul II addresses, for example, the question of monopolies and unfair competition, not in terms of market functioning, but in terms of the inclusion of the poorest: *"It is necessary to break down the barriers and monopolies which leave so many countries on the margins of development and to provide all individuals and nations with the basic conditions which will enable them to share in development"* (*Centesimus Annus*, no. 35).

For Pope John Paul II, for example, the challenge for catholic social teaching, *"is to ensure a globalization in solidarity, a globalization without marginalisation"* (Message for World Day Peace 1998, no.3). The stress of the social teaching is, one might say, on how to tame, domesticate, manage or govern the processes of globalization, in order that they may effectively create a more inclusive and more equitable development process. It is also about the manner in which we act today to create a "globalization of solidarity", "an authentic globalized culture of solidarity"(Ecclesia in America, no. 55).

The Social Question is World-Wide

Pope Paul VI's in his Encyclical *Populorum Progressio* stressed that in the contemporary world the social question by its very nature had become world-wide. The answer must be found in a new vision of integral development, which "fosters each man and the whole man" (no.14), that is, every dimension of the person's life and persons as found anywhere in the world. "The social question ties all men together" (*Populorum Progressio*, no. 3). Even earlier, the Vatican Council had drawn attention to the fact that the function of economic activity is intrinsically linked to basic human interests of a universal nature. *Gaudium et Spes* n. 64 notes: today more than ever before, attention is rightly given to the increase of the production of agricultural and industrial goods and of the rendering of services, for the purpose of making provision for the growth of population and of satisfying the increasing desires of the human race.... The fundamental finality of this production is not the mere increase of products nor profit or control but rather the services of man, and indeed of the whole man with regard to the full range of his material needs and the demands of his intellectual, moral and spiritual and religious life; this applies to every man whatsoever and to every group of men, of every race and of every part of the world. Consequently, economic activity is to be carried on according to its own methods and laws within the limits of the moral order, so that God's plan for mankind be realized".

Pope Paul VI stresses that economic activity must be situated within a wider context of authentic and integral human development, especially if it is to be effective in this new world-wide context. He notes that *"the development we speak of here cannot be restricted to economic growth alone"* (PP, no. 14) and indicates some elements of the political context which must be considered: "If authentic economic order is to be established on a world-wide basis, an end will have to be put to profiteering, to national ambitions, to the appetite for political supremacy, to militaristic calculations and to machinations for the sake of spreading and imposing ideologies" (PP, no. 18).

This broader context within which economic globalization must be examined is taken up with specific references to modern globalization, for example, in *Ecclesia in America* (especially nos.20 and 55). The Pope notes that *"the ethical implications of globalization can be positive or negative. There is an economic globalization which brings some positive consequences, such as efficiency and increased production and which, with the development of economic links between different countries, can help to bring greater unity among peoples and make possible a better service to the human family. However, if globalization is ruled merely by the laws of the market applied to suit the powerful, the consequences cannot but be negative"*. And the Pope goes on to indicate some of these possible negative consequences: "absolutizing the economy, unemployment, the reduction and deterioration of public services, the destruction of the environment and natural resources, the growing distance between rich and poor, unfair competition which puts the poor nations in a situation of ever increasing inferiority".

Absolutizing the Economy

The concept of "absolutizing the economy" is particularly significant for our reflections on the social implications of globalization. Social progress cannot be achieved without sustained economic growth. Today, however, it is more and more evident also that sustained economic growth on its own will not necessarily achieve social progress. We require what is called "quality growth", that is, growth with equity and inclusion. The social goals of the international community cannot be determined only by the technical economic decisions of international financial institutions or by decisions heavily influenced by the domestic interests of a group of the stronger economies.

Pope John Paul had addressed the concept of "absolutizing the economy" in various ways in his Encyclical *Centesimus Annus*. *"If economic life is absolutised, if the production and consumption of goods become the centre of social life and society's only value, the reason is to be found not so much in the economic system itself as in the fact that the entire socio-cultural system, by ignoring the ethical and religious dimension has been weakened and ends up limiting itself to the production of goods and services alone... Economic freedom is only one element of human freedom. When it becomes autonomous, when man is seen more as a producer or consumer of goods than as a subject, who produces and consumes in order to live, then economic freedom loses its necessary relationship to the human person and ends up by alienating and oppressing him"* (CA, no. 39).

It is not difficult to recognize a link between these affirmations and, for example, the sense of unease which many citizens feel in the face of the way in which the structures meant to manage international trade and economic regulations are currently emerging. We have to translate into "global terms"what the Pope affirms in the context of national economic situations: absolutizing the economy leads to a situation in which "people lose sight of the fact that life in society has neither the market nor the State as its final purpose, since life itself has a unique value that the State and the market must serve (CA, n. 49).

The Market

The comments on "absolutizing the economy" are closely linked with the manner in which Centesimus Annus deals with the role of the market on the international level. The Pope clearly notes the importance of the market; *"It would appear that, on the level of indi-*

vidual nations and of international relations, the free markets is the most efficient instrument for utilizing resources and effective in responding to needs. But this is true only for those needs which are "solvent", insofar as they are endowed with purchasing power, and for those which are marketable, insofar as they are capable of obtaining a satisfactory price. But there are many human needs which find no place in the market. It is strict duty of justice and truth not to allow fundamental human needs to remain unsatisfied and not to allow those burdened by such needs to perish. It is also necessary to help these needy people to acquire expertise, to enter the cycle of exchange and to develop their skills in order to make the best use of their capacities and resources. Even prior to the logic of a fair exchange of goods and the forms of justice appropriate to it, there exists something which is due to man because he is man, by reason of his lofty dignity" (CA, n. 34).

The same themes are taken up again in no. 40, where it is stressed that "there are collective and qualitative needs which cannot be satisfied by market mechanisms. There are important goods which escape its logic. There are goods which by their very nature cannot and must not be bought or sold". While recognizing once again the advantages which market mechanisms can achieve, the Pope warns against ignoring "the existence of goods which by their nature are not and cannot be mere commodities".

The Dignity of the Human Person

The social teaching of the Church has always stressed the centrality of the human person to the economic process. In *Centesimus Annus* the Pope notes the significance of this for today's context; *"whereas at one time the decisive factor of production was land, and later capital—understood as a total complex of the instruments of production—today the decisive factor is man himself, that is his knowledge, especially his scientific knowledge, his capacity for interrelated and compact organization as well as his ability to perceive the needs of others and to satisfy them"*. (no. 32).

Today economic thought stresses very much the concept of "human capital". I have some reservations about the term in the sense that it could be understood in such a way that human persons are treated as objects in an overall economic plan, rather than as "active subjects". But beyond that reservation, it is very clear that human initiative, creativity and the capacity for innovation are the essential driving forces of a modern economy. Investing in people and in human capacity is the most important investment that can be made by a nation. Obviously the family has an essential role to play here. Fostering families and enabling them to carry out their educative role is an essential dimension of any true economic policy today.

Analysing the various situations of exclusion which dramatically affect the poorest countries of the world, the Pope stresses the importance of "human resources" in an integrated world economy. *"Even in recent years it was thought that the poorest countries would develop by isolating themselves from the world market and by depending only on their own resources. Recent experience has shown that countries which did this have suffered stagnation and recession, while the countries which experienced development were those which succeeded in taking part in general interrelated economic activities on international level. It seems therefore that the chief problem is that of gaining fair access to the international market, based not on the unilateral principle of the exploitation of the natural resources of those countries, but on the proper use of human resources"* (no.33). The Pope then draws some conclusions on the importance of acquiring skills and professional competence and of continual training. He draws attention to those who are most excluded and especially to the situation of women.

The centrality of the human person must be distinguished from any form of narrow individualism. One of the great difficulties of our world is that even where there is the desire to work for greater solidarity, thought patterns and institutional thinking are all too often trapped in a narrow individualism which dominates western philosophy. A false concept of "equality" has taken the place of "dignity"at the centre of social and legal thought. Lacking a true anthropology, the only hope for western societies seems to be to establish equality by decree, rather than recognizing that a true spirit of brotherhood among all will only be achieved through genuine relationships of love, mercy, sharing, which fully respect the God-given truth and dignity of each human person. The family is the first victim of such an individualistic-egalitarian philosophy.

Instead of being a true community, it becomes a network of equal but not interconnected atoms. The rights of the children are thus placed in contrast with the rights of parents. The law of gratuity becomes lost in the assertion of individual rights and individual fulfilment. So-called "reproductive"and "sexual" rights are affirmed for all individuals, with any reference to the concepts of mutuality and relations which intrinsically belong to the very nature of human sexuality. The dignity of every individual human person cannot be considered in isolation from the realities of the human communities in which people live, beginning with the family. The human person is never just a producer or consumer of goods and services. The worker cannot be isolated from the fact the he or she belongs to a family (cf. Laborem Exercens, n.10).

The Universal Common Good

For the social teaching of the church, the task of promoting the dignity, rights and capabilities of each individual human person, is intrinsically linked with the question of an overall, universal or global common good.

According to *Pacem in Terris*, in fact, "like the common good of individual states, so too the universal common good cannot be determined except by having regard for the human person" (n.139). The same concept is taken up in the Catechism of the Catholic Church n. 1911 in which it is noted that *"Human interdependence is increasing and gradually spreading throughout the world. The unity of the human family, embracing people who enjoy equal natural dignity, implies a universal common good. The good calls for an organization of the community of nations able to provide for the different needs of men"*. *Ecclesia in America* (no. 55), for its part, speaks of "the international common good".

There are numerous indications in the social teaching concerning which might be the principal elements of such a universal common good. The protection of the environment is one obvious case, as was dealt with extensively in the World Day Peace Message of 1990 entitled "Peace with God the Creator, Peace with all of Creation". Another element of the global common good is represented by the principle of the universality and indivisibility of human

rights. Addressing the question of the violation of human rights which arises from situations of extreme poverty and widespread exclusion, Pope John Paul has stressed that *"the restructuring of the economy on a world scale must be based on the dignity and rights of the person, especially on the right to work and the worker's protection"* (Address to World Congress on the Pastoral Promotion of Human Rights, July 1998).

The Pope stresses, in this context, the importance today of the social and economic rights and recalls that *"it is important to reject every attempt to deny these rights a true juridical status. It should further be repeated that to achieve their total and effective implementation, the common responsibility of all the parties—public authorities, business and civil society—must be involved"* (ibid.).

Much of the reflection of the social teaching on the universal common good and its realization was traditionally couched in terms of international co-operation among States. Reading some documents of the social teaching of past decades, one would get the impression that it was States who were the main actors in international economic activity. Today, there is a growing awareness of the fact that it is the private sector and not States who are the primary protagonists of economic life. The social teaching, in addressing the question of globalization will in the future have to address this change, examining in greater detail the contribution, the limits and the responsibilities, also in the social sphere, of the private sector.

The Universal Destination of Created Goods

Within the concept of the "common good" we must also address another specific principle of Catholic Social Teaching, namely; "the universal destination of the goods of creation. Vatican II (GS, 69) states that "God intended the earth with everything contained in it for the use of all human beings and peoples. Thus under the audience of justice together with charity, created goods should be in abundance for all in an equitable manner. Whatever the forms of property may bé, as adapted to the legitimate institutions of peoples, according to diverse and changeable circumstances, attention must always be paid to this universal goal of earthly goods". For the social teaching of the church, it follows that *"private property, in fact, is under a 'social mortgage', which means that it has an intrinsically social function, based upon and justified precisely by the principle of the universal destination of goods"* (SRS, no. 42).

The meaning of this social mortgage has been applied recently by the Pope interestingly also to "intellectual property' and to 'knowledge', both particularly significant elements within the current processes of globalization. The integration of the poorer nations into the benefits of the globalized economy greatly depends on their ability to have equitable access to knowledge. The Pope also stresses the fact that private rights in the realm of "Intellectual property" are limited by the overall social concerns. It is not an answer or question; the protection of intellectual property rights is an important incentive without which creative potential will be stifled. But on the other hand, the Pope notes that *"the law of profit alone cannot be applied to that which is essential for the fight against hunger, diseases and poverty"*(Speech to the "Jubilee 2000 Debt Campaign", 23 September 1999). This has particular application to the structuring of scientific research in areas of great social concern such as health, where currently dramatic inequalities exist between North and South, and where the limits of simple market globalization are particularly evident.

The Structures Required to Guarantee the Global Common Good

From the time of *Pacem in Terris* onwards, the Popes have noted that the existing structures for guaranteeing the universal common good are inadequate. Pacem in Terris addressed an entire section to the theme which is often referred to in later teaching, but rarely developed further. Pope John noted, "we are thus driven to the conclusion that the shape and structure of political life in the modern world, and the influence exercised by public authority in all nations of the world are unequal to the huge task of promoting the common good of all peoples" (PT, no. 135). "The universal common good presents us with problems which are world-wide in their dimension" and "problems which cannot be solved except by a public authority with power, organization and means co-extensive with these problems, and with a world-wide sphere of activity" (PT, no. 137).

Pope John Paul II, in *Sollicitudo Rei Socialis* no. 43, rather than advocating new institutions, addresses the question in a more 'reformist' manner. He speaks of the reform of the international institutions, but in very general terms, He mentions the need "to reform the international trade system which is mortgaged to protectionism and increasing bilateralism". He mentions "a kind of international division of labour, whereby the low cost products of certain countries which lack effective labour laws or are too weak to apply them are sold in other parts of the world at considerable profit for the companies engaged in this form of production". He mentions the need to reform the world monetary and financial system "marked by an excessive fluctuation of exchange rates and interest rates, to the detriment of the balance of payments and the debt situation of the poorer countries".

The same question is addressed, some years later, but still in a general way, by *Centesimus Annus* no. 58 where the Pope notes that "there is a growing feeling, however, that the increasing internationalization of the economy ought to be accompanied by effective international agencies which will oversee and direct the economy to the common good, something which the individual state, even if it were the most powerful on earth, would not be in a position to do. In order to achieve this result, it is necessary that there be increased co-ordination among the more powerful countries, and that in internal agencies the interests of the whole human family be equally represented". And more specifically the Pope notes that "it is also necessary that in evaluating the consequences of their decisions, these agencies give sufficient consideration to peoples and countries with little weight in the international market, but which are burdened by the most acute and desperate needs, and are thus more dependent on support for their development" As if recognizing the very tentative nature of these comments, the Pope adds by way of conclusion that "Much remains to be done in this area".

It is not a question here of the Pope asserting any concept of "world government" or necessarily the creation of a specific new organization. One could think rather of the evolution of a network of international norms, both legally biding norms and the fruits of agreed codes of good practice, which today represent the beginnings of that ethical and legal framework needed both to make the market to work and to achieve social progress. Any such network of norms must respect also the principle of subsidiarity and be limited to those aspects where international co-ordination is truly necessary.

A New Culture of International Solidarity

In his World Day of Peace Message for this year (n. 17), the Pope speaks of an *"urgent need to reconsider the models which inspire development policies. In this regard, the legitimate requirements of economic efficiency must be better aligned with the requirement of political participation and social justice, without falling back into the ideological mistakes made during the twentieth century. In practice, this means making solidarity an integral part of the network of economic, political and social interdependence which the current process of globalization is tending to consolidate"*

The Pope then calls for "rethinking international co-operation in terms of a new culture of solidarity... Co-operation cannot be reduced to aid or assistance... It must express concrete and tangible commitment to solidarity which makes the poor agents of their own development and enables the greatest number of people, in their specific economic and political circumstances, to exercise the creativity which is characteristic of the human person and on which the wealth of nations too is dependent".

But as the current international debt crisis shows, at times the community of nations is unable to address this question adequately. Current debt relief programmes, for example, set the definition of debt sustainability at the level of survival. We have the paradoxical situation in which the fruits of domestic growth and national saving are being used to repay unpayable debts, while countries have to depend on international help to ensure other development targets. This is a classical model of creating dependence.

While advocating here a more people-centred, enabling model of development, the Pope does not abandon his appeals for renewed

financial resources for Official Development Assistance to address certain overall global needs, which the poorer countries on their own will not be able to address: the fight against hunger, malnutrition, disease, illiteracy and the destruction of the environment.

Conclusion

These short reflections have attempted to examine some aspects of the social teaching of the recent Popes which have specific relevance to the question of globalization. There are some areas which I have not treated, even though they are briefly mentioned in certain Papal discourses. These include, for example, such questions as human mobility alongside the mobility of goods and services, the cultural consequences of current globalization models, which seem, despite many references to neutral rules, to be dominated by the economic interests of the North and the entire question of financial markets.

It is also evident that the sustainable "global" requires the robust "local" and that the principle of subsidiarity will remain ever more valid in a global economy. The complexity of many of the questions involved in current discussions on globalization makes the task of the social teaching very difficult. Just think of the enormous volume of technical documents, for example, of the World Trade Organisation. But the issues touch on anxiety present in society. In many cases, private economic interests dominate the very definition of national interest. All too often, those who espouse a wider and more liberal globalization, do so only to the extent that their interests are fostered. The ethical challenge has only begun along the path to "globalization in solidarity, globalization without marginalization".

14

Globalization and Development: Perspectives of Christian Social Doctrine*

Manfred Spieker

Globalization

Globalization stirs hopes and fears: hopes of creating a united world where political and social divisions are overcome and humankind ceases to suffer; and fears of an acceleration in economic and social change either lacking direction or solely profit-oriented, a triumphal march of the powerful over the weak and towards cultural uniformity. Worldwide understanding, and even a new Pentecost, may prove as complicated as the construction of the Tower of Babel and the ensuing chaos. Globalization is not an entirely new phenomenon. There was already a first wave of globalization in the late 15th and early 16th centuries, when the world was discovered and colonized from Europe. Strictly speaking, rather than globalization, it was a kind of "Europeization", and was more politically than economically driven.

The 19th-century industrial revolution brought with it a second wave of globalization. The search for new sources of raw materials and markets led to the spread of international trade and new colonies. This

* Paper presented at the 4th Micro-enterprise Development Co-operation (MDC) Colloquium (a GBF-CIDJAP initiative) in November 2001 at DRACC, Emene, Enugu.

second period of globalization prioritized economic interests, to which political interest were entirely subordinated until the First World War.

The destruction left behind in the wake of totalitarian systems and the Second World War led to a new wave of globalization in 1945, with the setting-up of the United Nations and numerous minor organizations intended to develop and guarantee the world's general welfare. The main players in this new globalization realized the need to establish universal and inviolable legal foundations in order to achieve a united world. Thus, on 10 December 1948, they agreed to adhere to the Universal Declaration of Human Rights as the "foundation of freedom, justice and peace in the world".[1] This declaration, which has frequently received the recognition of the different Popes since Pius XII, also rightly holds a prominent place in Christian social doctrine.The specific characteristics of modern-day globalization are economic and technical. Worldwide economic interconnection has moved on to a new quantitative and qualitative level. In quantitative terms, world trade has continued to grow at a faster rate than production for over 40 years. While the latter has increased by approximately 5% per annum, world trade has grown by approximately 6% a year.

However, in the 1990s the difference between the annual growth of trade and the increase in production was over 5%. In 2000, world trade increased by approximately 10%, rising to a total of 15 trillions deutsche marks. In qualitative terms, global interconnection affects not only trade but also production, capital movement and exchange of services. Transnational mergers affect the development of businesses in all major industries. The components of an individual product, such as a car, come from many countries; stock markets trade 24 hours a day all over the world and are also tending to merge with one another; the services of engineers, lawyers, architects, doctors and biologists are exchanged on a worldwide level almost immediately. This brings us to the technical aspect of globalization. In the early 1990s, new communications technology afforded citizens global interconnection on a scale and at a speed previously inconceivable, transcending the barriers of time. The

[1] Preamble to the *UN Declaration of Human Rights*, 10/12/48.

Internet permits simultaneous communication with everyone on Earth with the necessary equipment and know-how, and opens up totally new possibilities for information, research and training. Hand in hand with the predominance of the English language, it has blazed a trail across the globe.

Apparently, the latest wave of globalization is producing much more profound changes in our lives than its predecessors. It is not only globalizing the market, factories and the stock exchange, but is also accelerating the life cycles of consumer products. The development of new cars, computers and gadgets is increasingly fast and universal. This places new demands on the working and learning capacity of managers and employees alike.

Political Challenges of Globalization

What role do the State and politics play in the latest wave of globalization? Could they be weakened due to the globalisation of the economy and communications? Should we talk of the "post-sovereign State in the global world"?[2] When global businesses are free to seek the most profitable location for their capital investments or production plants, they seem to be able to impose on national governments their own conditions for establishing themselves as investors or manufacturers and creating jobs, because, if these conditions are not accepted, they might withdraw their capital, move their factories elsewhere and destroy jobs, at least in the old location. It seems as if globalization thus forces national governments to compete for the "deregulation" of their whole economic and financial policy and tax and social systems. Globalization seems to reduce politics to a role as slave to the economy, undermining the sovereignty of nations. Access to communications networks seems to have become more important than government of a particular territory.[3] With regard to totalitarian systems of government, this weak-

[2] Lubomir Mloch, *The postsovereign state in the Global World: a point of view from economic transition of the Czech Republic* , unpublished manuscript, Prague 2000.

[3] Werner Link, "Nationalstaatliche Politik unter neuen Bedingungen", in : *Klaus-Jürgen Hedrich u.a., Globalisierung und Politik*, St. Augustin 1996, page 18.

ens their monopoly on information, which is a mainstay of a dictatorial government's security. The Internet offers the possibility of accessing uncensored information, which undermines the dictator's authority. The impression that globalization puts politics at the service of the economy may be deceiving. Politics retains the two functions it already held in traditional industrial countries or in the economy of "national" markets, which have never existed in the strict sense of the word. It must guarantee freedom and transparency in the international exchange of goods, services, capital and labor, and must also guarantee worldwide social standards so that those unable to gain advantages from the global market, for whatever reason, can lead an existence worthy of human dignity. Therefore, politics must guarantee, through international treaties and institutions that include effective sanctioning mechanisms, worldwide freedom of trade and capital movement, the legal security of investments, environmental protection, and protection for employees and customers in the event of bankruptcy; and it must also strive to implement a global social policy that includes a distinctive system of social guarantees, compliance with workers' rights to joint management, the poverty alleviation in developing countries in collaboration with NGO's like CIDJAP and measures to write off debts in the poorest countries. In the course of globalization, this is the only way to protect not only individuals' dignity, but also the cultural aspect of a globalized economy. The problem with assuming these two traditional political functions lies in the lack of a global political authority, which highlights the need for a worldwide government. Only a global state would be capable of regulating a global economy.

However, this requirement is not pressing, and complying with it would be rather like building a new Tower of Babel. The chances of achieving peace and justice in the world probably do not depend on the fact that there are now 200 nations—or a few more. These 200 nations could be organized into regional alliances resembling the European Union, but could not be centralized into a global state without negative consequences. Regional associations are already complex formations in themselves, which struggle to strike a balance between centralized and national powers. To do this, they are based on the principle of subsidiarity, which forces them to invest the central authority with only those powers it needs to hold for the public good of all.

The same arguments are valid against the hegemony of a single nation. Its power might guarantee order and security, but this would be at the expense of major limitations on freedom, economic competition and cultural multiplicity, even in a country with a long tradition of freedom, so the advantages of a Pax Americana could not compensate for its disadvantages.

Apart from the hegemonic model and the utopian model of a global state and government, which require reforms of the UN and its Security Council, political science currently proposes two other models for a future global political system: the world of nations and the world of institutions. In the world-of-nations model, nation-states remain the main players in the international arena, but not the only ones. They adapt to globalization by collaborating with multinational businesses and agents from civil society, on the one hand, and regional agreements such as the EU, NAFTA and MERCOSUR, on the other. However, global or regional institutions are merely tools of national diplomacy.

Nation-States are and will be, writes Samuel Huntington in his classic work "Clash of Civilisations", the dominating subjects in world development. But they define their interests more and more in cultural concepts after the end of the cold war and they join together in different districts of civilisations.[4] In these districts of civilisations—Huntington is differing seven of them—religion plays a dominating role. The renaissance of religion catches not only the Islamic sphere of civilisation but every continent.[5] (From this importance of religion in the contemporary world—including in terrorism—has spoken also the President of the Nigerian Bishops Conference, Archbishop Onaiyekan in the Synod of Bishops in Rome in October 2001). The spheres of civilisation are not identi-

[4] Samuel P. Huntington, Kampf der Kulturen, 2. Aufl., München/Wien 1997, S. 38f.

[5] A. a. O., S. 144f.

cal with states—except Japan. But they can include dominating states. In Africa Huntington is nominating Nigeria and South Africa as candidates for the role of dominating states. Because of the conflicts between different tribes and between Muslims and Christians he thinks South Africa would be the dominating state finally.

In the world-of-institutions model, the principle of organization into nation-states is subordinated to a network of national, supranational and transnational institutions, which becomes increasingly dense and must gradually lead to a new global order. In the medium term, nations retain responsibility for world order, but a central function of communication and mediation is assigned to supranational institutions, as autonomous agents that efficiently influence nations' behavior.[6] Examples of these institutions include the International Monetary Fund, the World Trade Organization, and the UN summits on the environment, social affairs, population, etc. The recent development of international treaties and institutions, including international tribunals that can settle conflicts and enforce judgements, seems to be the best way to domesticate the global economy or, to be more precise, to endow it with the necessary political framework. While this approach may be slower and more complicated than that of a world government, it is not only less risky and more realistic, but also more participatory. That this approach is not exempt of conflicts has been demonstrated by the UN Conference on Population and Development (Cairo 1994) and the UN Conference on Women (Peking 1995), at which the right to abortion was requested but was subordinated to the right to life of innocent human beings, an inherent element of democracy, i.e. to other interests.[7] Furthermore, governments are not solely responsible for the development of international regulations and the corresponding institutions; rather, civil organizations, such as management and employees'

[6] Andreas Jacobs, "Leitbilder globaler Ordnung. Zur Rolle grenzüberschreitender Institutionen im Zeitalter der Globalisierung", in : *Auslandsinformationen*, published by the Konrad Adenauer Foundation, 08/2000, pp. 4 ff.

[7] See Michel Schooyans, *La face cachée de l'ONU* , Paris 2000.

associations, may adopt their own regulations, even though power remains in the hands of governments.

Civil society's response to the political challenges of globalization must not be to develop into a global civil society.[8] In my opinion, this would be a *contradictio in adiecto*. Civil society is a society of active and self-aware citizens who make up an economic, political and cultural sphere relatively separate from the State; these citizens freely group themselves in associations, political parties and the media; they participate in political decision-making and not only tolerate the subsidiary state, but support and value it as a condition for common welfare. A social civil commitment from citizens implies a shared culture, language and emotional ties. In my opinion, these conditions may only be developed locally and regionally. The discourse of globalization and regionalization—Sanks talks of "globalization"[9]—indicates that people do not seek their identity in a global society or a global culture, but, quite the opposite, the more intensely globalization impregnates their lives, the more they want to safeguard their roots and local and emotional ties. Local traditions, festivals, national museums and history have never been promoted as intensely as in the last 20 years, at least in Germany and France, but also here in Nigeria.

Last time I read in the book "Understanding Africa" from Obiora Ike and Ndidi Nnoli Edozien, the double subtitle "Traditional Legal reasoning, Jurisprudence and Justice in Igboland" as a basis for culturally rooted and sustainable development and the content demonstrate also an attempt to associate a local tradition with universal values. They seek to explore the possibility of marrying Igbo traditional jurisprudence with modern law practises.

[8] *Die vielen Gesichter der Globalisierung. Perspektiven einer menschengerechten Weltordnung, hrsg. von der Wissenschaftlichen Arbeitsgruppe für weltkirchliche Aufgaben der Deutschen Bischofskonferenz*, Bonn 1999, pp. 39 ff.; Jacques Delcours, *L'importance de la societé civile européenne dans la construction d'une société civile mondiale*, unpublished manuscript.

[9] T. Howland Sanks FJ, "Globalisation and the Church Social Mission", in *Theological Studies* , vol. 60 (1999), page 651.

Guidelines of Christian Social Doctrine

What guidelines does Christian social doctrine offer to overcome the political challenges of globalization? How does Christian social doctrine view and judge globalization? All ethical deliberations and every moral act must be preceded by correct vision and judgement. Analysis of works on social ethics, unlike ecclesiastical and pontifical texts, reveals surprising discrepancies. On the one hand, it is suggested that the concept of "globalization" has no great content value, but is "an ideological invention or strategic tool..., which is used to resolve distribution conflicts in favor of self-interest"[10] or to conceal the existence of hegemonic capitalism[11]; on the other, globalization is portrayed as an "irreversible phenomenon", which opens up new prospects for material development and intellectual progress and points to a time when "humankind will cease to suffer".[12]

However, the Commission Iustitia et Pax of the French Episcopal Conference tends to see in globalization not only the risk of building a new Tower of Babel, but also the opportunity for a new Pentecost.[13] Using the image of building the Tower of Babel, the Commission describes globalization that will serve only power, egotism and totalitarian uniformity. Globalization is identified with Pentecost, providing it serves welfare and unity that respects differences. However, to compare the Internet with the miracle of tongues of Pentecost is a theological inaccuracy. The miracle of tongues in Jerusalem was a result of the grace of God and the Holy Spirit, not human creation. The difference between the spiritual and temporal is overlooked. Nevertheless, as the Commission

[10] Friedhelm Hengsbach SJ, "Globalisierung" aus wirtschaftlicher Sicht', in *Aus Politik und Zeitgeschichte*, 21/97 (16-5-1997), page 3. See also by the same author, "Globalisierung"—eine wirtschaftsethische Reflexion' in *Aus Politik und Zeitgeschichte*, 33-34/2000 (11-8-2000) pp. 10 ff.

[11] F. Hengsbach, *Die andern in Blick. Christliche Gesellschaftsethik in den Zeiten der Globalisierung* Darmstadt 2001, page 142.

[12] Joseph Joblin SJ, "Aktualität des Christentums im Globalisierungsprozess", in International CatholicReview, *Communio*, vol. 27 (2000), page 199.

[13] "Maîtriser la mondialisation", Document de la commission Justice et Paix, in *La documentation catholique* n° 2201 del 4.4.99, pag. 6s.

rightly points out, Pentecost shows us that Christians are forbidden to reject globalisation entirely. It unites human beings with one another, which is positive in principle, but all of its aspects must be tested against three criteria: Is the progress of humankind the main theme of globalization? Does it affect all human beings? Does it respect their differences?

It is worth mentioning here a peculiarity of the French view of globalization, which also affects the role of the Commission Iustitia et Pax: In France, globalization is usually identified with Americanization and is seen as a threat to French culture. Under the standards of globalization and liberalization, McDonalds hamburgers and Hollywood TV series threatened French cuisine and cinema. Protection against this onslaught does not lie in the decompartmentalization of nations, but in "Europe-ization", under whose aegis *la civilisation française* should prosper. The European Union must become the bastion against the American way of life. "French politicians felt called upon to lead the international movement against Anglo-Saxon globalization.[14] The Commission Iustitia et Pax text from the French Episcopal Conference also includes considerable evidence of this anti-Americanism. To prevent the global spread of American capitalism and lack of culture through the Trojan horse of the WTO, globalization based on social democracy, no less, is recommended. The Commission thus hopes that globalisation will veer from the path to the Tower of Babel and become a new Pentecost, but does not clarify the benefits of this beatification of social democracy. It goes further still and dreams of "new forms of socialism... including those stemming from the ideas of Marx", to halt the "totalitarianism of profit and economics".[15] Thus, ten years after the collapse of Communism, the Commission of the French Bishops' Conference has the dubious honor of being the first to advocate a revival of Marxism.

The anti-Americanism contained in the Commission Iustitia et Pax text is outrageous, not just because the United States also has

[14] "Sophie Meunier, The French exception", in *Foreign Affairs* vol. 79, July/August 2000, page 106; in German, titled "Auch die Küche zählt zur Kultur" in *Rheinischer Merkur*, 25/08/00.

[15] "Maîtriser la mondialisation", op. cit., page 9.

a Catholic Church with numerous evangelical testimonials, but because it is objectively unjustified. The creation of the United States is inseparable from the Christian mores of its founding fathers. As expressed by Pope John Paul II in his speech at the Cathedral of St. Louis, on 27 January 1999, "America first proclaimed its independence on the basis of self-evident moral truths. America will remain a beacon of freedom for the world as long as it stands by those moral truths that form the very core of its historical experience".[16]

What guidelines does the social doctrine of the Church give us for the global organization of politics, the economy and culture? The social doctrine of the Church is based on the premise that globalisation is a process "that is spreading increasingly, owing to the greater possibilities of worldwide communications, and which leads in practice to distances being bridged". According to the material compiled by the Pontifical Commission Iustitia et Pax for a social catechism, published in the summer of 2000, this process may "be viewed either positively or negatively" from an ethical standpoint. It will be positive if it fosters and increases production capacity and "promotes unity among peoples and the development of economic relations among different countries". It will be negative "if globalization is governed solely by market laws that are used to benefit the powerful".[17] Therefore, "globalization, *a priori*, is not good or bad. It will be what people make of it".[18]

---

[16] John Paul II, Speech given at Evening Prayer at the Cathedral of St. Louis on 27/01/99, in *Osservatore Romano* (German), 05/02/99.

[17] Pontifical Council for Justice and Peace, *Die Soziale Agenda. A compilation of texts on Catholic social doctrine*, Vatican City 2000; no. 357. The Russian Orthodox Church views globalization in a similar way in its Social Mission Statement (Chapter XVI.3) published on 15/08/00. However, unlike the Catholic Church, it demands extensive control of multinational businesses and capital movements. Extremely distrustful of a global economy, the Russian Orthodox Church demands a joint effort from Church, State, civil society and international organizations to bring about an exchange of culture and information with the same rights, in order to ward off "the danger of complete unification".

[18] John Paul II, Speech to the members of the Pontifical Academy of Social Sciences, given on 27/04/01, published in *Ossevatore Romano* (weekly edition in German), 11/05/01.

In my opinion, three principles of Catholic social doctrine are important factors in providing the right context for globalization and making it a tool for increasing prosperity:

- The guarantee of human dignity;
- The universal destiny of earthly goods;
- Global unity among all human beings.

The Guarantee of Human Dignity

According to Catholic social doctrine, if human beings are always the source, agent and target of all economic and social provisions, this is also applicable to world economic order. All efforts to promote human improvement, goals and resources, institutions and procedures, and to promote development worthy of humankind, are legitimate provided they focus entirely on human beings, i.e. when they are justified in anthropocentric terms. "No system is an end in itself, and it is necessary to insist that globalization, like any other system, must be at the service of humankind; it must serve solidarity and the common good".[19]

Poverty and hunger must be eliminated prior to any reflection. It is a necessary but insufficient condition for guaranteeing of human dignity. Other requirements are the guarantee of human rights, especially political, economic and religious freedom, with the development of social-security systems, the construction of a stable democracy, including participation in the development of political will and personality. The development of a personality includes a value-orientated education as skill acquisition. For this comprehensive education catholic church was engaged at every time and all over the world, where she has preached the gospel. This comprehensive education is a precondition of a sustained employment. And employment engenders meaningful existence, creativity and cooperation, while unemployment dehumanizes, depresses and robbes the person of the possibility to become

---

[19] John Paul II, Speech of 27/04/01, op. cit.

more human being. In his encyclical *Populorum Progressio*, Pope Paul VI wrote: "Development cannot be restricted to economic growth. To be authentic, it must be well-rounded, it must foster the development of each human being and of the whole human being ..." Therefore, the guarantee of human dignity also requires in some countries "the reform... of unjust structures and, particularly, of political institutions themselves, replacing corrupt, dictatorial and authoritarian regimes with democratic rules of participation". In his encyclical *Sollicitudo Rei Socialis*, Pope John Paul II expresses the hope that this process of democratization "will spread and grow stronger. For the 'health' of a political community as expressed in the free and responsible participation of all citizens in public affairs, in the rule of law and in respect for and protection of human rights is the necessary condition and sure guarantee of 'the whole individual and of all people'" [20] The freedom of all religions is an integral contribution to the development and the common good of a state (Johannes Paul II. 10/2/93 in Khartum).

However, the current threat to human dignity comes not so much from economic or political as scientific development, specifically from advances in biomedicine. According to the speech given by Pope John Paul II to the members of the Pontifical Academy of Social Sciences for globalization, we face "a Promethean increase of power over human nature" for which politics is not prepared. World rivalry in stem cell research threatens to lose sight of ethics and jeopardize human dignity. The embryo has a right to life and if it becomes a resource used for research, to improve the health of third parties or to satisfy parents' desire for progeny, this right to life is undermined and the foundations of democracy are destroyed. Therefore, the Catholic Church condemns any utilitarian code of ethics. The human being must always be an end and not a means, a subject and not an object, nor a commodity of trade".[21] This conviction, besides being the basis of Immanuel Kant's philosophy,

[20] John Paul II, *Sollicitudo Rei Socialis* 44.

[21] John Paul II, Speech of 27/04/01, op. cit.

also led the Catholic Church to intervene against the proclamation of the right to abortion at the UN World Conferences held in Cairo and Peking.

The Universal Destiny of Earthly Goods

Catholic doctrine repeatedly emphasizes the universal destiny of earthly goods to alleviate the need of people and nations in many developing countries. It has always stressed the two-sided nature of its ethics of property.[22] The right to private property is a right of humankind. But "God destined the Earth and all it contains for all people and nations so that all created things would be shared fairly by all humankind".[23]

John Paul II has repeatedly underlined this universal destiny of earthly goods in his Encyclicals and speeches on developing poor nations in a way worthy of human dignity and the priority that Church doctrine attaches to the option for the poor.[24]

Another main premise for the most efficient use of resources and effective response to needs, both nationally and internationally, is the existence of a free market.[25] Catholic social doctrine advocates free international trade, too, but stresses that it must be balanced by the need for social justice. When industrial countries tailor their financial, tax or social policy to provide internal support for agriculture or industries competing on unfavorable terms, they must also agree on and put into practice international protection measures to promote exports from the world's poorest countries, even though there is no global political authority. "One standard should hold true for all. What applies to national economies and to highly developed nations must also apply to trade relations between rich and poor nations. Competition should not be eliminated from trade transactions, but must be kept within limits so that it operates justly and fairly, and thus becomes a

[22] See Leo XIII, *Rerum Novarum* 7 and Pius XI, *Quadragesimo Anno* 45 ff.

[23] *Gaudium et Spes* 69 and 71.

[24] John Paul II, *Centesimus Annus* 31.

[25] Op. cit. 34. See also Joseph Kardinal Höffner, "Die Weltwirtschaft im Licht der katholischen Soziallehre", in Gerhard Fels (ed.), *Kirche und Wirtschaft in der Verantwortung für die Zukunft der Weltwirtschaft*, Köln 1987, page 54.

truly human endeavor. In trade relations between developing and highly developed economies there is a great disparity in their overall situation and in their freedom of action. In order that international trade be human and moral, social justice requires that it restore to the participants a certain equality of opportunity".[26] Some may see this as an attempt to reconcile the irreconcilable. However, experience in many industrial countries, including Germany, suggests that the market and competition, on the one hand, and a system of benefits and state social protection, on the other, are perfectly compatible and that their synthesis is a *sine qua non* of common welfare.

Catholic social doctrine advocates the integration of all countries through the international division of labor, and through agreements that protect both free competition and the development conditions of especially weak national economies. It condemns the dependence theory[27], particularly prevalent in Liberation Theology, which purports to explain Third-World poverty by developing countries' dependence on industrial countries and the latter's affluence by their exploitation of the former. This argument points to the separation of developing countries from the world market and the isolation of their national markets. However, John Paul II rejects this in *Centesimus Annus*. Recent experience has shown that "countries which have excluded themselves have suffered stagnation and recession, whereas the countries which have experienced development are those that have succeeded in taking part in the general interrelated economic activities on an international level".[28]

[26] Paul VI, *Populorum Progressio* 59-61.

[27] See Leonardo Boff, *Kirche: Charisma and Macht, Studien zu einer streitbaren Ekklesiologie*, Düsseldorf 1985, pag. 240; Leonardo und Clodovis Boff, *Wie treibt man Theologie der Befreiung?*, Düsseldorf 1986, page 37; Leonardo Boff, "Der Markt und die Religion der Ware", in *Concilium*, 28. year (1992), pp. 195 ff.; Hugo Assmann/ Franz J. Hinkelammert, Götze Markt, Düsseldorf 1992.

[28] John Paul II, *Centesimus Annus* 33. See also *Die beiden von der Wissenschaftlichen Arbeitsgruppe für weltkirchliche Aufgaben der Deutschen Bischofskonferenz herausgegebenen Schriften Von der Dependenz zur Interdependenz . Anstöße und Grenzen der Dependenztheorie*, Bonn 1994, and *Die vielen Gesichter der Globalisierung, Perspektiven einer menschgerechten Weltordnung*, Bonn 1999, page 55, and Sowie Wilhelm Korff, "Ethische Probleme einer Welwirtschaftsordnung" in *Aus Politik und Zeitgeschichte* B 50/92, 04/ 12/90, pp. 11 ff.

Unity among All Human Beings

Fostering unity among all human beings is what the Church considers to be its specific mission. The 2nd Vatican Council had defined the Church in the *Lumen Gentium* as precisely the sacrament of unity: "The Church, in Christ, is in the nature of sacrament, a sign and instrument, that is, of communion with God and the unity of the whole human race".[29] This mission encourages the Church to deal with the problems of development and to consider the worthy development of humankind an obligation of its pastoral work.[30] If bridging the North-South divide must be geared towards unity among all human beings, then both sides, North and South, must make radically different efforts to those made in the past 30 years, during which time the gap between North and South has widened. Both sides have the obligation to create a civilization based on solidarity. "Interdependence must be transformed into solidarity, based upon the principle that the goods of creation are meant for all".[31]

Rich countries are obliged to provide development aid to alleviate poverty and catastrophes, through literacy programs, trade, loans, technological exchange and reforms of international institutions. Part of this obligation consists of reforming the international trade system, in order to put an end to protectionism, establish the International Monetary System, promote technological transfers, and reform international organizations.[32] The obligations of industrial countries include showing respect for the cultures and religions of developing countries. They must familiarize themselves with these cultures and religions before implementing development programs, and avoid "imposing their own

[29] 2nd Vatican Council, Dogmatic Constitution on the Church (*Lumen Gentium* 1). See also Pedro Morandé, "Los desafíos éticos de la globalización", in *Consejo papal para la familia, edición Familia y Vida. A los 50 años de la Declaración universal de los Derechos Humanos. Actas del III Encuentro de políticos y legisladores de América*, Buenos Aires 3 a 5 de agosto de 1999, Rome 2000, pp. 310 ff.

[30] John Paul II, *Sollicitudo Rei Socialis* 14 and 31.

[31] John Paul II, *Sollicitudo Rei Socialis* 39.

[32] John Paul II, *Sollicitudo Rei Socialis* 43.

lifestyle" on the beneficiaries of their help. This holds particularly true for the birthrate problem.[33]

However, respecting other cultures and religions does not mean accepting violations of human rights such as the self-immolation of widows on their husbands' funeral pyres, the separation of castes, bodily mutilations as punishment, or female circumcision. To fight against these violations of human rights is an obligation that lies at the heart of a civilization based on solidarity and the guarantee of human dignity.

The obligation to increase development aid does not concern governments alone, but also the societies of industrial countries. Citizens are obliged to rethink their consumer behavior and energy consumption in order to provide opportunities to the national economies of developing countries. Young citizens should also be encouraged to go to developing countries as teachers, engineers, laborers or development assistants "to help emerging nations towards a more developed civilization".[34] "The future of civilization depends" on meeting these obligations.[35] This future is decisive as we attempt to achieve stable peace, the definition of which has shifted its emphasis from justice to development and solidarity. "Development" is the new name for peace, as Pope Paul VI repeats in the *Populorum Progressio*[36] , and Pope John Paul II supplements the traditional definition *"Opus iustitiae Pax"* with the new *"Opus solidarietatis pax"* (peace as the fruit of solidarity).[37] If a civilization based on solidarity is to be developed based on interdependence, developing countries also have a number of obligations. Catholic social doctrine repeatedly stresses that these nations would be "responsible for the main job"[38] in their economic and social development; are "the architects of their own development", and thus also "bear the burden of this work and are primarily responsible for it".[39] They must develop entrepreneurial spirit and act under their own responsibility, "not expecting everything from more favored countries".[40] The principle of subsidiarity also holds true for the relationship between developing and industrial countries.[41] The capacity and disposition of developing countries to undertake their own initiatives, strive and generate income is the prerequisite for development aid to be effective. Lastly, developing countries must eliminate frontiers between one another or at least make them more permeable,[42] peacefully settle tribal conflicts, exercise mutual solidarity, and associate with regional development communities.[43]

[33] John XXIII, *Mater et Magistra* 170; 2nd Vatican Council, *Gaudium et Spes* 54 and 87; John Paul II, *Sollicitudo Rei Socialis* 25 and 32, and the speech of 27/04/01, op. cit.

[34] Paul VI, *Populorum Progressio* 47 ff.

[35] Op. cit., 44.

[36] Op. cit., 76, 83 and 86.

[37] John Paul II, *Sollicitudo Rei Socialis* 39.

[38] John XXIII, *Pacem in Terris* 123; *Die vielen Gesichter der Globalisierung* op. cit., page 54.

If developing and industrial countries jointly meet their obligations and international institutions do not abuse their power to further their own interests, but develop them in such a way that they also propitiate the development of a world economic order worthy of humankind, they will be promoting global common welfare through social collaboration. The model that might be taken as a guideline in this undertaking is that of the social market economy, which combines free competition with social justice. From the viewpoint of many advocates of Christian social ethics, it is a model that is also applicable to the world economy[44] and which

[39] Paul VI, *Populorum Progressio* 77; 2nd Vatican Council, Gaudium et Spes 86.

[40] John Paul II, *Sollicitudo Rei Socialis* 44.

[41] 2nd Vatican Council, *Gaudium et Spes* 86

[42] Anyone familiar with, say, the frontier and communication problems between Nigeria and Benin knows how much developing countries can and must do themselves. Getting a message from Lagos to Cotonou or vice versa was practically impossible in the early 1990s. Communication was possible only via a European country.

[43] John Paul II, *Sollicitudo Rei Socialis* 45.

[44] See J. Kardinal Höffner, op. cit. page 54; Bernhard Sutor, *Politische Ethik, Gesamtdarstellung auf der Basis der Christlichen Gesellschaftslehre*, Paderborn 1991, page 324; Wolfgang Ockenfels, "Entwicklungszusammenarbeit aus der Perspektive der katholischen Soziallehre und einer sozialen Marktwirtschaft" in Ulrich Pöner/André Habisch, (ed), *Signale der Solidarität. Wege christlicher Nord-Süd-Ethik*, Paderborn 1194, pp. 81 ff.; W.Korff op. cit., page 10; "Gemeinwohl und Eigennutz. Wirtschaftliches Handeln" in *Verantwortung für die Zukunft. Eine Denkschrift der Evangelischen Kirche in Deutschland*, Gütersloh 1991, page 133; *Die Vielen Gesichter der Globalisierung* , op. cit., page 51.

combines free world trade and economic globalization with protection of the weak and distributive justice on an international level. It is a mainstay of a civilization based on solidarity and ties in with the economic order John Paul II recommends to Third-World countries in *Centesimus Annus*.[45] The social market economy may be described as a specific option for the poor.[46]

For the time being, there is no sign of a global political authority to lead the creation of this world economic order. Nor is it urgently necessary, but there are Christians prepared to commit to this civilization based on solidarity across the world; Christians who are called to participate in the economy and politics in industrial countries, developing countries and international institutions, and who are obliged to collaborate, not only with one another, but also with Christians of other confessions and believers of other religions.[47] They may already demonstrate civilization based on solidarity by mobilizing in favor of world unity, the universal destiny of earthly goods and the guarantee of human dignity.

[45] John Paul II, *Centesimus Annus* 42 and 43. See also his positive appraisal of then social market economy in his speech to the German ambassador Hans-Joachim Hallier, in *Osservatore Romano* (weekly edition in German), 16/11/90.

[46] See Eugenio Yañez, *Die soziale Marktwirschaft als option für die Armen in Chile*. Osnabrück 1995.

[47]. John Paul II, *Sollicitudo Rei Socialis* 32 and 47.

15

Interreligious Dialogue and Harmony*

Francis Cardinal Arinze

Introduction

Harmony is a blessing for human society. When people of differing languages, cultures, religions, races and social and economic status accept one another, share gifts and competencies and work together for the good of their society, we have some of the ideal conditions for growth, peace and development. Interreligious dialogue can help towards such harmony. I therefore feel honoured to be invited by this premier university of our country to propose some thoughts to you on *Interreligious Dialogue and Harmony*.

To make sure that we are thinking of the same thing, first let us spell out what is interreligious dialogue. Then let us face the fact of religious plurality in the world. What happens when there is no interreligious dialogue? How does harmony emerge as one of the prime fruits of good interreligious relations?

Can one quote examples of harmony across religious frontiers in the world? What thereby emerges as the responsibility of various leaders? And, to conclude, what is the situation in Nigeria?

* Lecture delivered at the University of Ibadan, 8th November, 1999.

The Essence of Interreligious Dialogue

It is first of all important that we agree on what we mean by interreligious dialogue. Interreligious dialogue is not a cold study of the various religions nor is it a comparative study of them all, although there is a place for such study. It is certainly not a debate between representatives of various religions to see who makes the best show. It is not even necessity an international colloquium between the intellectual elite of many religions where professors of world renown read learned lucubrations of 40 pages backed up with 20 pages of bibliography. This is, however one form of dialogue, and every religion needs some theologians who can articulate in a scientific way its beliefs, rituals and rules of conduct.

Interreligious dialogue is a meeting of hearts and minds across religious frontiers. It is a meeting of sincere believers who want each of us to listen to the other, to try to understand the religion of the other, to identify the areas of convergence and divergence and to study together what they can do together. In interreligious encounters and collaboration, each participant wants to remain open to the action of God in him or her, to get enriched by the encounter and to work with the other as far as possible, while keeping intact one's religious identity card.

Four ways of engaging in such dialogue have been identified by the experts. There is first the dialogue of life, by which adherents in various religion cooperate in the family, school, place of work, and places of social or cultural encounter, without expressly discussing their religions. A second form is the dialogue of action by which people of differing religions join to promote some social works such as helping the sick, the poor or people suffering from drought or effects of earthquakes. The dialogue of discourse takes place between culturally and theologically well-prepared people and is aimed at a more objective presentation of each religion with the consequent reduction or removal of prejudices and stereotypes, and the identification of areas of agreement and of difference. Finally, there is the dialogue of exchange of religious experience by which believers seek to communicate to other believers their inner states of soul in mediating and in seeking to relate to God or the Creator

in prayer and repentance (cf. Secretariate for non-Christians: The Attitude of the Church towards the Followers of other Religions, Rome 1984, nn. 29-35). It is clear therefore that when we speak of interreligious dialogue, we include all forms of positive relations, contacts, collaboration or exchange between the followers of differing religions.

Religious Plurality

There would be no need for interreligious relations if there were only one religion in the world. But in fact there are many. The largest religious family is Christianity which covers about one-third of humanity. Catholics are 18%. The other Christians—Orthodox and all other Oriental Christians not in union with Rome, plus the Christians born out of the religious divisions of especially the 16th century—form 15% of humanity.

Then there are the other major religions of the world. Islam is the largest of them, counting for 18% of the world population. Hinduism and Buddhism have India as their birthplace. India remains the major Hindu country and Hindus count 13% of the world. Buddhists who are to be found mainly in east Asia (China, Japan, Korea) but are also found in South and South East Asia and in other parts of the world, are 7%. There are also such other Asian religions as Shintoism, Confucianism (sometimes regarded more as a culture than as a religion), Taoism, Zoroastrianism, Sikhism, Bahai and Chinese Folk Religions. The Traditional Religions are to be found in most Africa South of the Sahara, but also in Asian countries where they are called Tribal Religions, in Australia where we have the Religion of the Aboriginals and in America in the form of Native American Religions.

Judaism is one of the oldest religions. Although the jews are less than 0.5% of humanity, Judaism is particularly related to Christianity because Jews and Christians share the first part of the Bible and because our Lord and Saviour Jesus Christ and the early Christians were Jews. I have only mentioned some religions of the world. There are many others (cf. D. Barrett: World Christian Encyclopaedia, Nariobi 1982, pp. 6, 782-785). And an important phenomenon in our times is that there is a growing living together between people of different religions. The ease of jet travel and the need to move out of one's home area for educational, cultural, economic or other reasons, have meant that societies are becoming increasingly pluralistic from the religious point of view. Will the follower of the world's religions live in harmony? This is the theme for the remainder of this paper.

When There is Little or No Interreligious Dialogue

What happens in a religiously pluralistic society when people of differing religions refuse to meet one another, do not seek to understand one another, close themselves against one another and refuse to collaborate with one another? What are we to expect when there is little or no interreligious dialogue? Some or all of the following may then be verified. There will be ignorance of one another. Prejudices against people of another religion will be handed down from generation to generation. Stereotypes and caricatures of one another are likely to be perpetuated. There is also the probability of rivalry between believers in different religions. Sometimes tension and tempers will rise because of incidents which are small in themselves but which take on serious proportions. Divisions and factions may then increase among citizens. The climate is now created for open confrontation. A few individuals may be enough to exploit religious differences in order to foment tension and even violence and war. Genuine religion is in itself not the cause of violence or war. Every religion worthy of the name teaches the Golden Rule: *"Always treat others as you would like them to treat you"* (Mt. 7:12; cf. also F. Arinze: Church in Dialogue, *San Francisco 1990*, pp. 201-202). But when people who have a secret agenda—political, economic, ethnic or otherwise—exploit or hijack religion in order to attain their ends, the results can be tragic. That is why Pope John Paul II said to 600 representatives of the World Conference on Religion and Peace in the Vatican City on Novembers 3, 1994: *"Today religious leaders must clearly show that they are pledged to the promotion of peace precisely because of their religious belief. Religion is not, and must not become, a pretext for conflict, particularly when religious, cultural and ethnic identity coincide.... Religion and peace go together: to wage war in the name of religion is a blatant contradiction"* (Address in L 'Osservatore Romano, weekly Eng. Ed. Nov. 16, 1994, n. 2, p. 2).

A refusal to meet people of other religions can also lead to a denial to them of their right to religious freedom. Sometimes this reaches the enormity of religious persecution. At other times it manifests itself in proselytism, which is an effort to get people to embrace one's religion by using methods that violate human dignity or freedom, or that put pressure on the other person by physical, economic, social or other means. Very different is the presentation of one's religion to people who freely welcome it. Having examined the negative side, let us now turn to the positive and happy side. Many good fruits follow from a sincere practice of interreligious dialogue: mutual enrichment, greater openness towards God's action in us, harmony, overall human and religious growth, justice and peace. Now let us examine one of these fruits, namely, harmony.

Harmony, One of the Fruits of Dialogue

When the notes and sounds in an organ or piano, or other musical instrument or choir of voices combine to bring out a pleasant and beautiful sound we say we have harmony. When human beings meet other people who are from different backgrounds, language groups, cultures or religions, or people who have different opinions and choice patterns, and they mutually accept one another, respect one another and willingly work together to improve themselves, their country or their association, then we rejoice to see people living in harmony. Since religion is one of the most deep-seated incentives to human action, acceptance of people who are different is greatly facilitated by religious motivations. Interreligious dialogue is therefore badly needed so that harmony may exist among people, especially if they come from different religions.

After all, it is religion which best motivates people to accept their limitations, to acknowledge their failures, to repent and ask forgiveness, to forgive those who offended them, to respect the rights of others, not to bear grudges or nurse prejudices against those who are different, and to love others as brothers and sisters because we are all children of the same God, out Creator.

Harmony, one of the finest fruits of interreligious dialogue, leaves intact the right of everyone to spread his or her own religion, provided that the methods used are fair and just and are respectful of the rights and dignity of the human person. Moreover, harmony between believers does not ask them to give up their religious identity or to fall into the theological error of relativism which regards one religion as just as good as another. Nor does such harmony mean religion. Harmony is rather that peaceful and respectful collaboration with other believers which a person firmly rooted in his or her religious community quietly promotes to the joy of all.

Examples of Harmony Across Religious Frontiers

From principles and general statements, let us now go down to list some concrete examples of harmony and collaboration across religious frontiers. In the United Kingdom, Muslims join Christians to fight against abortion in the Society for the Protection of Unborn Children. In Bosnia-Herzegovina, Christian, Jewish and Muslim religious leaders strive to promote reconciliation.

In the Philippines, the Silsilah Chirstian-Muslim Dialogue Movement in Zamboanga has been involved in several projects of education for the poor, building homes for the homeless, protecting the dignity of women and feeding the hungry. And on the Island of Jolo in the same country, Christians and Muslims demonstrated together when a young man was kidnaped and beheaded. In the Pakistan, the National Commission for Christian-Muslim Relations sponsors and helps centres for detoxification and rehabilitation, homes for lepers and relief work for the poor. In the same country, Christians and Muslims demonstrated together against the inclusion of religion on the identity card and against the Blasphemy Law which can easily be abused.

In India, Hindu and Christian members of a dialogue group visited together to calm feelings which were running high at the time of the destruction of the Ayodya mosque. In Japan the Rissho Kosei-kai Buddhist Association encourages its members to

omit one meal a week and donate the money for poor countries. It also sends teams of people to work with the refugees in Rwanda. In Sierra Leone, Christian and Muslim religious leaders have acted as mediators for reconciliation and peace between the Government and the R. U. F. In Ethiopia and Eritrea, two countries unfortunately at war, religious leaders—Orthodox, Catholic, Evangelical and Muslim—made a joint appeal for peace last September (1999). In the U. S. A., the African American Muslims join Catholics in reflection on the role of education and Imam Warith Deen Mohammed and his Muslim Association have maintained an ongoing collaboration with the U. S. Catholic Bishop's Conference and also with the Focolare Movement which has its headquarters at Rocca di Papa near Rome. With regard to international initiatives at collaboration, the following samples can be mentioned.

In the 1994, United Nations Conference on Population and Development held in Cairo, delegations from majority Muslim countries worked together with the Holy See Delegation to bring about modification of the sections of the Conference document which were aimed at getting the poorer countries to accept abortion, homosexuality and supply of contraceptives to young people without the knowledge of their parents, as a condition for receiving international financial assistance.

In 1994, 26 representatives from 8 religions met in Rome under the auspices of the Pontifical Council for Interreligious Dialogue to discuss Marriage and the Family. A happy surprise is that they agreed on many of the fundamental values touching marriage and the family.

The World Conference on Religion and Peace, a multi-religious organization founded by Christians, Buddhists, Muslims, Hindus and others, is an effective Non-Governmental Organization with its secretariat in New York. It works to remove discrimination and promote justice and peace. In the past few years, for example, it has done much to promote reconciliation and harmony in the Balkans, especially in Bosnia-Herzegovina and in Kosovo, but also in Sierra Leone, in Ethiopia and Eritrea and in Liberia.

The Pontifical Council for Interreligious Dialogue has a yearly liaison committee meeting with four world Islamic Organisations and also with the Institute of Al-Azhar in Cairo as an ongoing effort to promote harmony between Christians and Muslims worldwide. It can therefore be asserted that the question of harmony between people of differing religions is not just for discussion but for practical living.

Responsibilities of Leaders

From the above considerations, it emerges that leaders do have responsibilities to help their people live in harmony across religious frontiers. I am thinking of religious and political leaders and of academicians who are leaders of thought. In the first place, leaders should, by personal example, manifest to their people that they themselves live in harmony and collaboration with people of other religions. Example convinces more than words. Within each religious community, leaders should help their coreligionists to reflect on present and past performance of people of their religion in an objective way and be able to accept criticism or blame where there has been some fault. People should not adopt the attitude of maintaining that their coreligionists are always right.

Consequently, people of one religion should be able to request forgiveness of others when objective history demands this. Acceptance of such guilt is no sign of weakness but rather of moral strengthen. Pope John Paul II gives an excellent example on this. In his Apostolic Letter of 1994 to prepare the Catholic Church for the Jubilee Year 2000, he says: *"It is appropriate that, as the Second Millennium of Christianity draws to a close, the Church should become more fully conscious of the sinfulness of her children, recalling all those times in history when they departed from the children, recalling all those times in history when they departed from the spirit of Christ... Acknowledging the weakness of the past is an act of honesty and courage which helps us to strengthen our faith, which alerts us to face today's temptations and challenges and prepares us to meet them"* (Tertio Millennio Adveniente, no. 33). Some conflicts have causes that are political, economic, ethnic, historic and sometimes also religious. People tend too easily to call a conflict religious when in fact religious is only a very minor part of the causes. Leaders should help people of various religions to be more objective in assessing situations. Academicians can help by analyzing situations and journalists and other media people by presenting such analyses in a clear and unbiased form. But religious and political leaders have the chief responsibility. People of one religion should become accustomed to expressing good will to those of another religion and praying for them. The Catholic Church has for 33 years been sending a yearly message of goodwill to world Muslims at the conclusion of their Ramadan fast.

Interreligious harmony is not just an ideal to be admired and discussed. It is a life to be lived. And when leaders discharge their proper responsibility, it becomes less difficult.

Interreligious Harmony in Nigeria

To conclude, can we avoid the questions: what is the situation regarding interreligious harmony in Nigeria? How do the Christians, Muslims and followers of African Traditional Religion meet, accept and respect one another? Is collaboration normal between them, beginning at the level of daily life and going on to more formal cooperation? Are there any formal interreligious councils or do the religious leaders come together only when there is a crisis? What kind of leadership do the people of the three religions receive from their religious, political, academic and journalistic spokespeople? What kind of history has interreligious harmony in this great country?

Nigerian Universities, including this distinguished University of Ibadan, have a long tradition of interreligious studies and much good work has been done to promote understanding. More recently the Christians and Muslims in Nigeria have formed an Interreligious Council. But really the answers to the questions mentioned above are better supplied not by me, but by you, distinguished ladies and gentleman. You are where the action is. My prayer is that both in Nigeria, and in all other societies marked by religious plurality, harmony may be a distinguishing mark of interreligious relations. And may the God of love, of peace and of harmony grant that it may indeed be so.

16

The Family and the Global Community*

Michael Novak

At the beginning of Rerum Novarum, Pope Leo XIII justified his extension of Papal teaching into economic questions by calling attention to new demands placed upon the Christian family by the new social order of the 19th century.[1] In the 21st century, we are facing another new social order, and again there is a need to reflect on the implications of that new social order for the Christian family. This new social order is ambiguously described as globalization. To understand this term and the real world to which it points more accurately, one must look at it in four different dimensions.

* Paper presented at a conference *On the Social Question* co-organized by the Pontifical Council for the Family and the Acton Institute for the Study of Religion and Liberty, Michigan, USA, at Vatican City, Rome 2000

[1] The rights here spoken of belonging to each individual man, are seen in a much stronger light if they are considered in relation to man's social and domestic obligations. No human law can abolish the natural and primitive right of marriage, or in any way limit the chief and principal purpose of marriage, ordained by God's authority from the beginning. "Increase and multiply". Thus we have the family; the "society" of man's own household; a society limited indeed in numbers, but a true "society", anterior to every kind of State or nation, with rights and duties of its own, totally independent of the commonwealth.

That right of property, therefore, which has been proved to belong naturally to individual persons must also belong to a man in his capacity as head of a family; nay, such a person must posses this right so much the more clearly in proportion as his position multiplies his duties. *Rerum Novarum, in Seven Great Encyclicals (New Jersey: Paulist Press, 1931), no. 9.*

First, the Dimension of CARITAS

When Jesus Christ told His apostles, "Go teach all nations," he introduced the most profound meaning of globalization. The new people of God belongs to no one racial stock, ethical group, tribe, or nation; it is universal; it is intended for all those men and women of good will who open their intellects and wills to it; it is global. Later when St. Augustine defined the City of God as the community of all those whose minds and wills are infused with the caritas that is the inner life of God, he too was pointing to a global community—global in space and in time. Again, the contemporary expression of Pope John Paul II, the civilization of love, refers to that universal community of all men and women of which the Catholic Church is a herald, being itself one, global, and multicultural.[2] Thus, right here at the beginning of our discussion, we need to remind ourselves that another word for "Catholic" is "global". Moreover, other forms of globalization are judged against the standard of God's universal caritas, offered to all humans everywhere.

By contrast, the contemporary phenomenon of economic, political and cultural globalization is far more superficial, and can be destructive of God's purposes. All the same, some currents within it can be put to creative use for God's purposes, insofar as they prepare the way for a deeper form of human unity; the universal community of the diverse and pluralistic people of God. In this context, "Catholic" does not mean uniform or homogenized, but united in diversity. For every Catholic family is rooted in a particular lan-

[2] In order to be genuine, development must be achieved within the framework of solidarity and freedom, without ever sacrificing either of them under whatever pretext. The moral character of development and its necessary promotion are emphasized when the most rigorous respect is given to all the demands deriving from the order of truth and good proper to the human person. Furthermore, the Christian who is taught to see that man is the image of God, called to share in the truth and the good which is God himself, does not understand a commitment to development and its application which excludes regard and respect for the unique dignity of this 'image". In other words, true development must be based on the love of God and neighbour, and must help to promote the relationships between individuals and society. This is the "civilization of love" of which Paul VI often spoke. *Sollicitudo Rei Socialis; no. 33.* (Indiana: Our Sunday Visitor Publishing, 1996).

guage and culture, and simultaneously united with all other faithful families in universal solidarity. When faithful families attend the Eucharist, they attend in the spiritual presence of the whole universal community, united with Christ crucified.

The Cultural Dimension

Globalization means that we experience today an unprecedented network of contacts between peoples and cultures. Let us begin with lesser, but easily understandable indications. Television images from one part of the world now reach families in another part of the world almost simultaneously. All can be watching the same images at the same time, or at least as the waking day turns around the globe. Between 1980 and 1995, the number of television sets per 1,000 people worldwide nearly doubled, from 121 to 235; and the number keeps growing.[3] Sitting in our own homes or offices, we watch weather reports on television describing temperatures and changes of climate in a long list of other cities on every continent around the world. Ideas of human rights and democracy spread rapidly around the world, as do images of suffering and injustice. So also, do images of seduction, hedonism, and rebellion against the good and the true.

Again, more people than ever before are traveling today from one country to another. Traffic by airplane today has become so cheap and convenient that the crowds who come to Rome (and other great cities) are no longer merely aristocrats or the learned as in earlier times, but from among the far more humble. On a more permanent level, many families today have members who are living in other countries in far parts of the world—even our families have become planetary. But that is not all. Multiple lines of international commerce and trade are weaving a single circle of exchange. More and more people today spontaneously begin their thinking by trying to imagine the needs and wants of people on the far side of the planet.

[3] All statistical data in this piece are taken from the World Development Report, 1998, which can be found at <http://www.worldbank.or/wdr/wdr98/contens.htm>. Visited November 20, 2000; 12:10p.m.

Thus the American writer Thomas Friedman describes a Jordanian political journalist who tells him with satisfaction that CNN has just begun to include Amman in its reports on the day's temperatures and weather forecasts; for him Jordan now exists in a way it had not before; it counts for something in the eyes of others. And shortly thereafter an Israeli businessman explained to Friedman that he and his associates no longer think first about local economic conditions, and what they will produce for those, and then about some possibilities for export. Rather, they now find themselves thinking about the whole planet and about what they might be able to export, and then they think about how to produce it. We have become different sorts of persons, the man explained; we think of ourselves in a new way. A planetary way.[4] Consider a few other indicators:

- Travelers from one country to another doubled between 1980 and 1996, from 260 million to almost 600 million travelers per year. One-tenth of the world's population every year.
- Between 1990 and 1996, time spent on international telephone calls more than doubled from 33 billion minutes to 70 billion minutes.
- In constant 1990 prices, the cost of a three-minutes telephone call from New York to London fell from $245 in 1930 to almost $50 in 1960, to $3 in 1990, to 35 cents in 1999.

Profound changes are occurring in the ocean depths of cultures, as well in Indonesia and Burma and Burundi and Ghana and in all corners of the world, one hears more and more people appealing to the same universal ideas: human dignity, the right to personal economic initiatives, liberation from poverty. Nearly all of these universal ideals were introduced into the world,[5] the great social

[4] Thomas L. Friedman, The Lexus and the olive Tree: Understanding Globalization (New York: Farar, Straus, and Giroux, 1999) pp. 8-9.
[5] Barbara Ward, Faith and Freedom, (New York: Image Books, 1958). Chapter one: "Foundations", pp. 13-78.

economist Barbara Ward has pointed out, through the influence of Christianity. She did not mean to suggest that the world is becoming Christian, she meant to suggest that certain Christian ideals for society and the individual have universal force, and are now inspiring people everywhere. If in fact the nations of the world ever come to a universal culture of respect for human rights, it will be a world that is much closer to certain elementary Christian ideals: the dignity of the person, solidarity among all peoples. In important aspects, the entire world is now living through a common cultural drama, the attempt to build societies worthy of such ideals.

Political Expressions of Globalization Are Also Multiplying

The Universal Declaration of Human Rights, with its condemnation of certain evils (genocide, torture, etc.) is at one and the same time a political act, and an act deeply influenced by Catholic thinkers.[6] Outside the United Nations building in New York City, there stands a statue of Francesco de Vitoria (1486-1546), the great Catholic thinker from Spain who is regarded as "the father of international law". The connection between international law, a Catholic vision of life, and the multi-cultural breadth of historical Christian civilizations is quite deep. Christianity is a religion that sees all the world's people as one, bound under the laws of the one Creator of all, and called to a new vocation by the one Redeemer of all. All have also been given a vocation to "build up the kingdom of God"on earth, a kingdom never finished, but before the last day always partial, incomplete, and composed of members at the same time fallen as well as redeemed.

The struggle to devise systems of positive law that guide, teach, and shape peoples in ways worthy of the destiny their Creator intended for them entails a long struggle of trial and error, against human resistance and rebellion, and in the face of human igno-

[6] Mary Ann Glendon in A World made New: Eleanor Roosevelt and the Universal Declaration of Human Rights (New York: Random House, 2001) shows the influence of Catholic, Jewish, and secular negotiators in the drafting of the universal Declaration of Human Rights.

rance, errant passion, and wilful blindness. The struggle for the rule of law is a long historical adventure. The family is the first institution in which humans are taught the ways of the law, and how to appropriate the sources of the law inwardly.

At the beginning of the 20th century, Hitler, Mussolini, and Stalin burst upon the world stage, shouting that dictatorship is the most efficient form of government in fulfilling the general will and in lifting up the poor. But the world learned bitter and unforgettable lessons from the age of dictatorship. As John Paul II points out in Centesimus Annus, democracy has many faults but no system yet better protects the human rights of minorities and individuals, both from single tyrants and from the tyranny of the majority. Thus, nearly everywhere dictatorship is being rejected, and peoples are striving to develop the political parties and coalition which bring about a government based on the consent of the governed and under the rule of law—which looks upon all as equals, and on none with special favor.

A second political expression of globalization is the simultaneous movement against the hegemony of the nation state from "above" and from "below". In Europe, for example, individual states are yielding some of their sovereignty and prerogatives to the European Community. They are forming new realities larger than the nation-state. Simultaneously, many nation states are under pressure to grant new autonomy to internal regions within their own domain.

Thus, the former United Kingdom (or Great Britain) is today ceding more and more autonomy to Scotland and Wales; Lombardia is pressurizing the Italian central state for greater recognition and autonomy; and in France, Germany, and elsewhere constituent regions of nation states seek ampler room for local self-government. This double movement towards larger units "above" and smaller units "below", even though it arises from many mixed motives, including unworthy ones, is anticipated by the Catholic principle of subsidiarity. Some problems are best solved on smaller and more local levels, while others require larger, cross-cultural entities. The "incarnational" tendency of Catholic thought

favors the most concrete and immediate consistent with practical wisdom; the "universal" tendency favors more extensive organizations and institutions, even on a global scale.

Nowadays, the economic dimension of globalization, being
newer, draws most attention. Before 1986, few thinkers predicted
the sudden collapse of socialism as an economic system. Prior to
then, many still saw socialism as the wave of the future, and others
were arguing for a "third way" between socialism and existing capi-
talist societies. The collapse of socialism as an economic idea, how-
ever, eliminated the socialist alternative and cast doubt on one
foundation of "the third way."[7] Thinkers pursuing a "third way" are
losing confidence in the ability of the nations state to pay its bills in
the future, however. Welfare states have promised greater awards
to future retirees than they have any prospect of paying, since their
populations are rapidly aging, and their younger workers grow
scarcer. Both because of abortion and because of a lessened willing-
ness of young couples to have large families, many nations have
been experiencing a severe "birth dearth", the opposite of a popula-
tion explosion—a severe population contraction[8]

Thinkers around the world who once depended upon socialist
ideas, or at least on the ideas of social democracy and the welfare
state, are only now awakening to this portending financial crisis.
One implicit assumption of the welfare state—namely, that the
central state will be relatively protected from the world
economy, able to dictate its own course alone—is no longer se-
cure. Like gale-force winds, the international forces of invention
and discovery, global trade of unprecedented dimensions, open
market exchange, free capital flows, and labour mobility across
borders rush right through the internal world of individual wel-
fare states. The tidy and self-enclosed social systems of indi-
vidual nation states, locked into the forms of social welfare

[7] For a four-way debate on these questions, see Michael Novak, Is There a Third Way? (London: The IEA Health and Welfare Unit, 1998); Esiste Una Terza Vua? (Milano; Fondazione Nova Res Publica, 1999).

[8] See Ban J. Wattenberg, The Birth Dearth; What Happens When People in Free Countries Don't Have Enough Babies? (New York: Ballantine Books, 1987).

developed in the early 20th century, are under sudden and intense stress. Such stress might well provide a favourable new opportunity for the renewal of family life, if it leads to new ways of thinking, and new social institutions. The welfare state has not been kind to family life.[9] Some of the major changes in the economic environment at the beginning of our promising new century are as follows:

In 1965, gross world product was 1.7 billion dollars; by 1996, it had leapt to 29.5 billion dollars. In part, this tremendous increase in the wealth of the world was due to new inventions and discoveries; and to millions of new small businesses put into operation by poor peoples who had never had the chance to become entrepreneurs in the past. In part, though, this immense growth in wealth is also due to an even large increase in world trade. Between 1965 and 1996, world trade from one country to another skyrocketed from 186 billion dollars to 6.37 trillion dollars.

It was not only the dimensions of world trade that grew with such enormous rapidity; the kind of goods exported by the developed countries also changed dramatically. In 1965, 85% of the total exports of such countries were in the form of commodities, usually basic commodities. By 1997, 70% of the export had shifted to manufactured goods, only 30% still in commodities. A great deal of the new manufacturing in the world is now taking place in countries in which, just a few decades ago, there was practically no manufacturing. This was a great boom to the poor of those countries. While still only a relatively small percentage of their populations today work in manufacturing industries, these few are now drawing income and benefits far superior to any that their families knew in the past. They were also learning new skills and aptitudes.

In the last 30 years, then, gross world product exploded, world trade exploded, and so also did foreign direct investment, which leapt to 400 billion dollars in 1997, seven times the level in real

[9] See, e.g., the evidence collected for the United States in Michael Novak, John Cogan, et. al. The New Consensus on Family and Welfare, (Washington: AEI Press, 1987).

terms of three decades earlier. The daily turnover in foreign exchange markets increased from around 20 billion dollars in 1970s to 1.5 trillion dollars in 1988. International bank lending grew from 265 billion dollars in 1975 to 4 trillion dollars in 1994. These indicators shed light on why we find ourselves living in a very different world in the year 2000, this great year of Jubilee, than the way we lived just 30 years ago in the youth of some of us.

The world today is far richer, more interconnected, and more dynamic. Each nation is more interdependent with other nations than it was then. Many find this new global interdependence frightening. They would prefer the security of isolation. Yet the interdependence of one country with another better exemplifies the solidarity of all human beings than their relative isolation from and ignorance of each other. International commerce and trade give practical expression to the need which the different nations have of one another—this one producing wine, that one wool, the other one grain, and still another olive oil—and in this way testify to the fundamental unity of the human race.

On the other hand, these relatively sudden transformations exact heavy costs. Local industries, for many generations protected from the larger world, now face the stiff winds of competition from other peoples who can manufacture the same goods more cheaply, more efficiently, and sometimes with higher quality. Dozens of sources of strain and friction have been brought about by the emergence of the global economy from the global wars that wrecked the 20th century. Not the least of these is the lack of hospitable philosophy of globalization. Most ideologies of our time (fascism, socialism, social democracy, etc) have been hostile to the new source of economic dynamism: the forces of individual creativity, initiative, imagination, and markets that make possible the open entry of the poor and the marginalized into the "circle of development". Most advanced thinkers have been radically anti-capitalist, either for traditionalist or for socialist reasons. Thus, they finds themselves ill-prepared for present sources of dynamism, invention and growth.

Setting ideologies to one side, here is where the Church can make-and has been making—a crucial contribution to human progress. The Church has a universal point of view that is open to the diversity and the uniqueness of every people. Its vision of globalization is not homogenization, uniformity, sameness. In Centesimus Annus[10] the Church expresses a vision of the economy, polity, and culture of a "civilization of love". It discerns both the limits and the positive contributions to human social life of democracy, capitalism, and pluralistic cultures of life, and points out that all these three systems can be 'rightly' or 'wrongly' understood. Thus, democracy without the rule of law, and without the protection of individual and minority rights, is merely the tyranny of a majority. An economy based on free economic initiative and creativity, which is not based on the rule of law and constrained by a rightly understood social morality, is disordered and destructive.[11] A culture that wrongly understands pluralism as a form of relativism or moral nihilism cannot produce free

[10] Centesimus Annus (London: Incorporated Catholic Truth Society, 1991), treats the application of the principle of caritas, in the economy in chapter IV, the Polity and Culture in Chapter V, "for civilization love" See no. 10.

[11] Ibid. no. 42: Returning now to the initial question; can it perhaps be said that, after the failure of Communism, capitalism is the victorious social system, and that capitalism should be the goal of the countries now making efforts to rebuild their economy and society? Is this the model which ought to be proposed to the countries of the Third World which are searching for the path to true economic and civil progress?

The answer is obviously complex. If by "capitalism' is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a "business economy" "business economy" "market economy" or simply "free economy". But if by "capitalism" is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality and sees it as a particular aspect of the freedom, the core of which is ethical and religious, then the reply is certainly negative.

Also, no. 46: Authentic democracy is possible only in a State ruled by law, and on the basis of a correct conception of the human person. It requires that the necessary conditions be present for the advancement both of the individual through education and formation in true ideals, and of the "subjectivity" of society through the creation of structures of participation and shared responsibility.

men and women, and only prepares the way for the triumph of brute dictatorial power.[12]

Centesimus Annus also sets before the whole world the goal of bringing all the poor peoples of the world into the common circle of development.[13] It identifies the cause of the wealth of nations as human capital: knowledge, know-how, skill, aptitudes, habits of work and cooperation, and a wide variety of other virtues.[14] It iden-

[12] Ibid., no. 46: Nowadays, there is a tendency to claim that agnosticism and skeptical relativism are the philosophy and the basic attitude which correspond to democratic forms of political life. Those who are convinced that they know the truth and firmly adhere to it are considered unreliable from a democratic point of view, since they do not accept that truth is determined by the majority, or that it is subject to variation according to different political trends. It must be observed in this regard that if there is no ultimate truth to guide and direct political activity, then ideas and convictions can easily be manipulated for reasons of power. As history demonstrates, a democracy without values turns into open or thinly disguised totalitarianism.

[13] Ibid. no. 34: It is a strict duty of Justice and truth not to allow fundamental human needs to remain unsatisfied, and no to allow those burdened by such needs to perish. It is also necessary to help these needy people to acquire expertise, to enter the circle of exchange, and to develop their skills in order to make the best use of their capacities and resources. Even prior to the logic of a fair exchange of goods and the forms of justice appropriate to it, there exists something which is due to man because he is man, by reason of his lofty dignity. Inseparable from that required "something" is the possibility to survive and, at the same time, to make an active contribution to the common good of humanity.

In Third World contexts, certain objectives stated by Rerum Novarum remain valid, and, in some cases, still constitute a goal yet to be reached, if a man's work and his very being are not to be reduced to the level of a mere commodity. These objectives include a sufficient wage for the support of the family, social insurance for old age and unemployment, and adequate protection for the conditions of employment.

[14] Ibid. no. 32: In our time, in particular, there exists another form of ownership which is becoming no less important than land: the possession of know-how, technology and skill. The wealth of the industrialized nations is based much more on this kind of ownership than on natural resources. Mention has just been made of the fact that people work with each other, sharing in a "community of work" which embraces ever widening circles. A person who produces something other than for his own use generally does so in order that others may use it after they have paid a just price, mutually agreed upon through free bargaining. It is precisely the ability to foresee both the needs of others and the combinations of productive factors most adapted to satisfying those needs that constitutes another important source of wealth in modern society. Besides, many goods cannot be adequately produced

tifies the family as the fundamental social unit in which this capital is first transmitted, although of course in all these respects the family needs assistance from other institutions and cultural forces. The family is the fundamental cell of the civilization of love[15], and also of democratic habits[16], creative economic initiative, and respect for human diversity and solidarity. Indeed, one fault of social welfare societies—of the Social Assistance State—is that its concentration of power in the central state gravely weakened families and other mediating institutions.[17]

through the work of an isolated individual; they require the cooperation of many people in working towards a common goal. Organizing such a productive efforts, planning its duration in time, making sure that it corresponds in a positive way to the demands which it must satisfy, and taking the necessary risks—all this too is a sources of wealth in today's society. In this way, the role of disciplined and creative human work and, as an essential part of that work, initiative and entrepreneurial ability becomes increasingly evident and decisive.

This process, which throws practical light on a truth about the person which Christianity has constantly affirmed, should be viewed carefully and favorable. Indeed, besides the earth, man's principal resource is man himself. His intelligence enables him to discover the earth's productive potential and the many different ways in which human needs can be satisfied. It is his disciplined work in close collaboration with others that makes possible the creation of ever more extensive working communities which can be relied upon to transform man's natural and human environments. Important virtues are involved in this process, such as diligence, industriousness, prudence in undertaking reasonable risks, reliability and fidelity in interpersonal relationships, as well as courage in carrying out decisions which are difficult and painful but necessary, both for the overall working of a business and in meeting possible setbacks.

[15] Ibid. no. 39: The first and fundamental structure for "human ecology" is the family, in which man receives his first formative ideas about truth and goodness, and learns what it means to love and to be loved, and thus what it actually means to be a person. Here we mean the family founded on marriage, in which the mutual gift of self by husband and wife creates an environment in which children can be born and develop their potentialities, become aware of their dignity and prepare to face their unique and individual destiny.

[16] Ibid. no. 45: furthermore, the totalitarian State tends to absorb within itself the nation, society, the family, religious group and individuals themselves. In defending her own freedom, the church is also defending the human person, who must obey God rather then men (cf. Acts 5:29), as well as defending the family, the various social organizations and nations—all of which enjoy their own spheres of autonomy and sovereignty.

[17] Ibid. no. 48: In recent years the range of such intervention has vastly expanded, to the point of creating a new type of State, the so-called "Welfare State".

If we use the condition of the poor nations as a guide to how well the global community is progressing, then we can use Centesimus Annus to form several useful practical judgements. The ultimate goal of a good global economic order ought to be this: that the real income of even the poorest members of the poorest nations should rise steadily, decades by decades, until all universally reach a decent standard of life. But real incomes can rise only if productivity rises, and inflations is held down. Productivity gains allow the same inputs of labour to be rewarded at higher and higher levels of real income. To maintain these levels, maintaining the stable value of income by controlling inflation is also indispensable. These are the two guidelines towards economic progress for all, drawing all the poor into the growing circle of development.

Further, Catholic leaders should lead the way in concentrating the world's attention on what happens to the family. Catholics have reasons both theological and philosophical for thinking of the family as the fundamental cell of human life. Although we highly value the human individual, and believe with St. Thomas Aquinas that the human person is the most beautiful creature in the earthly universe, and the only one which God made for Himself, an end and not only a means, we also recognize that the person is not the fundamental cell of the human race. Persons are born in families. Moreover, it is only within families that the habits and culture proper to a civilization of love can be communicated. For each child first experiences unconditional love in the arms of its mother, in the daily experiences of many years in the bosom of the family, under

This has happened in some countries in order to respond better to many needs and demands, by remedying forms of poverty and deprivation unworthy of the human person. However, excesses and abuses, especially in recent years, have provoked very harsh criticisms of the Welfare State, dubbed the "Social Assistance State". Malfunctions and defects in the Social Assistance State are the result of an inadequate understanding of the tasks proper to the State. Here again the principle of subsidiarity must be respected; a community of a higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions, but rather should support it in case of need and help to coordinate its activity with the activities of the rest of society, always with a view to the common good.

the twofold guidance of both a mother and a father, and ideally in a generous family of more than one child.[18] We who are Catholics value the family. It is a mirror in many ways of the presence of God among us. It is the institution within which we most learn the meaning of love, loyalty, honesty, dedication, sacrifice, and human sympathy. "The glory of God is man fully alive" (St. Irenaeus). The hunger for that fulness in all its dimension is first nurtured in the family. It is useful for us, then, in our practical thinking, to try to imagine social reforms that will strengthen the families of the future.

Conclusions

I would like in conclusion to call attention to the brilliant proposal of a Chilean economist, José Pinera[19], who introduced the most significant social reform of the last century: the personalization of old-age-assistance accounts. This program is of immense importance to family life. It may be the most far-reaching practical innovation of Catholic Social Thought in the last hundred years. His program, introduced more than ten years ago in Chile, has already proved to be a significant success in more than a dozen other countries around the world. Here is how it works, even since the time of Bismarck, many nations have developed retirement plans for older citizens, usually called old-age insurance. At a time when the average age of death was 45, Bismarck set the retirement age at 65, partly to guarantee that there were always enough younger workers paying into the system each year to support the smaller cohort of retires. In most nations, there is no real "savings fund" or "insurance fund" in which the taxes paid into the system are

[18] In recent years, we note with sadness, many nations in Europe are becoming countries in which families have only one child. This means in the future not only no brothers and sisters, but also no uncles and aunts and cousins, such as we experienced in the past, but only individuals living in considerable emotional solitude.

[19] See José Pinéra, "The future of Free Citizens; Social Security, Privatization and the Fall of a Second Berlin Wall", paper presented at the Mont Pelerin Society, General Meeting Chile, Nov 12-17, 2000. See also Pinéra's "Empowering Workers: The Privatization of Social Security in Chile," Cato's letter no. 10 (1996). Information from the foundation he created: "The International Centre for Pension Reform" can be found at <http://www.pensionreform.org>.

invested and grow in income. Funds that come in today are, in effect, paid out today, and future generations receive merely an entitlement to begin collecting once they retire, in their turn. Pineras's idea is dramatically different, in three central respects.

- First, instead of paying into a common state pool of funds, the individual workers opens in his own name a personal tax-free account in a government-approved investment vehicle (savings account, mutual fund, certificates of deposit, etc). This account is owned by himself.
- Second, the large government bureaucracy formerly needed to collect old-age retirement taxes or to disburse funds can be greatly reduced (or disappear), resulting in great social savings.
- Third, unlike existing government programs for retirement, these personal funds are inheritable by heirs designated by their owner.

Should the worker die before he reaches retirement age, the investments growing by compound interest in his fund will be conveyed as an inheritance to whomever he has designated in his will. This feature of Pinera's scheme allows each succeeding generation of the family to be in a better capital position than the preceding generation. Each may begin life with a capital passed down from generation to generation in the family. Each generation may add new wealth to it. The great dream of the early 20th century, never realized, was the redistribution of income. Pinera's scheme envisages, instead, the universal distribution of capital, through the transformation of existing programs of old-age assistance into personal, inheritable account.[20] Pinera has proved, through the success of this program in several nations, that this universal creation of a capital fund for every family (or lifetime annuity) is practical.

[20] Of course, those workers who so choose may invest the funds accumulated in their accounts in a lifetime annuity, thus assuring themselves of financial support even if they live into their nineties or beyond. It is a matter of personal election whether they choose a lifetime annuity or maintain their own capital fund.

Family capital funds greatly raise the possibilities open to ordinary families. They provide collateral for mortgages in the buying and developing of homes. They pay for increasing years of education. They provide seed capital for starting new small businesses and to fulfill other dreams in the economic order. Moreover, all those nations that already have old-age-assistance programs, into which workers are already paying, have at hand a method for establishing a universal capital fund for each and every family. Pinera's personal retirement accounts, which grow tax-exempt in various forms of investment vehicles, invested at say 5% or 6% a year, double in value every decade, and through compound interest grow to truly impressive amounts over a lifetime of regular investments. For example, a European who began investing the equivalent of three dollars every working day, or 15 dollars for every working week of his life from the age of 25 to the age of 65, would have at his retirement a capital fund of $126,000. This is rather remarkable growth from such modest investments. In a country of much lower average income such as Chile, lesser amounts also show sufficient growth to purchase significant lifetime annuities; they can also be used as collateral for mortgages. One can imagine how much greater it would be if each young person invested in such accounts the full amount that they presently pay in taxes for their old age assistance each year. (Most Americans and Europeans pay higher taxes into old-age-assistance than into income taxes).

There is no reason why, by the end of the 21st century, we could not put such a capital investment fund in the possession of most families on earth. One does not have to be an economist see the many social and personal benefits that could flow from such accounts. They give families a sense of ownership, a sense of participation in the dynamism of economic growth through their own investments, and a new sense of possibility about their own ability to invest in health care, education, and other goals. They bring them independence from the state. They help cement families together. They provide a way by which each generation can show its affection and commitment to the next generation and all its future posterity. Even in the poorest countries, and among the poorest

everywhere, ownership of capital (however small) brings a new sense of pride, responsibility, and possibility. And if we generalized Pinera's point, we may think of other ways by which to transform present distributive programs into capital-ownership programs. For instance, medical benefits might be designed in the form of medical savings accounts owned by each worker and invested thus: partly in medical insurance to cover major illnesses or accidents, partly into growth funds to be drawn upon for ordinary medical expenses. The unused portion of such accounts would be inheritable by loved ones.

More quickly than any other mechanism, such personal investment funds could raise the poor out of poverty, generation by generation. They would give each new generation a higher starting place in life than their parents had. I do not mean to end these remarks on an entirely positive level. We have just emerged from one of the most brutal, dark, and murderous centuries in history. Its is entirely possible that the mistakes of the 20th century will be made over again in the 21st century. Yet nothing condemns us to such a fate. To live as free people means that we have a chance. No one guarantees us that we shall succeed. But we can at least try.

The God who gave us life gave us liberty at the same time. Our dignity is found in using that liberty responsibly. Surely, when looking into the eyes of the members of our own family, we feel that responsibility most keenly. As Blaise Pascal taught us, the first moral obligation is to think clearly. We need to think most clearly about the public policy suggestions and possibilities given to us by our faith. If we are to build the civilization of love, we must build it in sound and practical ways. These ways are often quite humble. It is not bad thing to work toward great ends by humble means. The founder of our faith, the source of our hope after all, began life as a carpenter.

17

The Chance for Ethical Standards in the Context of Global Economy

(Concerning the Question of Realizing Ethical Standards in the Context of the Global Economy)

Johannes Hoffmann

GOETHE SAW RIGHT FROM the beginning of the industrialization the negative consequences of releasing money or that is to say financial capital from all ethical duties and described this in his Faust. "Paper and bank money creation—according to the economist Binswanger—together with the spread of the new property law developed in the course of the 19^{th} century into the upholder of the industrial revolution or rather the economic growth that developed from the industrial revolution. Faust's enterprise has become the world plan of economy. It is the modern economy. On the basis of this conclusion one can say in accordance with Goethe—modifying the well known word by Clausewitz, politics were the continuation of alchemy with other means"[1]

An economic order came into being where the economic subjects' evaluations and actions are determined by the laws of capital exploitation. Declaring the economic capital as the absolute has consequences, namely an unfair and dirty capitalism that exhausts both the natural and the social capital. In the context of globaliza-

[1] Hans Christop Binswanger, Geld und Magie, Stuttgart/Wien/Bern 1985, p.56.

tion, this happens worldwide and can no longer be sufficiently controlled by national governments.

The Duties of Economic Ethics

In view of these results economic ethics are challenged to make the market economy and the capitalist system the accompanies the setting of capital as the absolute fit and capable for the future. In modern age, economic ethics have always taken on this duty, although with quite different means and methods. Two possibilities shall be given as an example: Some tried to take countermeasures to releasing capital from all duties except proliferation ~~by trying to~~ convince industrialists with comprehensible arguments that they should commit themselves, as it were, to taking into account ethical norms in dealing with the natural and social environment in the course of production processes and concerning the produce. Indeed, many of them complied with this.

However, more often than not they found themselves at a disadvantage with their competitors who disregarded such responsibilities. Other philosophers of economic ethics tried to work towards changing the economic conditions with the aid of institutions such as the church or social associations. The concepts of social market economy by Alfred Müller-Armack and Ludwig Erhard serve as the best and most important example for this. Müller-Armack tried to carry out the necessary adjustments until well into the sixties. Today, there is in fact nothing much left of this model. Let alone one expanded the concept towards a social-ecological market economy. There was a time, for instance from the early days of the Federal Republic until far into the sixties, when economical ethics together with lobbying achieved respectable results concerning the influence on the basic conditions. Today it seems, however, that governments are hardly capable of acting as contacts for far-reaching changes should they wish to be re-elected. Just in a situation like this, we are well advised to focus on the civil society and ~~use the influence of civil-societal~~ movements in order to get more ethics into the market.

There is a good chance for this. Sociological insights and also experiences gained by the peace movement, the ecology movement et cetera may encourage us to take action, as—considered from the sociological viewpoint—all realizations, all technological developments, all economic systems, mechanisms and structures are results of social processes in cultures. They may again be changed due to social processes in societies and cultures, if we become aware of the fact that these structures stand in the way of preserving the Creation, of protecting social harmony and making possible humane living conditions for all people. A possible result of such social processes could be a capitalism that can be reminded of its ethic duty, so that the incarnation in community and harmony with the Creation may come true for all human beings, a capitalism that considers money as social institution, that is shaped by the community and the nation, its values being guaranteed by the work of many. The cultural taming of our unfair and dirty capitalism and its transformation into a capitalism which is fit for the future would come into view as vision and real utopia.

Ethically oriented investors, an ethically interested financial service industry, ethically motivated industrialists' eager to learn as well as ecologically and ethically oriented consumers could provide the basis for a broad civil-societal movement and would get the necessary cultural and social processes for the creation of a future-fit capitalism off the ground.

Now How Can We Make This Happen?

The sustained formation of relevant civil-societal groups into social and ecological movements can only succeed if these groups adopt sufficient independent information, if they can rely on a methodically-supported set of criteria based on knowledge and experience to assess capital investments and if there are competent civil-societal institutions in the background.

The project group "Ethical-Ecological Rating" was created against the background of these civil-societal requirements and provided important contributions. The first step to be taken by the project group Ethical-Ecological Rating was the development of a systematic, theory-supported set of criteria. This set of criteria provides a tree of values working on three value-dimensions, namely cultural, social and ecological sustainability. This set of criteria, published as Frankfurt-Hohenheimer guideline,[2] was then recasted as Corporate Responsibility Rating assesses a company's responsibility for the society and the cultures (=cultural sustainability), moreover its responsibility for the natural environment (=ecological sustainability). That provides ethically motivated investors with the required know-how to be able to invest their money via financial administrators according to ethical criteria. Such a rating or rather such an evaluation assesses the companies individually and also determines their ranking within their branch of industry. Each company participating in the evaluation receives information about its classification for free. Many companies are naturally interested in finding our their competitor's results and why the others might possibly be better than they are. The final report, which the participating companies may purchase, states the detailed reasons why one company gets the top ranking whereas another one only takes the tenth position. The moment this is done an ethical competition develops within the branches on the basis of the rating in connection with the ranking of the branches. And this is exactly the intention of this economic-ethical approach. By using the means of the market, namely competition, this approach tries to involve ethic into the capital market and influence money transactions by ethical viewpoints. On the capital market this has already succeeded to a considerable extent. Right now, already more than 1 billion Euro in Germany and Austria are administered by means of Corporate Responsibility Rating. So far, 800 international large concems In 25 branches were evaluated. In addition, 200 medium-sized and smaller companies, that proved to be ecological pioneers as concerns their products and production processes. With this, we have an investment universe rated according to the Frankfurt-

[2] Johannes Hoffmann, Konrad Ott, Gerhard Scherhorn Ed. Ethische Kriterien zur Bewertung von Unternehmen. Frankfurt-Hohenheimer Leitfaden Frankfurt (IKO-Verlag) 1997.

Hohenheimer guideline which is sufficient for any possible creation of portfolios and can also be handled very well, as experience with bonds societies has known.

Rating of 30 OECD Countries

To offer ethically oriented consumers a wider investment spectrum particularly in the field of fixed-interest investments, we developed a country-rating with the help of which all government bonds on the market can be assessed according to criteria from the social and ecological field on the basis of the Frankfurt-Hohenheimer guideline. So far a country-rating of the 30 OECD countries and Russia is available.

Such a rating can be compared to a photograph that might show a completely different picture only a little later. It is therefore necessary to update the results of the evaluation, to re-examine them regularly or on special occasions. Therefore, the oekom research AG makes yearly updates and, should companies show grave changes in their conduct, its clients will be informed monthly.

So there is the know-how for a very transparent form of ethical investments. Furthermore, the oekom research AG offers its clients the opportunity to select from a wealth of negative and positive criteria to develop an individual approach. This has the advantage that the investor can individually create his portfolio. The disadvantage is, however, that the investor is forced to have a critical look at the criteria, which is more time consuming. Each investor will surely find the investment concept that matches his individual preference.

Concerning the Quality of Sustainability Ratings

More and more often, we read in the printed media about business scandals, faked balances and other attempted deceptions, which confuse investors and make share prices reach rock-bottom. Rating agencies and analysts also get themselves talked about. Therefore, the question arises in which way confidence and credibility on the stock market can be established. One condition is the orientation of all participants towards ethical principles. Here, the project group "Ethical-Ecological Rating" of the University of Frankfurt develop quality standards for sustainability ratings together with the *Oekom Research AG* and the *Rating Cert. e. V.* These standards include, e.g. that a rating agency relies on a differentiated and transparent set of criteria. There must not be any conflict of interests nor capital entanglements between the agency and asset management must be institutionally and economically separate. Neither are rating agencies allowed to entertain any commercial consultancy relations with the companies evaluated nor to be evaluated by them, as this might imply a certain interest for a higher ranking. Whether our market economy is fit for the future, will not least depend on winning back the trust in the economy and the stock market by means of trustworthy ratings.

This procedure not only offers the investor a transparent opportunity to make ethical-ecological investment decisions. Rather his decision according to the "best-in-class" system shows ethical-ecological effects on the economical development in general, as this test procedure triggers an ethical competition both within and between the branches. That accommodates an ethically oriented investor very well, as he not only pursues his individual interests and has a clear conscience, but also triggers economical developments which produce ethical-ecological innovations on a larger scale and therefore result in changes on the capital market towards a more ethical performance.

Due to the establishment of ethical competition within the branches—an economic means, after all—companies are given the opportunity to become consciously aware of their responsibility for people and environment in their own country and in other cultures. Those who are oriented towards criteria of sustainability, who run their companies in an ecological, social and cultural acceptable way will be the ones to distinguished themselves as suitable investment candidates in this competition.

Transparency and Objectivity in Rating Agencies

The ethical ecological research and rating agencies provide a remarkably important interface for a well-functioning ethical com-

petition. Unfortunately, this is exactly where we see not only positive developments but also considerable flaws. A poll[3] carried out by the *Deutsche Aktieninstut e. V.* (a German shares institute association) and the *Institut für Ökologie und Unternehmensführung* (Institute for Ecology and Management) at the *European Business School e.V.* in May 2003 revealed that those enterprises in Germany with a quotation on the stock exchange have an attitude towards sustained investments on the market which is characterized by a combination of openness and uncertainly. They especially criticized the lack of transparency as regards the criteria and methods for evaluating the sustainability performance of enterprises.

The way the questioned enterprises perceived rating agencies corresponds to the results from a survey made by Franziska Jahn on behalf of the project group Ethical-Ecological Rating in Frankfurt this year. There is a rather long list of inquiries to the ethical ecological research institutes resulting from that. Data protection is already the first item to mention. Furthermore, it became clear that the ideas concerning the judgement quality of analysts differed considerably.[4] As regards the evaluation procedure only 40% stated that they have standardized research procedure, only 26% of the agencies considered a systematic media research in view of the highest possible objectivity as important and another 20% claim that a precise evaluation handbook is the key to objectivity.[5]

The results concerning the question of criteria are downright alarming. 66% of the agencies questioned did state that they are based on an acknowledged guideline, however, only 33% made it available to the study. 13% did not answer the question at all and

[3] Nachhaltigkeit und Shareholder Value aus der Sicht börsennotierter Unternehmen. Ergebnisse einer Umfrage des Deutschen Aktieninstituts e.V. und des Instituts für Ökologie und Unternehmnsfuhrung an der European Business School e.V. Rüdiger von Rosen Ed. Studien des Deutschen Aktieninstituts, No 22, Frankfurt am Main, May 2003, p.9.

[4] Franziska Jahn, Zur Qualität von Nachhaltigkeitsratings. Zwischen Anspruch und Wirklichkeit, typed version, Frankfurt, 30.7.03, p. 142.

[5] Ibid, p.149.

another 21% are not based on a declaration of any kind.[6] Only 47% of the interviewees draw up makings within the branches after screening and evaluating the enterprises)

Ranking the companies within their branch if of prime importance, however, when it comes to developing an ethical competition within and between the branches. When investors or the financial service industry rely on rating agencies in order to decide about their investments, a prior quality check is indicating to avoid mistakes when selecting and looking for ethically-ecologically sustained products.

Formation of Ethically Oriented Investors

If these effects are supposed to last, the acquired know-how must be kept up-to-date and has to be used by investors on a broad scale. No investor can possibly do the required research and oraganized the necessary continuous controlling on his own. Therefore, the association of ethically oriented investors was founded in Frankfurt. It is called "Corporate Responsibility Interface Center" (CRIC). Its name is meant to give an international signal that the association considers itself as interface of ethically oriented institutional and private investors, that wishes to serve its investors-members as forum for exchange of information, but also wants to provide academic accompanying research, press and public relations work and international linking-up with other investor associations. It offers a newsletter and makes reduced access to the necessary evaluations possible for its members. This is on condition that as many ethically oriented investors in the German-speaking region as possible form a high-powered civil-societal group under the umbrella of this association, that they act on the capital market with a rating agency as competent civil-societal institution alongside and ensure gradual changes of the normal conditions towards a better cultural, social and ecological acceptability of the economy.

[6] Ibid, p.161.

List of Contributors

Francis Cardinal Arinze

Nigerian-born Cardinal. President, Commission for Inter-religious Dialogue, Vatican City. Currently, Cardinal Prefect for the Congregation for Divine Worship and the Discipline of the Sacraments, author of several books. Diplomat. Former Archbishop of Onitsha and former President, Catholic Bishops Conference of Nigeria.

John D Cochrane

Coordinator, Ph.D. Programme "Religion in Dialogue" on a Global Platform at the Johann Wolfgang Goethe-University, Frankfurt-on-Main, Germany.

Ndidi Nnoli Edozien

Founder and Executive Director, Growing Business Foundation (GBF), a non-governmental organization in Lagos, Nigeria, champoining the cause of sustainable economic development, led by socially responsible businesses; Lecturer of Business Ethics at the Pan African University, Lagos; member of the tt club of Rome, Co-founder with Obiora Ike of the Micro-Enterprise Development Co-operation (MDC) – a GBF-CIDJAP initiative. She is a post-graduate fellow of the Bertelsmann University Germany (2002) and a Doctoral Research Fellow at the University of Frankfurt Germany (2003).

Antonio Fazio

Has been the Governor of the Bank of Italy; Economic Analyst; proponent of a globalization based on ethical foundations.

Johannes Hoffmann

Professor of Moral Theology and Social Ethics, University of Frankfurt, Germany. Chairman, Corporate Responsibility Interface Centre (CRIC). Chairman of the interdisciplinary project group Ethical and Ecological Rating at the University of Frankfurt. Founding member, Ethical-ecological Hohenheim Guidelines. Chairman of the advisory board of *Oekom Research AG* Munich; Chairman of the advisory board of the *Umweltbank Nürnberg*. Author, Publisher and Writer. Together with Obiora Ike, Editor of Ezi Muoma Book Series *"Understanding Africa"*

Obiora Ike

Catholic priest and Theologian, Director, Catholic Institute of Development, Justice, Peace and Caritas (CIDJAP), Enugu, Nigeria; Vicar General, Catholic Diocese of Enugu (1997-2003), Professor of Catholic Social Ethics, History and African Studies; author of several published books. Co-founder of the Nigerian-German contacts Cologne; Chairman and founder of over 20 Non-Governmental organizations in Nigeria; actively involved in studies that address the inculturation of the Gospel in Africa in its pastoral and social dimensions. He is a publisher, writer and poet. Recipient of the Shalom (Peace) Prize of the University of Eichstaett, Germany (1996) and a Paul Harris Fellow of the Rotary International.

Mbaya Kankwenda

Professor of Development Studies, Congo; Federal Minister in the then Zaire Government (presently Democratic Republic of Congo). Diplomat, writer, Development Practitioner. UNDP Resident representative in Nigeria until 2002 and Head of UN Missions in Nigeria.

Diarmuid Martin

Presently Archbishop of Dublin, Ireland; was Secretary at the Pontifical Council for Justice and Peace, Vatican City. Author, teacher, diplomat, pastor and leader of the Church of Ireland.

Emeka Ngwoke

Priest of the Catholic Diocese of Nsukka. A consultant Research Fellow to the Catholic Institute of Development, Justice and Peace, he is currently undergoing studies at the Catholic Institute of West Africa (CIWA), Port Harcourt, Nigeria. Writer, author and pastor.

Michael Novak

Theologian and former US ambassador holds the George Frederick Jewett Chair in Religion and Public Policy at the American Enterprise Institute in Washington. He is the author of many books and the 1994 winner of the Templeton Prize for Progress in Religion.

Manfred Spieker

Professor of Catholic Social Doctrine, Institute for Church and Society, University of Osnabruck, Germany. A strong advocate for the vocation of the Laity in Public Life.

Globalisation has become a new buzzword of the late 1990's into our times. Despite the very different meanings attached to the term and even more divergent evaluations of its likely impact, globalisation is not yet as global as it sounds. The reality of Africa makes this very clear. There is a global village, but no door for the majority of citizens to enter. Only a few make it. This must change. It is clear that we are in an accelerated process of transition to a new period in world history. But what does this mean for the African peoples and cultures, for humanity at large, both in the northern and in the southern hemispheres, and especially for vulnerable groups and the poor everywhere?

Obiora F. Ike is a Catholic Priest and Theologian, Director, Catholic Institute for Development Justice Peace and Caritas (CIDJAP), Enugu. Widely travelled and author of several books and research titles, Monsignor Professor Ike is actively involved in studies that address Catholic Social Teaching, Ethics and African History on a worldwide perspective with interest on the inculturation of the Gospel in Africa in its pastoral, economic and social dimensions. Recipient of the Shalom (Peace) Prize of the University of Eichstaett, Germany (1996), he serves in many capacities as chairman and founder of over 20 Non-Governmental Organizations in Nigeria and abroad. Together with Johannes Hoffmann, he publishes the *Ezi Muoma* Book Series *"Understanding Africa"* in Frankfurt/M, Germany, co-authored with Ndidi Nnoli Edozien and co-founder of the Micro-Enterprise Development Co-operation (MDC) which is a people-based platform for dialogue on issues of Faith, Ethics, Culture, Development and Economy.

Printed and Published by
CIDJAP Printing Press
In Memory of Joseph Cardinal Hoffner
Catholic Secretariat
3 Ikwuato Street, Uwani
Enugu, Nigeria
Tel: 0234-42-252727
E Mail cidjap@infoweb.abs.net