A political economy of peace and distributive justice in the era of globalisation

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A POLITICAL ECONOMY OF PEACE AND DISTRIBUTIVE JUSTICE IN THE ERA OF GLOBALISATION*

A gradual but steady rise in civil unrest relating to social and political disturbance across the globe is observed, which seems neither transient nor temporary. Even developed countries are not exceptions to the trend. At hindsight, the issues surrounding civil unrest involve denial of economic opportunity, political disenfranchisement, constraint on individual civil rights, prevalence of corruption and lack of transparency, falling credibility of political leaders and subsequent deterioration in legitimacy of national governments. It is observed that all these issues are one way or the other related to globalisation.[1] A significant proportion of the contemporary world has been witnessing sweeping changes in every aspect of its life from forces generated through globalisation. The influence of this process on various dimensions of society is acknowledged, documented and extensively debated. This work may contribute to understand the basic philosophy of globalisation that contributes to civil disturbance, especially the principle of distributive justice. The papers assesses various strands

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[1] The globalised economic arrangement subordinated national governments to globalised market interests. This arrangement has provided privileged status to large business firms that include multinational companies and their interest more than national interests. In this paradigm the laws, regulations, economic and trade policies of national governments are aligned to the interest of large business firms.

of distributional justice related to globalisation and to suggest means to ensure enduring peace in the emerging scenario.

Globalisation aims at global economic integration with freer trade using advancements and reduction in the cost of technology, communications, science, transport and industry. Though globalisation seems to be primarily an economic process, it has implications for socio political and ethical issues; as it is an ideology that may lead to policy prescriptions for various contemporary public issues. The role of globalisation on peace and prosperity, the two time tested public policy objectives of governments in the long history of humans, is a subject of raging debate. Some studies have claimed that globalisation processes have lead to economic prosperity and world peace and so have made the world a better place to live in (Bhagwati, 2004; Moore, 2000) .

Globalisation was viewed as an economic equivalent of democracy in politics and so was presumed that it may get along well with democratic countries / institutions[2]. Freidman (2001) pointed out that globalisation has provided the best opportunities for democracies and good governance. Also, the least globalized countries according to him were both least democratic and the poorest

[2] Economic freedom was considered the cornerstone of globalisation (Micklethwait and Wooldridge, 2000).

countries in the world.[3] The Harvard University Centre for International Development (1999) observed that developing countries which pursued globalisation grew by 4.5 per cent a year during the twenty years of late the twentieth century while those economies that do not pursue grew by 0.7 per cent a year. The economic growth is acknowledged as one of the factors that moved people away from conflict and wars among groups, tribes, and nations. Studies have pointed out that the elements of economic growth encourage co-operation among societies and communities (Marquardt, 2001; 2002). In this context, it is anticipated that the globalisation contributes to world peace through quickening growth, along with material prosperity.

Globalization also provides an equal opportunity for all as it results in democratization of finance, technology and information (Friedman 2000). Studies have highlighted that people have access to better-paying jobs that never existed in the pre-globalised world. Bhagwati (2004) and Powelson (1998) noted that the economic status of even the vulnerable sections viz., women and children have improved with the opening of global markets. Globalisation was thus claimed to contribute for distributive justice that has implication for internal peace.

[3] So he concluded that the problem is not too much of globalisation but rather too little is the problem.

Alongside the above argument, at the global level, the number of civil unrests had been escalating since the early 1990s contrary to the claims of peace and prosperity. Between the early 1980s and the mid 1990s, noteworthy humanitarian crises rose from around 25 a year to around 70, with an increasing number of deaths from civil conflicts, hunger and disease, as well as mass displacement. A UNU/WIDER research report documented the economic and social causes of civil disturbances, apart from the more prominent political and cultural factors (Nafziger, Steward and Vayrynen, 1999). The study analysed the interaction of economic and social factors with political and cultural divisions that leads to large scale conflict.

Studies have found that economic factors relating to low and stagnant / falling per capita income are found to be associated with civil conflicts. For instance, Fearon and Laitin (2003)[4] found that lower per capita gross domestic product had a significant and negative effect on the commencement of a civil war; further, the conditions that favour insurgency include the incidence of poverty. Miguel et al. (2004)[5] found that exogenous economic shocks, a sudden fall in per

[4] Fearon, J. and D. Laitin (2003), "Ethnicity, Insurgency, and Civil War", American Political Science Review, 97.
[5] Miguel, E., Satyanath, S. and E. Sergenti, (2004), "Economic Shocks and Civil Conflicts: an Instrumental Variables Approach", Journal of Political Economy.

capita income are strongly related to the outbreak of armed conflicts.[6] A study by Acemoglu and Robinson (2001)[7] noted that regime changes are more probable during recessionary periods. Specifically, in the era of globalisation, the susceptibility of nations to conflict increased when economic reform failed. Evidence has also suggested that development failure would increase the likelihood of violent conflict (Addision 2005)[8]. Other recent studies have also established that the national and global peace are inextricably linked with economic factors.[9] Economic grievances are found to be related to the possibility of rebellion (Collier and Hoeffler 2004)[10].

One important aspect of economic failing associated with civil unrest is the skewed distribution of wealth and income. The gap between the poor and the affluent has grown in the 1980s and 1990s (Jolly, 2005). If inequality is primarily due to inequalities among groups that are defined by different identities, it would have implication for social unrest[11]. A theory proposes that 'when cultural differences coincide with economic (and political differences) between groups,

[6] This result is confirmed by a similar study of Brückner and Ciccone (2007).
[7] Acemoglu D. and J. Robinson (2001), "A Theory of Political Transition", American Economic Review 91, 938-963.
[8] Addison, T. 2005. Agricultural Development for Peace. Research Paper No. 2005/07. World Institute for Development Economics Research, United Nations University, (UNU-WIDER).
[9] Though political and social factors are also related to conflicts, their relationship is weak.
[10] Collier, P., and A. Hoeffler. (2004). "Greed and Grievances in Civil Wars." Oxford Economic Papers .56, (2004).
[11] Differences in access to political power, economic assets and incomes, as well as social access to education and health services would give a scope for political manipulations by vested interests and may culminate into social unrest.

this can cause deep resentment that may lead to violent struggles' (Stewart and Brown, 2007). These identities based inequalities are called 'horizontal inequalities', defined in terms of economic, social and political access and resources and they are a major cause of war and unrests (Stewart, 2000)[12]. Therefore, it could be surmised that peace in the era of globalisation is disturbed most often by economic factors that too by growing economic inequality. The current phase of rising inequality and economic liberalism of globalisation are coinciding with the ascension of civil unrest globally.

Theoretical literature views economic inequality from the point of view of distributive justice. The variation in approach to distributive justice stems from the political economic ideology behind different strands in economics. The ideology of globalisation relies on the functioning of market mechanism is for prosperity and distributive justice. The market mechanism considered efficient in production and impartial in rendering justice; because, the social production is distributed in proportion to each of its participants according to their contribution. Abstinence from social production would be punished with the denial of a share of the social produce. Further, unequal distribution of social

[12] Stewart, F., 2000, Crisis Prevention: Tackling Horizontal Inequalities. Working paper 33 Queen Elizabeth House (QEH), Oxford University. Retrieved from the WWW, November 11, 2005: http://www2.qeh.ox.ac.uk/pdf/qehwp/qehwps33.pdf.

produce in favour of the rich, the capitalists, would lead to higher propensity to save, presuming saving would lead to investment, a high rate of capital accumulation and economic growth.

Also, a certain amount of temporary unemployment imposes labour discipline and constrain wage that may increase skewed distribution of income. It is certain that in this process some may be unhappy with the logic of distribution yet this philosophy aims at maximisation of happiness of the largest number of persons in the society; it does not matter if some members are unhappy or neglected. Distributive justice in the era of globalisation is characterised by the philosophy of Bentham.[13] However, it is observed that the utilitarianism as a general principle violates the root idea of economic justice[14]. By its very nature, this ideology is bound to overlook the problem of unemployment, a state of denied opportunity that is justified in the name of maximizing material production, as it did during the 'great depression' period of 1940s, which saw an extensive civil disturbance in the western world.

[13] Bentham offered a philosophy for economic policy in his 'greatest happiness of the greatest number' principle. The classical economics which forms the basis of market oriented capitalist economic policies draws its influence from Utilitarianism of Jeremy Bentham. The free trade and laissez faire policies are based on this philosophy.
[14] Martin R., 1998, "Democracy, rights and distributive economic justice" in Social Justice from Hume to Walzer, D. Boucher and Kelly P., Ed., Routledge: New York.

Any socially or politically necessitated interventions like installation of provisions of welfare state on the market system were considered coercive and, accordingly, unjust. The maximum markets and minimum states (Nozick, 1974) were the guiding principles of this system. Therefore, the current phase of globalization not only rationalises economic inequality but was against various arms of welfare system also. In other words, globalisation neither bothered to deliver social justice nor did it allow for administering distributive justice viz., providing employment to all and ensuring affordable living to all through welfare state. This kind of approach to distributive justice might pose a stumbling block to create and to sustain peace.

To tread the path of peace, a change in the approach to inequality might be required. The ideology must appreciate the need for equality (or at least a significant reduction, in inequalities). An alternative strand to ideology of globalization perceives that high inequality is characterized by a low propensity to consume, that tends to decrease the inducement to invest and retard capital accumulation and full employment. Therefore, reducing inequality would raise the propensity to consume that in turn would stimulate growth of capital and

reduction in unemployment.[15] Further, a reduction of inequality, especially horizontal inequality, through the institution of a welfare state might provide a space for distributive justice in varied forms. The Rawlsian theory of justice offers a philosophical justification of state intervention to mediate justice to the neglected in the market mechanism.[16] Even, Nozick justifies the role of state in delivering justice to the victims in the name of principle of rectification as most group inequality are due to past injustices, colonialism, slavery, exploitation. [17] The Benthamite ideas are also not averse to the idea of delivering justice through the institution of distributive justice. In a broader sense, state interventions related to poverty, injustice, starvations and marginalisations may also be justified in that regard.

However, the ideology of globalisation is found to create and justify inequality and eventually not capable of handling issues arising out of it. This may pose a threat to the effort that aims at achieving peace. Therefore, any obstruction to the spirit of denying distributive justice through the institution of welfare state needs to be resisted for realising and sustaining peace. The enduring peace alone would deliver sustainable prosperity.

[15] Higher propensity (lower inequality) to consume is required to sustain higher growth and higher employment.
[16] The Rawlsian theory of justice approved inequality only for the sake of social wellbeing of the poorer section.
[17] Nozick argued for the limited state and considered the redistribution mechanism as a system of slavery.

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