

LOHIA AND GLOBALISATION

I. LOHIA AND AMERICA:

In the early 50's Rammanohar Lohia when asked why he wished to visit America said; *"I have a fascination for the American people and doubts about modern civilisation, of which America is the climax. I came to find out which is uppermost, my fascination or my doubts. I came from the oldest, but not the wisest, country, to the youngest and most vital."*¹

Things have changed much in the intervening 50 years since Lohia met America. Then she was a land of hope and free expression; of experimentation and prosperity, but even then Lohia saw flaws in her complexion; racial discrimination and unequal distribution of resources. Lohia was wary of the 'big machine' or mass production that was going to generate limitless wealth, the beginning of a system of limitless economic expansion in a limited world - the ideology of capitalist development. Since the 60's the capitalist model of development has advanced into what is now popularly known as globalisation.

Globalisation, until a few years ago, was heralded as the 'magic portal' that opened beyond local and nationalistic perspectives to a broader outlook of an interconnected and inter-dependent world with free transfer of capital, goods, and services across national frontiers².

It promised the free exchange of ideas, increased access to capital and better management models that empowered individuals to have more of a say in the decisions that affect their lives. The three engines powering globalisation - technology, the capital markets, and management - were positioned as the driving force behind globalisation's most important contribution to the world, the increased freedom of individuals.

It is true that some individuals around the world have benefited from globalisation in ways that couldn't have been imagined only a few years ago. The speed of technological growth is enabling some impoverished communities to leap over previously required development stages.

But many have not. It is argued that the rest, millions of people around the world, have not seen the advantages of globalisation because of restrictive public policies and inhibited imaginations and we have been

¹ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

² See definition from the businessdictionary.com/Link: <http://www.businessdictionary.com/definition/globalisation.html>

warned that placing roadblocks to further global integration will only hurt those we wish to protect.

Though the World Bank claims 'tremendous advances have been made by large segments of the world population in this age of globalisation³'; in 2000 even they were forced by extensive public opinion to admit that '...there is a fear that globalisation is exacerbating inequality, and perhaps even worsening the lot of the poor by eroding their incomes, increasing their vulnerability, and adding to their disempowerment'. Perhaps they also see the writing on the wall.

II. THE SPREAD OF GLOBALISATION:

Things began to change around the 1980 with the emergence of fundamentalist free-market governments in the West. Gradually, governments were to take a back seat to corporate executives and money managers. In general the philosophy was that companies must be free to move their operations anywhere in the world to minimise costs and maximise returns to investors. Free trade, unfettered investment, deregulation, balanced budgets, low inflation and privatisation of publicly-owned enterprises were trumpeted as the six-step plan to national prosperity.

Aided by advances in information technology and malleable governments, the big banks and investment houses began investing surplus cash in anything that would bring a quick profit. Instead of long-term investment in the production of real goods and services, speculators made money from money, a 'virtual' economy, with little concern for the impact of such investments on local communities or national economies.

The Southeast Asian economy went into freefall in the summer of 1997⁴. The roll-back in development was so severe that non-governmental agencies estimated it would take a decade or longer to make-up the lost ground.

The 21st Century brought with it the global melt down and economic depression. The 'economic bubble' had burst! Darryl Schoon equated it to a Train Wreck⁵ because of the destructive aftermath that follows an economic 'bubble' or its characteristic inexplicable manic rise of asset values. In the beginning of this year he predicted that "(i)n 2009, the largest train wreck in economic history is about to occur."

³ World Bank 2000

⁴ Wayne Ellwood / *No-Nonsense guide to Globalisation* by New Internationalist / Verso, 2002 / p77

⁵ Darryl Schoon / The Train Wreck/January 6, 2009/Link:<http://www.financialsense.com/fsu/editorials/schoon/2009/0106.html>

Recent United Nations (UN) studies show a direct correlation between the frequency of financial crises and the increase in international capital flows during the 1990s⁶. With the financial 'melt down', governments everywhere have seen the destabilising impact of this global financial roulette.

Oxfam's analysis led them to make the following comment: 'The crisis now gripping East Asia bears comparison in terms of its destructive impact with the Great Depression of 1929. What started as a financial crisis has been allowed to develop into a full-fledged social and economic crisis, with devastating consequences for human development. Previously rising incomes have been reversed and unemployment and underemployment has reached alarming levels. Rising food prices and falling social spending have further aggravated the social conditions of the poorest.'⁷

Now the detrimental effects of the global marketplace are not in dispute. The opponents of globalisation have been proved correct - it has merely increase the opportunities for the wealthier nations to take advantage of the poorer ones and, furthermore, could obliterate regional diversity and lead to a unitary world culture⁸. Corporate globalisation, or what many call the neoliberal project, is a crisis turning point of the 21st century and this drama has profound consequences for all of us.

Though Lohia felt that in the 50's, perhaps, this model had come closest to eradicating poverty in the West to the extent that "*bodily wants*" had been "*nearly satisfied*" and that "*at a sidewalk café it is hard to tell a laundress from a duchess*"⁹; he did not believe that it could solve the problem of world poverty.

Lohia's observed that modern civilisation based on the big machine and mass production, were common factors of both Capitalism and Communism and he was emphatic that; "*Capitalism in two-thirds of the world, ----- (is as) evil as -- Communism*. He said that he did not "*see much difference between Ford and Stalin. They are different eyes of the same mind. They both believe in mass production, and this ultimately means the same kind of civilisation.*"¹⁰

⁶ See Wayne Ellwood / *No-Nonsense guide to Globalisation* / New Internationalist / Verso, 2002

⁷ See Wayne Ellwood / *No-Nonsense guide to Globalisation* / New Internationalist / Verso, 2002

⁸ http://searchcio.techtarget.com/sDefinition/0,sid182_gci925944,00.html

⁹ Dr. Ram Manohar Lohia, excerpt from *Lohia and America Meet*, Harris Wofford Jr., (Second Edition), published by Snehalata Rama Reddy, 1961.

¹⁰ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

III. GLOBALISATION AND POVERTY:

John Berger, a cultural critic of our times said that *"The poverty of our century is unlike that of any other. It is not, as poverty was before, the result of natural scarcity, but of a set of priorities imposed upon the rest of the world by the rich. Consequently, the modern poor are not pitied... but written off as trash"*¹¹.

One of the most forceful critiques of the downside globalisation came from the UN Development Program in its 1999 Human Development Report. 'When the market goes too far in dominating social and political outcomes, the opportunities and rewards of globalisation spread unequally and inequitably - concentrating power and wealth in a select group of people, nations and corporations, marginalizing the others.'

The UN agency backed its analysis with hard-hitting figures on what it called a 'grotesque and dangerous polarisation' between those people and countries benefiting from the system and those that are merely 'passive recipients' of its effects.

Even on its own terms economic globalisation is not working. In 1960, the fifth of the world's people who live in the richest countries had 30 times more income than the fifth living in the poorest countries. By 1997 the income gap had more than doubled to 74:1. Income inequalities within countries have also increased over the past two decades. Another UN study, this one on income inequality in OECD countries, concluded that in the 1980s real wages (adjusted for inflation) had fallen and income inequality increased in all countries except Germany and Italy.

In the US the top ten per cent of families increased their average income by 16 per cent during that decade, while the top five per cent increased theirs by 23 per cent and the top one per cent by a whopping 50 per cent. This trend was echoed elsewhere. In Latin America the top 10 per cent of wage-earners increased their share of total income by 10 per cent while the poorest 10 per cent saw their income drop by 15 per cent, wiping out what meagre improvements they had made in the previous decade. Income inequality also grew in Thailand, Indonesia, China and other Asian nations even though the region enjoyed healthy economic growth throughout the decade. In sub-Saharan Africa the situation was worse: after two decades of IMF and World Bank structural adjustment not only is income inequality

¹¹ See Jeremy Seabrook / *No-Nonsense Guide to World Poverty* / New Internationalist / Verso, 2003

growing but average per capita incomes are falling. They are now lower than they were in 1970.

This shift in wealth and income from bottom to top is part of the logic of globalisation. In order to be 'competitive' governments adopt policies which cut taxes and favour profits over wages. The economic argument is simple: putting more money into the pockets of corporations and wealthy individuals (who benefit most from tax cuts: the higher the income the greater the gain) will lead to greater investment, jobs, economic growth and good times for all.

Lohia did not idolise poverty like some others of his time. He believed that *"Poverty must be abolished - but this **ever increasing** standard of living is the common urge of modern civilisation, shared both by Mr. Henry Ford and Mr. Joseph Stalin, and the systems built on this urge are the same. This urge has had great and estimable features - it brought the European part of mankind to a point where bodily wants are nearly satisfied, and great equality has been achieved....But modern civilisation has approached a blind alley. I do not believe that the large scale machine, the large scale factory which produces goods in great numbers, is capable of abolishing the poverty of the larger part of mankind."*

IV. GLOBAL IMPERIALISM:

The American poet, essayist and novelist Wendell Berry, a tireless critic of the modern agricultural establishment, who ploughs his field the old fashioned way in Kentucky, is unequivocal about the detrimental fall out of the present day global economy. He said; *"Today, local economies are being destroyed by the 'pluralistic', displaced, global economy, which has no respect for what works in a locality. The global economy is built on the principle that one place can be exploited, even destroyed, for the sake of another place¹²";* an observation that Lohia could very well have made had he lived to see the 21st Century.

Bangladeshi economist Anisur Rahman recognised this early on. According to him; development was defined by Globalists exclusively as economic development, reducing the degree of progress and maturity in a society to be measured solely by the level of its production¹³.

¹² Wendell Berry / Link: http://en.wikiquote.org/wiki/Wendell_Berry

¹³ Anisur Rahman, *People's Self-Development*, Dhaka University Press, 1993

Debt is a major tool for control. The indebtedness of people keeps them in line: BPO employees with housing and car loans, middle class executives with bank loans, and poor women with micro credit (micro-finance) loans. It is the 'buy now pay later' policy as against 'save now and spend later' policy of yester years. Everything, from the goods people take on credit to the pensions they hope to enjoy, ties individuals to a global financial system. This system of debt when applied to whole countries is even more powerful in attaching them to a global order from which there is no escape!

Unfair development has been institutionalised. It lies in the mechanisms that 'manage' globalisation, including the International Monetary Fund (IMF) and World Bank, the Asian Development Bank, the World Trade Organization, transnational companies and governments of the rich countries. These preach a fabricated policy of 'free' markets. There is no such thing as 'free trade' and 'free markets'. 'Freedom' in the economic sphere is code for whatever advantages the world's wealthy people can reap from the two-thirds world.

V. CORPORATE COLONISATION:

Indeed, the best-kept secret of 'development' is that it is a colonial concept, a project of extraction. Since most countries have no colonial possessions from which wealth may be squeezed, they must place intolerable pressure on their own people and environment. The rights of minorities are violated, the resource-base of forest people and subsistence farmers plundered to earn foreign exchange, the labour of the poor sold to the lowest bidder, 'surplus population' moved as settlers into ancestral homelands of tribal and indigenous peoples¹⁴. This is epitomised by the images that we see all around us of whole streets, even highways where trees, small homes and shops are being bulldozed away to make room for a multi lane highway or shopping mall.

Corporate Globalisation amounts to an overall restructuring of the world order, a political rebuilding program that goes very deep. This new wave of colonisation is a project - a coordinated, coherent set of well planned initiatives that is unfolding on a canvas much broader than ever before in history.

Globalisation, like all the other forms of colonisation that the world has experienced, requires several critical factors for its success; the promotion of free (no holes barred) competition that is now called the 'free market'; the erasing of a peoples memory, the obliteration of

¹⁴ See Jeremy Seabrook / *No-Nonsense Guide to World Poverty* / New Internationalist / Verso, 2003

historical and socio-cultural landmarks; social modification through blurring definitions such as replacing political participation with social participation and co-opting civil society; the removal of social nets instilling instability and fear while offering 'new' shiny jobs to a few creating temptation.

This nexus between temptation and fear is a key to controlling the masses and winning over the middle class. All these factors combined create the mentality of the caged where people lose all sense of community and regress into a competitive mode of the 'survival of the fittest' giving rise to phenomenon such as communalism. As Ayn Rand pointed out, there is only one means of survival available to those who live parasitically off the efforts of others - to control those who produce¹⁵.

These disturbing aspects of globalisation manifest in the adoption of policies that cause the masses to revert to a tribal mode (the mentality of the caged). Globalists are committed to social modification or the mass conditioning of people into believing that globalisation leads to pots of gold. You are not 'somebody' until you have a car, a TV, and wear a suit with a personalised clock-in swipe card hanging around your neck. Give up your identity, your language, accent, roots and don the mask of globalisation - then you have 'arrived'.

In a society supplied with an abundance of material goods, in which information is carefully controlled by the mass media, and in which independent thought is discouraged from an early age by an education system which rewards conformity, it is possible to achieve that. Masses of people, through the encouragement of mental laziness and reliance on authorities, can be lulled back into a bicameral mode. Once there they can be induced to believe almost anything provided it comes from an accepted authority figure or source, such as political leaders, professors of this or that, newspapers with coloured pictures, teachers in the classroom, the lyrics of pop music, or the TV¹⁶.

People can be persuaded to reject their morality and to adopt values actually threatening to themselves and their society in which the unreal becomes the real and vice versa, in which good becomes bad, lies become truth, ugliness becomes beauty, morality is dismissed as a social control conspiracy, in which evil becomes good, crime goes unpunished while innocence is condemned, perversion is normal, self-defence is a crime against the attacker, real assets can be bought with imaginary money, and tyranny is freedom (from the tyranny of too much freedom).

¹⁵ See Ayn Rand, *For the New Intellectual* (1960), pp. 10-57, esp. p. 44

¹⁶ See Graham L. Strachan, *Globalism, Neo-Tribalism and False Reality*, (c) Copyright 1999/7-7-99

Large numbers of people now actually believe in an 'up-side down' world. The most disturbing thing is that the self-styled elitists who now monopolise the institutions of governance - global and what is left of national and local governance - are themselves exhibiting these signs, increasingly inhabiting an imaginary world of their own making, and making statements which bear no relation to reality or to logical consistency.

The rules of this game are that the West will share with the world, not her wealth but the mysteries of her capacity for wealth-creation conveniently omitting to mention the means by which they grew rich; the exploitation of the very countries and peoples she now urges to follow in her footsteps.

Lohia was also concerned about the need for "*spiritual accomplishments and spiritual equality*" alongside economic prosperity, though he hesitated to make too much of this at a time when there was "*terrible economic inequality*" in two-thirds of the world. What Lohia foresaw then was the spread of Global Imperialism, the submersion of cultural identity and the erosion of personal privacy - the suppression of the right to self-determination.

Globalisation promotes a belief in cultural imperialism, that one day the whole world will be one culture, that of the West. Lohia sensed this was imminent and has serious apprehensions regarding this. He believed that the only way to counter this imperialism of the West was for all the small nations of the world to "*determinedly seek their own patterns of progress and freedom as Yugoslavia has done*", and only then would "*the international caste system of five Brahmin nations and over sixty pariah nations ...begin to end.*"¹⁷

VI. THE FALL OF THE NATION-STATE:

Structural-adjustment programs have not have put the two-third world on a steady economic footing, instead they have pushed them from a subsistence yet sustainable economy to an impoverished one; but more critically they have certainly been instrumental in undermining democracy. In an article written shortly after his resignation Joseph Stiglitz, former World Bank Chief Economist said there are 'real risks associated with delegating excessive power to international agencies... The institution can actually become an interest group itself, concerned with maintaining its position and advancing its power.' If we believe in democratic processes he continues, 'countries must make the

¹⁷ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

decisions for themselves, and the responsibility of economic advisors is only to apprise them of prevailing views¹⁸.

A number of commentators on globalisation have recently speculated that the logic of modern economic development is making the state redundant. Early in the twentieth century both Leninists and certain liberal internationalists forecast the demise of the state.

Globalisation brings accelerated environmental damage, exacerbated poverty, destabilised societies, unreal 'virtual' global financial speculation and system, and most of all - a severe threat to democracy.

The only way to prevent this and safeguard democracy, Lohia felt, was democratic decentralisation right down to the level of communities. He said; *"Asian governments will have to govern up to quite a large extent. The problem therefore before us, is whether this enormous amount of power that Asian governments will possess will reside in a federal centre or will be cut up into bits so that even local communities - even villages and town communities - share in it not by virtue of a legislative act making a grant of that power but by virtue of the Constitution itself which casts off sovereign power into those places. If I may say so, government of the people, by the people, for the people, at least for Asian purposes, must be interpreted to mean government of the community, by the community, for the community¹⁹."*

Lohia believed that there was only one way *"to arouse the Asian millions into action and that is to throw the responsibility of government - even economic planning and economic action - on them. Let them stand on their own, do all the bad things they might do, but at the same time permit them to take out of them what lies within them. That is the only way to achieve reconstruction of Asia²⁰."*

VII. APPLYING THE NEO-LIBERAL MODEL TO INDIA:

Globalisation has derailed development in the South where the poor continue to pay the highest price of adjustment. Those with the least suffer the most.

As Mahatma Gandhi said: *"Mother Earth has enough for everyone's need but not for everyone's greed"*, and when asked by a journalist if he would like India to attain the standard of living of Britain, he replied:

¹⁸ See Wayne Ellwood / *No-Nonsense guide to Globalisation* / New Internationalist/Verso, 2002

¹⁹ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

²⁰ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

“To have its standard of living, a tiny country like Britain had to exploit half the globe. How many globes will a large country like India need to exploit to have a similar standard of living?”

Lohia did the math in the 50’s and came up with the following: *“In India the density of population is about 300 per square mile; in the US it is about 50. In India the capital equipment - productive tools - per person is about \$35; in the US it is more than \$1500. These figures taken together, tell the mystery of what happened and what will happen in Asia.²¹”*

“If India used large scale technology, a hundred million people would need to be liquidated. If our agriculture were mechanised on this basis over 80 million farmers would be driven into the cities. I know that capitalists and communists alike say that large scale industry would absorb them. But there is a snag: to absorb them, our capital equipment per person would need to be raised from \$35 to \$1000, and this would take hundreds of billions of dollars. For this task, Point Four, or all of Stalin’s Rubles, would be a scratch on the surface²²”.

Jereamy Searbrook says in the preface of the book titled ‘Asking the Earth’: *“ In the countries of the Two-Thirds World (for two thirds of humanity live in what is commonly misnamed the Third World), where people have remained close to the resource-base upon which they depend, this has long been apparent; only now (are we) beginning to realise that the natural world is neither a limitless provider of raw materials, nor an infinite absorber of all the noxious by-products of industrialism²³”.*

Lohia believed that *“the solution lies in revising our notions of civilisation, specifically as to the kind of technical equipment which is necessary. If we are to force ourselves out of the ruts into which we have fallen, we must change from the goal of an **ever-increasing** standard of living, to that of a **decent** standard of living. Today, anyone to be listened to, must pay homage to mass production and its system, but I suggest that twenty years hence anyone who wants to benefit mankind must operate inside the concept of a decent standard of living²⁴”.*

²¹ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

²² Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

²³ Asking the Earth - The Spread of Unsustainable Development.

²⁴ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

Even 50 years ago Lohia suggested *“that the kind of technology that exists in Europe and the United States (1960’s) ... is rather irrelevant for Asian conditions. If for no other reason than this – that we have a density of population, in India for instance, going up to 300 per square mile, and a capital equipment of less than \$35 per worker. These two factors taken together make it quite obvious to any person that an application of existing technology to Asian conditions is absolutely monstrous unless of course the government today decided to exterminate 50 million or 100 million people. As soon as you start reconstructing agriculture or industry on the same basis as Western Europe’s or America’s, for instance agriculture, you would throw out of employment perhaps 80 million workers and their dependents. How would they be absorbed and where? And what industries?”*²⁵

The only way Globalisation can succeed is by exterminating more than 60% of the worlds poor and not surprisingly, that is exactly what is gradually happening.

VIII. A REVOLUTION FOR INTERNATIONALISM:

*“I do not speak as an Asian; I have no truck with those who speak as Asians, or Europeans, or Americans. It is time for us to have a world mind.”*²⁶

We are presently experiencing a clash of civilisations and concepts. The logic of internationalism stands in sharp contrast to the logic of globalisation. Globalisation is seen as economic integration, achieved through the establishment of a global marketplace marked by free trade and minimum regulation. In contrast, internationalism refers to the promotion of global peace and well-being through the development and application of international structures that are pro-democratic.

Though Lohia felt that the *“Modern civilisation (of the West was) as least ... active”,* and the *“denominating character of ... (Asia was) sloth and indolence.* He felt that the *“activity of the West (was) mostly strife. Strife and sloth are equally disgusting”* he said but *“behind both ... are the nobler qualities – activity and poise.* He visualised a world where *“we combine these two”* leading to *“the beginning of a new human civilisation, a civilisation in which poverty is abolished with a decent living standard, a civilisation in which there is equality, both material and of the spirit”.* He saw this as the *“end (of) one phase of human history – the alternating rise and fall of groups and peoples, the*

²⁵ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

²⁶ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

regional and continental shifts, in power and spirit". He pleaded for nations, the West and the two-third of the world, to combine their strengths for the betterment of humankind. He said; "cannot, instead, we combine what you have achieved with what we need to create, for the good of all?"²⁷

Lohia held that the path to this revolution against imperialism was the Gandhian one. He said; *"We seek a revolution of anger and sympathy, not one of hate and jealousy. One man has proved, the first man to do so, that joining together of anger against class-society and sympathy with all men and things is not a poetical fancy but a practicable possibility".*

Wendell Berry explains Lohia's revolution of concept of *"anger and sympathy"* by arguing that only when 'affection' enters the equation of how we 'use' our country and her resources will we be able to attain a balance between our lifestyles and Mother Earth's wealth. He says that *"the question of what a beloved country is to be used for quickly becomes inseparable from the questions of who is to use it or who is to prescribe its uses, and what will be the ways of using it. It is not until we speak of a 'beloved country' - a particular country, particularly loved - that the question about ways of use will arise."*

"Is Gandhi only a luxury in the modern world? Is Thoreau only meant for an idle hour, to read and revere, but not to affect our daily lives? So far, the Gandhis and Thoreaus have not entered the mainstream of life²⁸." The Gandhis and Thoreaus have been joined by the Wendell Berrys and Jereamy Searbrooks, the Vandana Shivas, Medha Patkars and the Arundathi Roys and yet we have not been stirred into action.

What will it take?

Nandana Reddy is a political and social activist working on issues of democratic decentralisation, human rights, civil liberties and children's right to self determination. She was born into a socialist family and was closely associated with Dr. Lohia who was a frequent guest in their house.

²⁷ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.

²⁸ Dr. Ram Manohar Lohia / *Lohia and America Meet* / Harris Wofford Jr. / Second Edition / published by Snehalata Rama Reddy / 1961.