International Conference on

COLONIALISM and GLOBALIZATION

Five centuries after Vasco da Gama

February 2-6 1998

New Delhi. India.

VOL. I

STATEMENT OF THE INTERNATIONAL CONFERENCE, COLONIALISM TO GLOBALIZATION: FIVE CENTURIES AFTER VASCO DA GAMA, HELD AT INDIAN SOCIAL INSTITUTE, NEW DELHI, FEBRUARY 2-6, 1998

This International Conference was planned on the occasion of the fifth centenary of the arrival of Vasco da Gama in Calicut in May 1498, and in the golden jubilee year of independence of India, Pakistan and Sri Lanka. While the arrival of Vasco da Gama symbolises the beginning of the colonial intervention in Africa and Asia, the independence of the South Asian countries is a symbol of the victory of popular resistance to it. So we the 90 participants from 26 countries, mainly of Asia and Africa, have come together for five days, to reflect on the linkages between colonialism and the impact of the current policies of globalisation.

During these five days, a number of scholarly papers analysed the present form of globalisation and examined its consequences on the global South in general and the poor and the underprivileged in these countries in particular. In thus studying the policies linked to colonialism and globalisation, some scholars brought out their commonalities as well as differences in various regions and others discussed alternative strategies of development aimed at avoiding the negative socio-economic and cultural impacts associated with globalisation. All through the Conference, it was stressed that globalisation is not a viable alternative to earlier State-centred development strategies. Most writers also concluded that the globalisation policies are unsustainable and inequitous. In fact, it was pointed out that far from being a uniting factor, globalisation is intensely polarising.

Most participants also felt that the globalisation, while being a new form of colonialism, is qualitatively different from that of the last 500 years. We, therefore, tried to find ways of defining the present phase. Such a definition is essential if one is to find alternatives relevant to our times. In the discussion that followed the presentations, the major issues identified were:

1. If directed properly, elements such as technology and communications linked to globalisation can solve many modern problems, including poverty and ignorance. In reality, however, the means of production are in the hands of a few who have a vested interest in the poverty of many. With profit the sole motive, the good of the majority has been ignored. The economic policies of most developing countries are determined by the rich countries known as G-7 and by the international organisations such as the IMF, the World Bank and WTO that they control. The move, under pressure from these bodies, to liberalise imports and capital flow and privatise productive resources according to the profit motive alone, has an adverse impact on the poor. Credit made available by international financiers for such consumption and investment at times causes the type of financial crisis seen in Asia recently. Because of these reasons, the euphoria linked to globalisation has weakened even among many of thyose who had hoped that globalisation would be instrumental in poverty alleviation.

2. Integral to this process is poverty and inequity. Much of Asia and Africa have been bypassed and the benefits have reached only a few. Unemployment has increased even as GNP has grown, both because of avoidable mechanisation and the closure of several small local employment intensive industries. Reduction in subsidies as a result of the Structural Adjustment Programme (SAP), affects the poor more than the rest of the population. It reduces their human right to life, health care, employment and education. The liberalisation of communications,

creates in the people, demands for goods that they cannot afford. Unemployment affects the youth, particularly women, more than others. Authoritarian measures to control the growing frustration and unrest among them, were reported from several countries.

3. Closely linked to the international forces is the role of the local elite that gets most benefits. The poor are ignored. These powerful classes willingly accept the measures like an end to or reduction in subsidies in the social sector. As a result, poverty has increased within the Asian and African countries. Hence, what is called globalisation, results in polarisation both among rich and poor nations and within each country. The role of the elite seems to be the main reason why despite these problems, very few national governments are able to change their socio-economic policies in favour of the poor. Most political parties are reconciled to the IMF and WTO imperatives.

4. Because of this alliance, while power at the international level is concentrated in the hands of G-7 and the organisations they control, there is a lack of mechanisms to monitor the ongoing globalisation process. In order to counteract this situation, we believe that

A. International bodies like IMF, the World Bank and WTO have to be reformed and made more representative by involving the developing countries in their decision-making process.

B. The world trade system has to be made more equitable.

C. There is a need to revive the North-South and South-South dialogue systems of the past. In the South-South dialogue, the developing countries have to be convinced that there is no contradiction between bilateral and multilateral interests. The main objective of such a dialogue is to evolve common areas of interest and formulate a mutually beneficiial agenda.

D. Because of the role of the locally powerful forces, the international initiatives and reforms have to go hand in hand with change in internal policies in order to remove economic disparities and impoverishment within each country. So alternatives to the present form of globalisation have to be found within each country and region.

5. These changes can be achieved only if there is adequate pressure on the national governments and international bodies, from the civil society such as NGOs, human rights and religious groups and others committed to the poor and the marginalised. Local, national and regional networking among NGOs, researchers etc. can be one such pressure mechanism aimed at reversing the process of impoverishment and marginalisation within each country and creating regional unity as an alternative to today's inequitous international organisations. Constant information sharing on these issues is essential if one is to work towards viable alternatives.In order to achieve we undertake to:

1. Join together to assess the impact of globalisation in various countries. We shall use this assessment and the understanding of the processes involved, to make the people, particularly but not exclusively the poor, aware of the factors that are marginalising them.

2. Knowing the the neo-liberal model imposed on our countries is dysfunctional, we shall use these studies and networking to halt its further imposition and to find locally viable alternatives.

3. A major concern that emerged during the discussion is foreign debt.

In several countries it is equal to or more than their annual GDP. The combination of imports for local middle class consumption and the low price of raw materials they export, keeps intensifying the problem. We, the participants, undertake to make a serious assessment of the present state of the foreign debt and the processes that continue it.

4. Already the existing studies point to the social and economic impact on the poor and the colonial background of the debt trap. We, therefore, join all the existing freedom from debt alliances and human rights to groups to demand an end to all foreign debt as compensation for centuries of colonial expansion of the countries of the South.

5. The discussion on the intellectual property rights and the forestry programmes showed us the damage done to the environment because of these policies. An effort is being made to deprive the communities of the poor in the biodiversity owning countries of the South, of their traditional systems in the name of IPRs. We undertake to form our own network and join other existing networks, to evolve a regime acceptable to the communities of the poor in our countries.

6. We shall keep exchanging information on the consequences of globalisation in our regions and on the middle class consumption patterns in our countries. Knowing the crucial role of people's movements, we shall all those grouping that are searching for local alternatives to the present consumption pattern, and shall keep sharing information among ourselves in order to make our search more effective.

International Conference
COLONIALISM TO GLOBALIZATION

WELOME SPEECH

Sebasti L. Raj, S.J.
Chairperson: Organizing Committee
and
Executive Director: Indian Social Institute

Respected Chief Guest, Mr. Sulieman Najjab, Executive Committee Member, Palestine Liberation Organization, the Chairperson of the Inaugural Session, Dr. Samir Amin, Director, Third World Forum, Dakar, Senegal, the Keynote Speaker, Dr. Gamani Corea, Former Secretary General, UNCTAD, Your Excellencies the Ambassadors of different countries and the representatives of the Diplomatic Corps, media persons, scholars and friends who have come from different countries of the world and different parts of India to participate in this International Conference on "Colonialism to Globalization" and dear friends who have taken the trouble to attend the Inaugural session of this important Conference,

On behalf of the sponsoring Institutions of this International Conference, namely, Jawaharlal Nehru University, Delhi University, Jamia Milia Islamia, Council for Social Development, Centre for the Study of Developing Societies and Indian Social Institute, it is my great privilege to extend a warm welcome to all of you to participate in and contribute to this historic conference that is being inaugurated today.

After preparing for this great event for more than one year, we have reached this crucial moment. During the next five days of our deliberations, we will be touching upon various sensitive and vital issues that have affected millions of our people in the past and continue to affect them at present and are likely to affect them in the years to come. These issues and concerns are not of recent origin. Many of them go back to 500 years when colonialism came into existence. The process of exploitation that began five centuries ago has taken several shapes and modes during the past centuries. Today it is manifesting itself in the forms of globalization, liberalization and free market. Whatever might have been the forms and modes of this process, one fact has been consistent all through, namely, the exploitation of different sections of human society by more powerful ones. In short, the past 500 years have, by and large, been a period of continued exploitation.

The painful consciousness of this process of exploitation which has emaciated millions of people from Asia and Africa and the determination that something needs to be done and can be done against this apparently never-ending process were the two factors that inspired the organizers of this International Conference. This consciousness and determination brought these six different Institutions of repute, located in the Capital of India, to put their heads together and to chalk out a plan of action which will create a

platform for a serious reflection on questions that are related to this historic and unpardonable exploitation. This International Conference is that platform.

In our efforts to create such a platform, we sought the assistance of some funding sources and pooled the material and professional resources that are at our control and command. Different funding agencies, well wishers and friends helped us in our efforts.

Those who have given financial support in some form or the other are: Bilance, Holland, Misereor, Germany, Broederlijk Delen, Belgium, Katholische Frauen Ostereich, Austria, Indo German Social Service Society, New Delhi, Caritas India, New Delhi and Focus on the Global South (India Programme), Mumbai. The Organizers are grateful to them. But for their generous financial support this International Conference could not have taken place.

Thanks to the support from these organizations and the hard work put in by several people from the sponsoring Institutions, we are gathered here for five-days of serious search that will hopefully give us some useful insights for a meaningful response to this centuries-old inhuman process. In fact, all of us are privileged to be part of this important reflection, at the close of this century and as we are preparing ourselves to move into the third millennium.

As we are assembled here for this Conference, some of the questions that are uppermost in our minds are: Should we allow the same process of exploitation to swallow up the third millennium also? Should the millions of people from the poorer countries continue to be under the death trap and the debt trap of the so-called developed nations? How do we understand "development" if development has necessarily meant the conscious efforts by the dominant groups and nations to keep the majority of the people of this world "under-developed" ? Are there are not better and more humane social, political and economic systems than what are being imposed on us today, which will promote and ensure the development of all, without excluding any society or section of the people? These are pertinent questions for all of us gathered here to ponder over, debate, discuss and finally discover ways and means to emancipate the world from the evils of colonialism that has taken the shape of globalization.

Let me, therefore, welcome all of you once again, in the name of the Organizing Committee, to this collective search. Let me also wish the participants from other countries, a happy, healthy and enjoyable stay in our country. Finally, let me welcome all of you to Indian Social Institute, which has been working for the cause of the downdrodden sections of our society for almost half a century. We have tried our best to make your stay at Indian Social Institute as comfortable as possible. The facilities we have provided may not be comparable to star hotels but our hearts are definitely warm and we shall do all that is possible to make your stay a happy one. Welcome to one and all. Let us search together, let us learn from each other, and let us give a clear and powerful message to the world.

INTERNATIONAL CONFERENCE
"COLONIALISM TO GLOBALIZATION: FIVE CENTURIES AFTER VASCO DA GAMA

FEBRUARY 2-6, 1998:

SOME IMPORTANT POINTS THAT EMERGED ON THE FIRST DAY OF THE CONFERENCE

1. A new look at history to prevent appropriation of the past for colonial purposes and to redefine our identity.

2. In recent years the euphoria of globalisation has been weakened because much of Asia and Africa have been bypassed and the benefits have reached only a few. There is polarisation rather than globalisation. Policies are similar to those of the colonial days. To couteract it one needs:

   A. Mechanisms to prevent instability in a region that can be exploited by the rich countries to their own advantage.

   B. Reform of international bodies particularly IMF and world trade.

   C. Reopening the North-South Dialogue.

3. Find a way of defining the present qualitatively new phase of globalisation that is not identical to that of the last 500 years. It is needed in order to find alternatives relevant to our times.

4. Regional networking among NGOs, researchers etc and put pressure on our governments to solve regional problems create regional unity.

5. Internal forces too have to be taken into consideration. The present processes strengthen the already strong within the countries of the South and strengtherns the forces of polarisation. Alternatives to the present form of globalisation have to be found within each country and region.

SOME IMPORTANT POINTS THAT EMERGED DURING THE DIALOGUE WITH GAMANI COREA

The developing countries are weak in the multilateral fora. Thus a need to initiate a process of benefit maximisation instead of damage control. In order to achieve this goal the following issues have to considered:

1. There is a lack of mechanisms to control and monitor the ongoing globalisation process, especially that of speculative financial capitalism.

2. There is a need to make the international bodies, such as the IMF and the WTO, more representative by involving the developing countries in the decision making process.

3. The World Trade system needs to be reformed.

4. Each developing country must formulate its own domestic policies, to respond to both the international needs and develop the indigenous capacity to the fullest extent.

5. There is a need to revive the dialogue systems of the past, such as the North-South and the South-South.

6. In the North-South dialogue the developing world has to assert its very own agenda. The developed world has to be convinced that ultimately their future will also be affected by the negative aftereffects of the globalisation process in the developing world.

7. The process of removing internal economic disparities has to go hand in hand with the external policy of a more participatory dialogue with the North.

8. In the South-South dialogue the developing countries have to be convinced that there is no contradiction between bilateral and multilateral interests.

9. Through the South-South dialogue developing countries can evolve common areas of interests and formulate a common agenda. We can make a beginning in this direction by networking with each other.

10. In this process of evolving a common agenda the role of the NGOs has to be strengthened. The internet and e-mail can be used to continue the dialogue initiated in this conference and also be a step towards the South-South dialogue.

11. The emerging Mega blocs, such as NAFTA, APEC, ECU, are creating a fragmented trading system leading to a patron-client relationship. This needs to be reformed.

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THE OSLO FJORD DECLARATION

ForUM
FORUM FOR UTVIKLING OG MILJØ

NEW DEVELOPMENT OPTIONS TOWARDS THE 21ST CENTURY: DEMOCRACY, EQUITY AND SUSTAINABILITY

OSLO 1-3 FEBRUARY 1995

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THE OSLOFJORD DECLARATION

The Oslo Conference brought together representatives of governments whose struggles for national liberation and for the right to determine their own destiny have been an inspiration. Prominent Norwegians and citizens of twenty other northern and Southern countries joined with them to seek new options for democratic, equitable and sustainable development. We have jointly reached the following conclusions and have formulated the following requirements for genuine development to occur.

The predominant neo-liberal market system as a universal model for development has failed . The evidence, both spectacular and systemic, shows that it does not work. The unregulated market system, defended by many governments, transnational corporations, abd the Bretton Woods institutions, among others, creates massive inequalities and unemployment.

- No sooner have these advocates of the unregulated market proclaimed a "miracle" than it explodes; they are unable to prevent anarchy and chaos in this system which threatens not only the currency reserves of nations but the planning of transnational corporations themselves.

- A system which places growth above all other goals, including human values and wellbeing, wrecks economies rather than regenerating them. It creates incentives for capital to seek the lowest wages and the fewest regulations. It causes huge inequalities both between and within nations. It generates poverty, mass unrest and upheaval. It devastates the environment and renders true democracy impossible.

- From inequality, poverty and environmental destruction, violent conflict grows. Many states now lack the capacity to resolve conflicts that arise under these pressures. The result is that almost seventy developing countries are experiencing political and social violence, up to and including civil war. The human result includes a growing death toll, 47 million refugees and displaced people, and intolerable insecurity for ordinary citizens.

- The debt burden has for many years been unsustainable, draining countries of the resources they need to promote economic and social development. As a consequence of debt, structural adjustment programmes are now enforced in some ninety countries; far from improving conditions these programmes have deepened inequalities and contributed to environmental destruction.

- The advocates of this system demand a diminution of government but offer no alternative means of protecting the human rights of citizens and their ecology, or of improving the international environment for sustainable development.

Those who stand behind this hollow and incompetent system seek to convince us that "there is no alternative". This constitutes nothing less than intimidation: furthermore, the crisis of this model provides great opportunity. Its very failures and inadequacies allow space to restore the natural environment, to renew democracy, and to implement the United Nations Charter's goal of "the economic and social advancement of all peoples".

It is not a question of seeking some new universal model, but of innovating indigenously and devising local answers to community needs, drawing on the skills and energy of women in full equality with men, benefiting from valuable traditions as well as new technologies. The day of low-cost renewable energy from the sun and the wind is already here. The increasingly threatened natural environment, including bio-diversity, forests and other natural resources, constitutes natural capital which is real, and has a value that must be identified in new economic accounting.

Above all, "Economics" means managing the household in such a way as to encourage enterprise but not exploitation, and co-operation far more than competition. Without political regulation, however, the global market system will continue to reward irresponsible behaviour which cares nothing for the indivisible household of family, community, nation and humankind. Thus, the role of the state becomes crucial: some of its functions should be developed to the local level to support people-centered development; others sould be delegated to the international community and a strengthened United Nations.

In particular, the legitimacy of the Bretton Woods institutions and the new World Trade Organization depends on their becoming fully accountable and democratically governed specialized agencies of the United Nations. So far, their structural adjustment programmes have all too frequently undermined social progress, particularly in health and education.

In the light of the foregoing conclusions, we consider that the following conditions must be fulfilled if greater economic and political choice is to be achieved:

AT THE COMMUNITY LEVEL

- Governmental decisions affecting communities should be taken as closely as possible to to, and after full consultation with the communities themselves.

- No impoverished community can protect its environment. The community's capacity to protect its own natural base must be restored. Greater equality is also the key to ecological health.

- The keys to effective community development are equity, democracy, the practice of the holism that is inherent in community life, and the sharing of knowlegde through building new communication networks among citizens.

- The role of women in civil society and decision-making is essential to the realization of the values of human development. Their full participation requires the transformation of gender relations.

AT THE NATIONAL LEVEL

- Governments must make land reform the basis for healthy rural economies, and ensure credit for the poor so that people can create their own employment and build their own communities.

- It is legitimate for individual governments to protect their people, especially their farmers and nascent industries, from the effects of deregulated trade.

- It is, further, legitimate for governments to regulate the market and to pass any legislation necessary to prevent the generation of inequalities among their peoples.

- A new partnership in North-South relations requires placing the cultures, development options and strategies of developing countries first, not those of the experts, the consultants, and the entrepeneurs of the North. Governments should devise their own development strategies and priorities to which the Bretton Woods institutions and all other external agencies should adapt themselves, not the other way around.

- Governments should institute environmental accounting systems in order to measure the status of their natural capital and monitor its use.

AT THE INTERNATIONAL LEVEL

- It must be recognised that cultural diversity is a universal good, and the principal source of new strength, new actors, and sustainable development models.
- The Bretton Woods institutions must be made fully transparent and accountable for their policies through supranational mechanisms for monitoring and controlling these agencies.
- "We, the Peoples of the United Nations" should elect our representatives to a UN Parliamentary Assembly alongside the present organs of executive government.
- Effective international machinery to promote renewable energy should be installed in the UN system.
- Work to complete the Code of Conduct for Transnational Corporations should be urgently resumed.

Existing international power relations do not permit the realization of these goals. That is why we call upon citizens, non-governmental organizations and political leaders to recognise that the existing system has opened the most dangerous chasm in human history, between an affluent over-consuming minority and an impoverished majority of humankind in the South but also, increasingly, in the North. No nationso divided has ever remained stable; no frontier or force can withstand the despair and resentment which a failed system is now actively generating.

We do not have much time. We are on the point of leaving to our children a world we would not wish to live in ourselves. But we have found inspiration in the resilience of the peoples of the countries whose presence among us has made this meeting so memorable. With shared responsibility we can draw from the present crisis the creativity needed to make a world community that really works. Nothing less will do.

This Declaration was presented to the participants in the last session of the Seminar. All the participants, governmental and non-governmental, express their agreement with the set of conditions elaborated to achieve greater economic and political development. The majority express their agreement with the content of the first, analytical section. Two non-governmental members express specific reservations about the whole Declaration.

Oslo, 3 February 1995

NEW DEVELOPMENT OPTIONS TOWARDS THE 21ST CENTURY

Government Representatives who supported the Declaration (see last paragraph of Declaration text):

Rosa Elena Simeón (Minister of Science, Tecnology and Environment):
Cuba.

Haile Woldense (Minister of Finance and Development):
Eritrea.

François Severin (Minister of Agriculture, Natural Resources and Rural Development):
Haiti.

Dr. Mohamad Basheer (Minister of Education):
Kerala.

Eugene Makhlouf (PLO representative, Stockholm):
Palestine.

Sibusiso Bengu (Minister of Education):
South Africa.

Nguyen Xuan Oanh (Political Advisor);
Vietnam
Reservations about the analytial part of the Declaration

List of Signatories:

Rubén Zamora
Ex-Presidential Candidate, El Salvador
(signed)

Susan George
Author and Associate Director of the Transnational Institute
(signed)

Adebayo Adedeji
Director, ACDESS, Ex-Director, UN Economic Commision For Africa, Nigeria
(signed)

Peggy Antrobus:
Leader of DAWN, Development with Women for a New Era, Barbados
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Claes Brundenius
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Erskine Childers:
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Xabier Gorostiaga:
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Manfred Max-Neef:
Rector at the University of Valdivia, Chile
(signed)

Dan Smith
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C.R. Soman
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(signed)

Yash Tandon
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(signed)

Vegard Bye
Executive Director, ForUM, Norway
(signed)

Halle Jørn Hanssen
General Secretary, Norwegian people's aid, Norway
(signed)

THE COPENHAGEN ALTERNATIVE DECLARATION

(final draft, 8 March 1995)

This Declaration builds upon efforts emanating from the NGO Development Caucus during the Social Summit preparatory meetings, the Oslo Fjord Declaration, and other national and international citizens' initiatives.

We, representatives of social movements, NGOs and citizens' groups participating in the NGO Forum during the World Summit for Social Development (WSSD), share a common vision of a world which recognizes its essential oneness and interdependence while wholly embracing human diversity in all its racial, ethnic, cultural and religious manifestations, where justice and equity for all its inhabitants is the first priority in all endeavours and enterprises and in which the principles of democracy and popular participation are universally upheld, so that the long-dreamed creation of a peaceful, cooperative and sustainable civilization can at long last be made possible.

In this context, we expected that the Social Summit would address the structural causes of poverty, unemployment and social disintegration, as well as environmental degradation, and would place people at the center of the development process. These include not only economic, political and social causes, but also the cultural structures of gender inequity.

While some progress was achieved in placing critical issues on the table during the Summit negotiation process, we believe that the economic framework adopted in the draft documents is in basic contradiction with the objectives of equitable and sustainable social development. The over-reliance that the documents place on unaccountable "open, free-market forces" as a basis for organizing national and international economies aggravates, rather than alleviates, the current global social crises. This false premise threatens the realization of the stated goals of the Social Summit.

The dominant neo-liberal system as a universal model for development has failed. The current debt burden of dozens of countries is unsustainable, as it is draining them of the resources they need to generate economic and social development. Structural adjustment programmes imposed by the International Monetary Fund and the World Bank have consistently undermined economic and social progress by suppressing wages, undermining the contributions and livelihoods of small producers, and placing social services, particularly health care and education, out of reach of the poor. In dismantling basic state services, these programmes have shifted an even greater burden onto women, who care for the nutrition, health, well-being and harmony of the family, as well as community relations. In promoting the rapid exportation of natural resources, deregulating the economy, and pushing increasing numbers of poor people onto marginal lands, adjustment has contributed to the process of ecological degradation.

This system has also resulted in an even greater concentration of economic, political,

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technological and institutional power and control over food and other critical resources in the hands of a relatively few transnational corporations and financial institutions. A system that places growth above all other goals, including human well-being, wrecks economies rather than regenerates them, exploiting women's time, labour and sexuality. It creates incentives for capital to externalize social and environmental costs. It generates jobless growth, derogates the rights of workers, and undermines the role of trade unions. In the process, the system places a disproportionate burden on women and jeopardizes their health and well-being and consequently that of those in their care. Finally, it leads to an unequal distribution in the use of resources between and within countries and generates social apartheid, encourages racism, civil strife and war, and undermines the rights of women and indigenous peoples.

It is for these reasons that we also cannot accept the official documents' endorsement of the new trade order as defined in the Final Act of the Uruguay Round and Articles of Agreement on the establishment of the World Trade Organization. The documents do not consider that trade liberalization through the General Agreement on Trade and Tariffs (GATT) and the WTO creates more losers than winners and that the negative impacts will be disastrous for poor countries, and poor and working people within all countries. The interests of local producers, in particular, are undermined in the areas of foreign investment, biodiversity and intellectual property rights.

We reject the notion of reducing social policy in developing countries to a "social safety net", presented as the 'human face' of structural adjustment policies in the WSSD documents. This proposal is predicated on the withdrawal of the State from one of its fundamental responsibilities. The slashing of social expenditures in the North as a means of reducing the budget deficit has also undermined many of the achievements of the welfare state.

Social development can only be achieved if all human rights -- civil, political, economic, social and cultural -- of all individuals and peoples are fulfilled. We believe that the Summit documents fail to recognize adequately the primacy of human rights as a prerequisite for a participatory and meaningful social development for all sectors of society, especially for children and such marginalized groups as people with disabilities, indigenous peoples, people in occupied territories, refugees and the displaced. It also fails to note how the undemocratic nature of structural adjustment programmes undermine the rights of citizens and often leads to their repression. In addition, efforts made at the Social Summit to reverse agreements reached in Vienna and Cairo in relation to women's rights represent a further undermining of the possibilities for the kind of fundamental changes required for the creation of just societies.

Finally, we note that militarization creates enormous waste of human, natural and financial resources. It causes further inequality and pauperization, political and social violence, including violations against women, and violent conflict that adds to the rising global death toll and the growing number of refugees and displaced people.

In rejecting the prevailing global economic model, we do not suggest the imposition of another universal model. Rather, it is a question of innovating and devising local answers to community needs, promoting the skills and energy of women in full equality with men, and benefitting from valuable traditions, as well as new technologies.

In the light of the foregoing, we consider that the following conditions must be fulfilled at the household, community, national and international levels to realize this alternative vision of development:

AT THE HOUSEHOLD LEVEL:

* The new vision of development requires the transformation of gender relations, in which women are equal participants in the decision-making process.

* Women and men must share responsibility for the care of children, the elderly and people with disabilities.

* Domestic violence in all its forms must not be tolerated.

* Women must be guaranteed sexual and reproductive choice and health.

* Children's rights should be respected and enhanced.

AT THE COMMUNITY LEVEL:

* The keys to effective development are equity, participation, self-reliance, sustainability and a holistic approach to community life.

* The capacity of communities to protect their own resource base must be restored.

* Governmental and intergovernmental decisions must be built upon the full participation of social movements, citizens' organizations and communities at all stages in the development process, paying special attention to the equal participation of women.

* Communities must gain control over the activities of all enterprises that affect their well-being, including transnational corporations.

The political, social and economical empowerment of youth, especially young women, should be fostered.

AT THE NATIONAL LEVEL:

* All forms of oppression based on gender, race, ethnicity, class, age, disability and religion must be eliminated.

* Governments must ensure the full and equal participation of civil society in the processes of economic policy-making and other development decision-making, implementation and monitoring.

Education must be granted as the main instrument to empower youth to take their rightful place in society, enabling them to take control of their lives. Non-formal education should be promoted, drawing on the experiences and skills of non-specialized people.

* Governments must ensure the full and equal participation of women in power structures and decision-making at all levels.

* National accounting systems should be revised to incorporate women's unpaid work.

* Governments must commit themselves to developing national strategies and implementation plans in order to fulfill their responsibilities under the Human Rights covenants. They must regularly report on their progress, in particular their efforts regarding marginalized groups' access to legal procedures. Governments which have not ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) should do so. Governments should work for the approval of the Draft Declaration on the Universal Rights of Indigenous Peoples at the United Nations.

* Recognition of and respect for ancestral territorial rights of indigenous peoples and their right to self-determination is an imperative in order to ensure their existence as peoples and cultures. Territories that are still colonized should likewise be accorded their right to sovereignty and self-determination.

* Governments must make agrarian reform the basis of sustainable rural economies and ensure access to affordable credit for the poor without discriminating on the basis of gender, race and ethnicity so that people can create their own employment and build their own communities.

* Governments should develop sustainable employment programmes, in full consultation with trade unions and employers' organizations.

* Governments of industrialized countries should reduce their countries' disproportionately large claim on available natural resources by implementing the appropriate mix of incentives, ecological tax reforms, regulations, and environmental accounting systems to achieve sustainable production and consumption patterns.

* Southern governments have the right to protect their people from the effects of deregulated and liberalized trade, especially in areas of food security and domestic

production. Moreover, they should be able to regulate the market and take fiscal or legal measures for the purpose of combatting inequalities among their peoples. Africa should be given preferential treatment in this respect.

* Governments should commit themselves to reducing military expenditure so that it does not exceed spending on health care and education and increase the conversion of military resources to peaceful purposes. This "peace dividend" should be distributed equally between a national and a global demilitarization fund for social development. There should be a conversion of the military economy to a civilian economy.

AT THE INTERNATIONAL LEVEL:

* A new partnership in South-North relations requires placing the cultures, development options and long-term strategies of developing countries first, and not those of the North.

* It must be recognized that cultural diversity is the principal source of new strength, new actors, new social systems and sustainable development, creating an alternative globalization from below.

* There should be an immediate cancellation of bilateral, multilateral and commercial debts of developing countries without the imposition of structural adjustment conditionality. In the longer term, the international community should institutionalize equitable terms of trade.

* Policy-based lending and the interference of the World Bank and IMF in the internal affairs of sovereign states should be discontinued.

* The Bretton Woods institutions must be made transparent and accountable to civil society in both the South and North; their policies and programmes should be made people-centered; and participation of social movements and citizens' organizations at all stages in the negotiation of agreements, project implementation and monitoring should be ensured.

* Global macro-economic policy should address the structure of poverty and stimulate the levels of real purchasing power. An alternative macro-economic policy will have to meaningfully address the distribution of income and wealth, both between and within countries, leading to a democratization of consumption. This policy would require curbing lavish luxury-goods economies and redirecting resources towards the production of essential consumer goods and social services.

* Global production and consumption must stay within the limits of the carrying capacity of the earth. Political regulation is mandatory in order to prevent the global market system from continuing to reward irresponsible behaviour that cares nothing for the household, community, nation and humankind.

* Regulatory institutions and instruments of governance and law that are truly democratic and enforceable must be established to prohibit monopolistic structures and behaviour and

to ensure that transnational corporations and financial institutions respect the fundamental rights of all peoples. In order to make this possible, TNCs must be reduced in size. Work to complete the Code of Conduct for TNCs should be urgently resumed.

* An international independent body and accountability mechanisms should be set up to monitor, evaluate and effectively regulate the behaviour of transnational corporations and their impact on individual nations, communities, peoples and the environment.

* The international community should enforce the application of a tax on all speculative foreign exchange transactions (Tobin tax) of about 0.5%, the revenue of which should go into a global social development fund with adequate control mechanisms.

* Effective international machinery to promote renewable energy should be installed in the UN system.

* Regional and international organizations should encourage diplomacy, peaceful negotiations and mediation and promote institutions for research and training in non-violent conflict resolution.

* In the 180 days between the Copenhagen Summit and Beijing Conference, we demand an independent investigation and audit of World Bank and IMF performance. In the aftermath of the financial collapse in Mexico, it is essential that the international community prevent future disasters that result from the refusal of the Bretton Woods institutions to depart from the agenda set by the financial and corporate communities, the U.S. government, and Northern financial ministries.

Existing power relations do not permit the realization of these goals. We, representatives of civil society, call upon governments and political leaders to recognize that the existing system has opened the most dangerous chasm in human history between an affluent, overconsuming minority and an impoverished majority of humankind in the South and also, increasingly, in the North. No nation so dramatically divided has ever remained stable; no frontier or force can withstand the despair and resentment that a failed system is now actively generating.

We do not have much time. We are at the point of leaving to our children a world in which we ourselves would not wish to live. But we do find a tremendous inspiration and hope in the fact that the global NGO community taking part in the Social Summit in such a massive way can forge a common understanding of and strategy for the lasting improvement of humankind and nature. With shared responsibility, we can draw from the present crisis the creativity needed to make a world community that truly works. This is our common commitment as we leave the Copenhagen Summit.

NGONEWS

An NGO Forum supplement

More than 600 NGO's sign Copenhagen Alternative Declaration

Out of the creative chaos of NGO participation in the Social Summit, has come an outpouring of support for an alternative vision of social development than that being presented today at the official UN proceedings.

Contrary to reports of the naysayers, hundreds of organizations and coalitions from all over the world have signed on to the Copenhagen Alternative Declaration, a document prepared by NGOs during the first few days of this week.

In 48 short hours, more than 600 organizations with member and affiliated groups totaling over 8,650, have endorsed the Declaration, despite the difficulty involved in obtaining rapid approval from home offices around the globe. The total signons constitute approximately onethird of the number of NGOs estimated to be present at the Summit. Among those organizations that have yet to sign on, very few of those approached expressed disagreement with the basic thrust of the document.

Included in the figure of 600 NGO's are approx. 90, which are not listed below due to delays in processing.

"Numerous organizations came together to provide a vehicle for people who were dissatisfied with the absence of a holistic perspective in the Summit documents, and I think we succeeded," said Vegard Bye of the Norwegian Forum. "We have been impressed by the speed and size of the response. We've clearly tapped into a serious and widespread discontent with the refusal of the Summit to deal with the underlying economic and political causes of poverty, unemployment, and social disintegration."

The Declaration rejects the basic economic framework of structural adjustment and unregulated markets embraced by the Summit, because it "aggravates, rather than alleviates, the current global social crisis." This perspective has been cited by Mahbub ul Haq, Special Advisor to the UNDP and former highlevel World Bank official, as an "almost quiet consensus in Copenhagen," referencing the "extremely disruptive" impact of adjustment programmes that now have the global tide running against the World Bank and the International Monetary Fund.

Yesterday, the architect of the Social Summit, Ambassador Juan Somovia, said he agreed with the Declaration's emphasis on the structural and economic causes of the social crisis.

These NGO's have endorsed the Copenhagen Alter-
[illegible]

CIDEP (25,000 members)
CINI (512 members)
CISAS (70 members)
Citizens' Disaster Response Center
Ciudadanos por la Solidaridad (50 members)
Civil Liberties Organisation, Nigeria, (100,000 members)
Coalition for a Strong UN (10,000 members)
COCAD/SADTM (300 members)
COCENTRA (1,250,000 members)
CODESRIA, (15,000 members)
Collectif "De Rio a Copenhague" (10,000 members)
Comision Nacional De Organizaciones no Gubernamentales y Sociales
Comite Feminino FNT - Concentra Nicaragua (350 members)
Comite Nacional Coordinadona Centroamericana do Labagadones Costa Rica (1 1m members)
Comite para la Defensa de los Derechos Humanos en Honduras (1000 members)
Committee for the Development of Women (30 members)
Communist Party in Denmark (700 members)
Community Dev. Library (200 members)
Congac
Consejo Juventuel de Nicaragua (43 affiliates)
Cooperation Committee for Cambodia (211 affiliates)
Cordillera people's Alliance (300,000 members)
Cordillera Women's Education and Resource Center (40 members)
Coreiente de Opinion Universitaria (35 members)
Corporacion Compas (800 members)
Corporacion por la Paz y el Desarrollo Comunitario (500 members)
Country Women Association of Nigeria (10,000 members)
CRID, France, (40 members)
CRIES (2000 members)
Croix Bleue des Armeniens de France
Council of Students & Youth Movement (3000 members)
Danish Immigrant Forum (5000 members)
Danish Section of War Resisters' International (350 members)
DanishCuban Association (500 members)
DANN, Barbados, (3,000 members)
Democratic Party of Iranian Kurdistan, Iran, (100 members)
Democratic Socialist & America (12,000 members)
Den Sociale Højskole, Denmark, (260 members)
DEVELOPMAN Alternatives (5750 members)
Development Gap
Development in Practice
DIF
Dnask P A Kompagni
Dos Generaciones
[illegible]

IUCISD, International (450 members)
Jammu & Kashmir National Front International (1000 members)
Japanese NGO Forum for Social Development (60 members)
Jovenes Amigos de la Unesco (8500 members)
Joint Ministry Africa (Disciples of Christ/United Church of Christ)
Jord og Frihed (45 members)
Kairos Europa (50008000 members)
Kalahui Hawaii (20,000 members)
KFEM, Korea, (40 members)
KMI & KAMMPIL (180,000 members)
Komite Micanogua
Lara Manovil (individual)
Latinamerican ONG's (10,000 members)
Legal Resources for Social Action (75 members)
Ligue Marocaine pour la Protection de l'Enfance (5000 members)
Luxembourger
Madres Unidas Contra la Droga (100 members)
Malaverba (15 members)
Mani Tese (38,000 members)
Marangoppoulos Foundation for Human Rights
Mariana Reverter (individual)
Mauritius United Nations Association (40 affiliates)
Mauritius Youth Council
Mexican Action Network on Free Trade
MISMA
Moriam Jean, USA
Mouimento Manuela Ramos (40 members)
Mugarik Gabe (500 members)
National Action Committee on the status of Women (600 affiliates)
National League of Algerian Students (10,000 members)
National Organisation of Algerian Youth (1.5m members)
National Traveller Women's Forum
National Women's Lobby Group, (350 members)
New Women Center (30 members)
NGO Federation (5000 members)
NGOCC, Zambia, (50 members)
NOAH, Friends of the Earth (2000 members)
Nonaligned Students & Youth Organisation (100 affiliates)
Norwegian Forum for Environment and Development (2m members)
Norwegian people's Aid (740,000 members)
Norwegian Students' Academics International Assistance Fund
ökum TrNgerkreis Armut Reichtum (30 affiliates)
One World Now (2000 members)
ONPDH (WHO/RAO) (100 members)
ORAP
Organisation of African Trade Union Unity (25m members)
[illegible]

WEMOS (10 members)
Werkstatt ökonomie (250 members)
WFDY
WIDE
WILPF (1500 members)
Womankind Worldwide (50100 members)
Women's Global Alliance For Economic Alternatives
Women's International League for Peace and Freedom (50,000 members)
Women's Studies Centre (10 members)
Women Health Philipines
World Christian Life Community (individual)
World Development Movement (7000 members)
World Hunger Year
World Peace Council (130 countries)
World University Service
World Vision International
Youth against Drugs, Norway (4000 members)
Youth Organization for Population and Development (750 members)
Zambia Alliance of Women
Zed Books Cooperative (12 affiliates)

These NGO's are supporting the major political thrust of the Copenhagen Alternative Declaration:

ALTERNATIVE 2 (organisations).

Abantu for Development (11 affiliates)
ACBINN Scandinavia
ADAF/GallÇ (2000 members)
AdecorCoagro (10 members)
AEDENAT
African Development Initiatives Network (20 affiliates)
African Society for Humanitarian Aid & Development (2000)
African/Congac (2350 members)
AfroAsian People's Solidarity Organisation (86 affiliates)
AFTURD
All India Catholic University Federation (20,000 members)
Alter Vida
Alternative Women in Development
AMEL Association
AMURT (3 affiliates)
ANGE (150 members)
Anglican Consultative Council (70m members)
Arab Network for Environment and Development (100 affiliates)
Arab NGOs Caucus in Copenhagen
Arab Office for Youth Environment (5000 members)
Arab World
ASOCODE (165,000 members)
Associacao Americana de Juristas
Association de Conducteurs de Charrettes de Zaire
[illegible]

GABRIELA (56,000 members)
Gauches Unies, Belgique
Gaza Community Mental Health Programme
General Conference of Trade Unions (49 affiliates)
Growth Europe (2,000 members)
Havnearbejdernes Fagforening, Aarhus (150 members)
Health Alliance for Democracy, Phillipines, (200 members)
Help Yourself Society, Khartoum (62 members)
Herri Batasuna (220,000 members)
Hluvukani (50,000 members)
Højskolen i Randers (48 members)
Hoybun Culturcenter, Dk, Kurdistan (125 members)
IBASE
Ibis, Denmark
IICA (200 members)
Indecap Escuela Popular Latinaam (80 members)
Institute for Popular Democracy, Phillipines, (240 members)
Institute for Popular Democracy, Phillipines, (40 members)
International Institute for Human Rights and Development (60 affiliates)
International Union for Land Value Taxation and Free Trade (7,000 members)
IWGIA, Denmark (20 members)
IWGIA, International (200 members)
Kenya Indogenious NonGovernmental Alliance (20 affiliates)
Ketty B. Brevor (individual)
KMI, Philipines, (180,000 members)
Korean NGO Forum (25,000 members)
KURMI, Bolivia, (14 members)
Kuwait Association of SW (200 affiliates)
L.A.B.
L.I.F.T.
L.Y.C.S
La FraternitÇ que Vive l'Enfant
Lesotho Council of NGOs (200 affiliates)
Ligue Africaine des Droits de l'Homme et des Peuples
Mali Enjeu
Mauritius Council of Social Service (95 affiliates)
MÇdecins du Monde International (11,000 members)
Mediterean Women's Studies Center (60 affiliates)
Mormon Kirken - Jesu Kristi Kirke af Sidste Dagen Hellig (9m members)
MOVIMONDO
Mugen Gainetik
Muslim Scouts of Algeria
National Council of NGOs of Kenya (300 affiliates)
Netherland's Council of Families and Other Living Forms
Network for East West Women
New Humanity, International, (2 million members)
NGO Coordinating Comittee Zambia (65 affiliates)
[illegible]

native Declaration. The list is as of 1 pm 11. March 1995

ALTERNATIVE (organisations)

A Quashigah Grootsmi Ghana
Aboriginal Rights Coalition
ACEAN Costa Rica
ACSUR (2000 members)
Africa groups of Sweden (2000 members)
African Transition (700 members)
African Caucus - Africa (150 members)
African Refugee Relief
African Refugees and Emigration services
AERONET
AIESEC International (20.000 members)
Aksjon Slett Ullandsgjelda (10 members)
Al Sur (200 members)
Algerian Youth Forum
American Orthopsychiatric Association (17.000 members)
Amnesty International Denmark
AMURT (7 affiliates)
Ananda Marga Universal Relief Team global (60 affiliates)
Ananda Marga Universal Relief Team USA (20 affiliates)
Ammassut Assaphera (1000 members)
APID Costa Rica
Arab Towers Union
Arab Office for Youth Environment
Arab Women Forum (70 members)
Armenian Relief Society Inc
ASeA RWTH Aachen
Asia Indigenous Women s Network (30 members)
Asian Centre for Organisation Research and Development (65.000 members)
Asociacion Ecologica PaqueraLepantoCobana (600 members)
Asociatia Romana de Management Ecologic si Dezvoltare Durabila (100 members)
ASPAE (1500 members)
Associacao Agencia Terra (50 members)
Associacao ProFundacao Universitatta do Vale do Jequitinhonha
Associacao ProFundacao Universitatta do Vale do Jequitinhonha (FUNIVALE), Brasil, (1500 membres)
Association Belgique Vietnam (500 members)
Association for Development Policy, Germany (150 members)
Association of Women s Clubs, Zimbabwe, (40.000 members)
Association Rabat el Fath (500 members
Backward Society Education Base (100.000 members)
Bahraini Human Rights Organization (15 members)
Baladre
Baluchistan National Movement (6 affiliates)
Bisan Center for Research and Development, Israel, (10 members)
Bonded Labour Liberation Front
Bund (85.000 members)
Calabash Dancers 829 members)
Caritas Nepal (25 affiliates)
Carmele Basil (individual)
CECOTRET (2000 members)
CEDI (20.000 members)
CendaChiloeChile,Chile (20 members)
CENIDH (100 members)
Center for Trade Union and Workers' Services (200 members)
Centre Amadou Anipathe
Centre for Citizens' Initiatives (30 members)
Centre for Development and Innovation in Health (50 members)
Centre for SocioLegal Research and Documentation Service (100 affiliates)
Centre Tricontinental (15 members)
Centro Amazonico de Antropoligia y Aplicacion Practica
Centro de Investigacion Para la Paz (1000 members)
Centro Memorial "Dr Martin Luther King, Jr" (30 members)
CESTA. (100 members)
CESTIMCENTRO STUDI IMMIGRAZIONE (120 members)
Children Nonformal Education (100 members)
East European Children Aid, Denmark, (120 members)
Ebenezer "First Baptist Church" (350 members)
Econews Africa, Kenya
Ecumenical Peace Forum (100 members)
EKI (1.000 members)
Enda Inter Arabe, Tunisia
ENDA-TM, Senegal (150 000 members)
English International of Lund, Sweden (10,700 members)
Enhedslisten, Denmark (1,500 members)
Environment and Pollution Research Group, South Korea, (300 members)
Environmental Defence Foundation (FUNAM), Argentina, (500 members)
Environnement et Developpement Alternatif, France, (300 members)
Eropean Network of the Unemployed, International
ESR/CUIS (3000 members)
Eswela Nationale Sudical, Colombia (5,000 members)
Fair Trade Organization of Finland, Finland, (10,000 members)
Fattighuset, Norway, (80 members)
Femmes et Changements, France/Africa, (50 members)
FIRU (50 members)
FonolaSol,(100 members)
FonolaSolCinoSur (20 members)
Forum Bruxellot, de Lutte Contre la Pauvrete, Belgium
Foundation for Contemporary Research, South Africa, (15 members)
Fraternidad de Iglesias Bautistas de Cuba (15 churches)
Freeworld Humanitarian Services Organisation, International, (257 members)
Friends' Association for Rural Reconstruction (FARR), India
Friends of the Earth, International (2 million members)
Friends of the Earth, Sweden, (1,500 members)
Fundacion Centroamericana por la Integracion (FCI), Central America,(108 members)
Fundacion Para Estudio e Investigacion de la Mujer (100 members)
Fundation Progresar, Columbia (2,000 members)
Fundation Sol y Tierra, Colombia,(200 members)
General Confederation of Trade Unions (GTCU), Russia , (107 million members)
Group de Estudios para el Desarrolo
Harriet Tubman Jannie Lou Hansen Women's Collective
Heads of Denominations (4 affiliates)
Health Rights (15 members)
HOME, inc. (300 members)
HWID (1000 members)
ICDCS, Britain, (25 members)
Indian Social Institute, India, (5,000 members)
Institute for Agriculture and Trade Policy (20 members)
Institute for Environment and Development Studies (6000 members)
Institute for Planetary Synthesis, International
Institute for Social Education and Development (5000 members)
Institute of Social Sciences (120 members)
Institute of Social Sciences (25 affiliates)
Instituto de Ecologie Politica, Chile, (27 members)
INTERED (80 members)
Internationa Allience of Women (80 affiliates)
International Centre for Development and Environmental Studies (4 affiliates)
International Coalition for Development (32 members)
International Council of Voluntary Agencies (100 members)
International Movement Against all Forms of Discrimination and Racism (500 members)
International People s Health Council (9 members)
International South Group Network (700 members)
International Union of Students (20m members)
International Women s AIDS Caucus (1000 members)
IPHCEurope
ISIS International Manila
ISIS International Santiago (15 affiliates)
members)
Organisation of Rural Associations for Progres (1,5m members)
OSPAAAL
OXFAM UK/I
Pacific Asia Resource Center
Pakistan Myasthenic Welfare Organisation
PanAfrican Coordination Forum (50,000 members)
Panafrican Youth Movement
Parents and Childbirth (4000 members)
Peace and Cooperation (10,000 members)
PENC (10.000 members)
People's Alliance for Social Development (4000 members)
People s Health Network
Permanent People's Tribunal (120 members)
Philippine Alliance of Human Rights Advocates (102 affiliates)
Pirkko Knotchardt, Thailand
Plataforma 0'7% PIB (6000 members)
PMDS
PROCITTA (300 affiliates)
ProdisYanapakuna
Project Assessment Forum, Japan (10 affiliates)
Proutist Niversal (180,000 members)
REAS (3000 members)
Regional Committee for the Promotion of Community Health (250 members)
Religious Society of Friends (Quakers) (38 members)
Research Foundation for Technology and Natural Ressource Policy (100.000 members)
Reseau Quebecois de Sensibilisation sur le Developpement Social (30 affiliates)
RMIT (150 members)
Rural Reconstruction Nepal (500 members)
SADA AHMD Foundation (1 affiliate)
SAHRAWI National Women Union (15,000 members)
SAHSSO (1000 members)
Sara Stinus, Denmark
Scouts Algerian
Senterungdomniens Landsforbund (4000 members)
SHIRKAT GAH (12 affiliates)
SIDDHI (22 members)
SMA
SOBREVIVENCIA (100 members)
Society for Human Integrety and Prosperity (40,000 members)
Solidarity for participation and Human Rights (400 members)
Solidarity Service International (500 members)
Soudanese Women Unity Action
South India NGO Coordination Forum (100 affiliates)
Student Christian Movement in Norway
SU (68 members)
Sudan Family Planning (400 members)
SUR, (68 members)
SwedishCuban Association (1500 members)
Tanzania Media Women's Association (37 affiliates)
Technology for Life (200 members)
The Synergos Institute (40 affiliates)
The Egyptian Society for Development of local Communities (170 affiliates)
The PeopleCentered Development Forum
Third World Forum /Forum du Tiers Monde (1 000 members)
Third World Network Malaysia
Tibetan Women's Association (9 000 members)
Tibetan Youth Congress (12.000 members)
U.N. Association of Cuba (250 affiliates)
U.N. Association of New Zealand
UNICEF NGO COMMITEE
Uganda Association of Women Lawyers (100 members)
Uganda community Reflief Association (38.000 members)
UJSARIO
UK Child Poverty Action Group and UK Disability Alliance (50,000 members)
Union de Cooperativas Madridilenas de Transajo & Socuodo
Union of Young Communists (500.000 members)
Unity Cooperation for Development of Peoples (70 affiliates)
UniversitÇ Bordeaux III
VolpaMaluga (130 members)
VSOP (150 members)
Association de Conducteurs de Charistes de Zaire (5,500 members)
Association Democratique des Femmes du Maroc
Association Nationale des Maisons Familiales Rurales (820 000 members)
Association of Claimants and Unpaid Workers (500 members)
Associazione Interetnica Shangrilla (400 members)
Associazione Papa Giovanni XXIII (900 members)
AVMED (500 members)
Bagong Alyansang Makabyan (2m members)
Bank Monitoring Unit (20 affiliates)
Boston Women's health Book Collective (1 affiliate)
Caroline BridgmanRees Foundation
Center for Studies on Asia and Oceania (200 members)
Centre for European Research (50 members)
Centre ZaÃros de l'Enfant et de la Famille
Centro Alternativo Trabajo Argentina (30 members)
Centro de Estudios Sociales (16 affiliates)
Centro de Estudios Sobre la Juentud (60 members)
Centro de Estudios Europeos
Centro Felix Varela (300 members)
CEPCH (10,000 members)
Cercle Internationale pour la Promotion de la Creation, Benin, Cameroun, Chad, Togo (150 members)
Child Workers in Nepal (1000 members)
Christian Health Association of Liberia (2 500 members)
Church of Norway, Development and Education service
CIPA (25 affiliates)
Citizens Initiatives for the World Summit (2000 members)
Citizens' Initiatives for the World Summit (45 affiliates)
CMPE
Collectif des ONG's au Liban
Comision Episcopal de Accion Social (50 members)
Community Workers Cooperative, Iceland (350 members)
Confederation Intersindical Galega (50,000 members)
Contact Bureau of Arab NGOs (140 affiliates)
Coordinadora de ONG de Desorrono del Estada Espanol
Coordinadora de Organizaciones Feministas del Estado Espanol
Coordination Regional Centroamericana
Corporacion S.O.S. Columbia (35 000 members)
Council for Health & Development (60 members)
Council on International And Public Affairs
Cruz Roja Espanola (130,000 members)
Cuarto Creciente
DanChurchAid
Danmarks Socialdemokratiske Ungdom (4 000 members)
DAWN Pacific
DESCO
Development Coordination Network Community Trust Rajastahn (250 affiliates)
Development Education Association
Development Information Recherche Action Formes DIRAF, Zaire (1500 members)
Die GrÃnen (37.000 members)
Dublin Travellers Education & Development Group (250 members)
Ecological Fund of the Crimea and Crimean on Human Rights (500 members)
Ecosphere 2000
EDER
Education for Life Foundation
Eine Welt Netzwerk (800 members)
EKAMA (10.000 members)
EMMAUS International Association (320 affiliates)
Family Life Promotion Services (100 members)
FASE
Federation de Mujeres Cubanos (3.657.000 members)
FÇderation Genevase de CoopÇration (5.000 members)
Finnish Federation for Social Welfare (130 affiliates)
Fondation Lecio Basso for the Right and the Liberation of Peoples (200 members)
Fondation Leon Zesoul
Fondation Rapondo Walker
Foro Ecuatoriano de Organizaciones do Jusermomentales y Sociales
Fundacion Ecodesarollo de Venezuela (50 members)
NGO Coordinating Comittee Zambia (65 affiliates)
NGO, Korea, (25,000 members)
Norwegian Church Aid
Oekumenische Begegnungsarbeit mit Frauen im Sudan (30 members)
ONG Gaumina
Organisation NigÇrienne de Developement Potential Humain
P66 for human rights (7 members)
Palestinian Happy Child Center
Parti Ouvriere Socialiste
Peace Center Martin Niemoeller house
Peace Train Organisation (500 members)
Philippine Rural Reconstruction Movement
Plateforme NordSud Copenhaque
Popular Aid for Relief & Development
Proyecto Cultura y Solidaridad
REACH
Regnbuehuset (90 members)
School Sisters of Notre Dame (5800 members)
SÇcours Populaire Libanais (3 affiliates)
Servico Paz y Justica America Latina (500 members)
Servico Paz y Justica Argentina (80 members)
Sjakket (40 members)
Sobrevivencia Pacto de Accion Ecologica de America & el Paribe
Socialisme Sans Frontieres
Socialistisk Arbejderparti (100 members)
Society for Threatened Peoples
SolidaritÇ FÇminine
Somali Peace Forum (200 members)
Somali Women's Organisation in Aarhus (150 members)
Somali Youth Organisation Copenhagen (100 members)
Studio RES
Sudan Council of Voluntary Agencies (60 affiliates)
Sur Centro de Estudios Sociales y Education (50 members)
Swedish Red Cross Youth
Syndicat National de i Agro Alimentaire du Gabon
Tedria y Practica (100.000 members)
Terre des Hommes France (20 000 members)
The Religious Consultation of Population, Reproductive Health and Ethics
The World Veteran Federation
TIDO
Twin Foundation
UGSR (2 000 membes)
Ulandsimporten (1900 members)
Union de l'Action Feminine
Union of Palestinian Medical Relief Comittees (1 000 members)
United Methodist Office for the UN
Unspoken Truths (6 members)
Vimo Chana Bangalore
Voluntary Action Network India
VUC, Denmark
Women's AIDS' Support Network (2.000 members)
Women's Federation for World Peace
Women's Global Network for Reproductive Rights
Women's International League for Peace and Freedom
Women's World Summit Foundation (5 000 members)
YDC Moa 3 (500 members)

Organizations interested in endorsing or supporting the Copenhagen Alternative Declaration may do so by sending name and address of organization to:

email: FORUMNORWAY@PNS.APC.ORG

Fax: +4722203780

Mail: The Norwegian Forum for Environment and Development
Storgata 33A
0184 Oslo
Norway

Individual endorsements are also welcome.

New Times, New Role For Universities of the South

Given the challenges we are facing at the end of this century, defining the role of the university is difficult and perplexing. This is especially true in Central America as a whole and even truer here in Nicaragua, with its profound economic crisis and acute political polarization.

We want to provoke, convoke and evoke the best history and experiences of Latin America's universities, with a creative, self-critical vision. To do that, we must begin by evaluating the history of our own Central American Universities (UCAs) and the lessons that this difficult and conflictive, yet testimonial, history teaches us. Using that memory, yet not closing ourselves up in it, we then want to program the future of the UCA 2000.

The 1960s: Adapted to the Model

The Jesuits established the UCAs in El Salvador, Guatemala and Nicaragua more than 30 years ago, hoping to create a regional institution that could contribute to the integration of the isthmus. The legal differences in each country combined with coordination problems to break the regional nature of the project, leaving simply three universities, only two of which even used the name UCA. (Guatemala's took the name Rafael Landívar University.)

They were born as private universities, with less than 2,000 students in each, and, compared to the national universities, were elite. Their student bodies came from wealthy families that lacked either the possibility or the desire to send their children to study in the United States or Europe.

The UCAs achieved their central goal of training professionals and political leaders for the Central American Common Market's integration scheme. At least an implicit coherence existed between the university's role and the project of the elites in charge of this agroexport and import substitution model.

The model produced spectacular economic growth (6% annually) in the region's countries for almost 20 years, but it was a dependent and unsustainable growth, which economically and socially excluded the majority of the people. Export profits were not reinvested in developing either a national market or a platform for industrial exports. This exclusionary growth was controlled by repressive and structurally anti-democratic oligarchic governments.

The 1970s: Tension, Transition, Evolution

In the mid-1970s, a decline in the rhythm of growth and a lack of alternatives to the model, together with the unjust and anti-grassroots character of the political order, caused the regional crisis to explode. The UCAs were partly responsible for this crisis since they prepared professionals who did not criticize the model and lacked the creative capacity to adapt or transform it. One of the many consequences of the crisis was thus a breakdown of the UCAs' own university model.

In Guatemala, the Landívar University yielded to the limited spaces in the culture of terror imposed by the military, causing serious conflicts even among the Jesuits themselves. Some, among them César Jerez, were ex-

By Xabier Gorostiaga, sj. Rector of the Central American University (UCA), Managua, Nicaragua.

pelled from Landívar for questioning the meaning of a university in the midst of the repression and impoverishment of the majorities.

The José Simeón Cañas UCA in El Salvador evolved differently. The university leadership, especially the Jesuits, began to denounce the political system's injustices. Ignacio Ellacuría and his team turned the UCA into El Salvador's "critical consciousness," directly contributing to the agrarian transformation of the mid-70s and the creation of the government of young officers at the end of the decade. Various secular UCA leaders joined that government, including its rector, Román Mayorga, who became president of the civilian-military junta.

That transitional government, catalyzed by a negotiation of elites with significant participation by the UCA leadership, lasted less than a year. It was truncated by the 14-family oligarchy and the armed forces at their service. Massive repression, cruel tortures and killings followed, in which we lost thousands of brothers, among them Bishop Romero. The country was thrown into the worst crisis of its history. For its part, the UCA transformed itself to serve as a platform of democratization from above, but made no substantial changes in its student body, its curriculum or even the institution per se.

In the UCA-Managua, the winds of change came from the laity, not the Jesuits. The Somoza dynasty had submitted the UCA to its direct influence through a relative of the dictator. A broad sector of students, radicalized since high school, joined the struggle against Somocismo, and a number of professors and some Jesuits who gave active solidarity to that student movement were expelled from the UCA along with the students themselves. Despite this, the decade-long open conflict with the dictatorship imprinted a tradition of strong participation by both the teaching staff and the student body in the university life of the UCA. Nor did the various waves of expulsions prevent the UCA from contributing to the insurrection and its legitimacy. During all this, the UCA's university model was challenged but not changed. Only the fall of Somocismo produced a university transformation, and even then with serious limitations in the UCA's academic level and with respect to i autonomy.

The 1980s: Conflict, Negotiation, Democratization

During the 1980s, the UCA-El Salvador became virtually the only public platform for discussing the negotiation of the armed conflict in that country. As the stagnated war dragged on, civil society's demand to find a negotiated solution grew. The UCA responded by criticizing the FMLN as well as the Duarte and Cristiani governments for wanting to resolve the conflict on the battlefield, thus prolonging people's suffering. The magazine *Estudios Centroamericanos* (ECA) contains invaluable testimony of this colossal peace effort over the decade, which fundamentally questioned the anti-democratic government and military structures.

The assassination of the six UCA Jesuits in late 1990, ordered by the army's high command, was a desperate attempt to truncate any negotiated solution to the conflict. But the international solidarity these murders provoked was a determining element in attaining the negotiated peace and the verification of the whole process by the United Nations.

Thus the UCA-El Salvador went from being a platform for criticism and the search for democratic transformation through negotiation among elites in the 1970s, to being one for negotiation between the government and the grassroots interests represented by the FMLN in the 1980s. Nonetheless, it still did not make major internal changes in its own model and curriculum, alter the social origin of its student body or change its administrative structures. It should be stressed, however, that its "pastoral of accompaniment" to peasant and refugee communities served as a social base for creating two towns that became symbols of the newly emerging democratic power even in the midst of war. We refer to "Segundo Montes" in Morazán and "Ignacio Ellacuría" in Chalatenango.

In Guatemala, the Landívar University continued restricting itself to the space permitted by the military, without ever becoming a voice critical of the persistent terror that was expressed in the massive massacres of indigenous and peasant communities and in the disappearance of those who dared denounce them. Not even was any sphere of the university's own model questioned.

In that decade, the UCA-Managua's model went through the greatest changes. The Sandinista revolution opened the way for criticism by professors and students who had fought against the UCA's original model. The new rector, Armando López, opted to integrate the UCA into the National Council of Higher Education (CNES) and provide free tuition, financed by the national budget. That decision broke with the elitist nature of a private university and opened new perspectives for even greater social commitment than the UCA-El Salvador had shown. Students from the middle classes and grassroots majorities who entered the UCA gave it a new vitality and character.

The UCA-Managua formulated its mission as expressing a preferential option for the poor through "critical support" of the country's new process of revolutionary social change. In reality, there was more support than criticism. Like the other universities, the UCA backed the new revolutionary state and suffered an exodus of its best professors to the government ministries.

The university's new model and curriculum centered on training officials for the new state, and the expanding public sector offered a stable supply of jobs for those coming out of the university. Even before finishing their course work, a significant percentage of UCA students were already state employees. The UCA also adjusted to the political and ideological needs of the Sandinista state: the majority of those graduating from the UCA thus had an affinity with the revolutionary project.

But the university did not really respond to the new state's technical, scientific and professional needs or to the country's needs. It could not do so because it suffered limited teaching capabilities and a clear academic deterioration due to the "brain drain" of its professors toward the government. Although this was compensated for by the student-teacher movement, it combined with the minimal academic standards that CNES and the state demanded of the new professionals--as well as with the university's use as a source of volunteers for cotton and coffee picking, the military, social service and the like--to lower university quality and the UCA's very relevance in national life. CNES seriously clipped the possibilities for university autonomy and thus for laying out its own academic goals, even within the revolutionary process. As in the 1960s, when the UCA trained uncritical professionals for the agroexport model, UCA graduates of the 1980s were unprepared to contribute creatively or critically to a national project in a decade traumatized by political polarization, war, US aggression and the ever more evident crisis of state socialism.

Both the destruction caused by the war and the inefficacy of public administration forced the Sandinistas to introduce the beginnings of an economic structural adjustment program in 1988. The following year the UCA sought more autonomy from CNES in order to rationalize its own administration, but did not question either its model or the acquiescent role that it and the country's other universities maintained in the face of growing national exhaustion caused by the war and the Sandinista project's own limitations.

The 1990s: New Model, New Professionals

In Guatemala, the Landívar University is playing no leadership role in the slow and ambiguous national peace process and is contributing little to the valiant efforts of the Bishops Conference in favor of human rights. Nor is it yet questioning its traditional university model, although tiny bursts of new initiatives have occurred in its Institute of Indigenous Studies and in the reconceptualization of the role of Landívar's seven branch campuses in the departmental capitals.

The UCAs in El Salvador and Nicaragua, on the other hand, are trying to fundamentally reformulate their role in the face of new national and international realities. In El Salvador, the UCA is trying to reconsolidate following the decapitation of its leadership team. Since the newly opened road to democratization offers Salvador's civil society more possibility of confronting the armed forces' impunity and winning the country's demilitarization, the UCA's voice as "critical conscience" has now become but one of many. This allows it to turn more attention to its role as an institution in a more democratic country.

What kind of university will the UCA be? How will it insert itself in Nicaragua? For what labor markets will its students be prepared?

The other side of the coin is that the avalanche of foreign financing accompanying democratization has meant a certain "brain drain" from the UCA to the reconstruction programs of international agencies, grassroots organizations and national nongovernmental organizations. In this novel peacetime, the UCA-El Salvador is seeking to project itself academically through its new and ambitious public health program (which links it directly with the most basic needs of the country's poor) and its School of Engineering (by contributing to the rebuilding of the destroyed infrastructure), as well as to maintain its hard-earned role as a platform of debate about the national reality.

The crisis of the university model is greater in the UCA-Managua than in the UCA-El Salvador. But the higher level of the Nicaraguan student body's social consciousness and the incorporation into the UCA of an array of research institutes with social projection into the rural zones (Nitlapán, the Center for Research and Documentation of the Atlantic Coast, the Institute for Popular Education, the Central American Historical Institute and the Juan XXIII Institution), together with the initiation of five masters programs and agreements with universities all over the world that are looking into the new role of the university, open possibilities for it to respond creatively to the crisis.

The Context of UCA-Nicaragua's Crisis

The crisis of our university model is not defined, as some erroneously believe, by the serious financial crunch in which tensions emerge around how to obtain new resources. It is defined by a far more fundamental set of issues. What kind of university will the UCA be? How will it insert itself into Nicaragua? For what labor markets will it prepare its students? What national project does Nicaragua need to consolidate peace and democracy and begin a new phase of development?

These questions were put on the table for discussion following the Sandinistas' electoral defeat. With the rapid shrinking of the public sector, training for the state bureaucracy will no longer be the university's main task. A drastic and dogmatic neoliberal policy has merchandized our society and provoked higher levels of unemployment and poverty than those of the worst period of the war. The reduction of the university budget sparked the "6% strike" in July 1992, in which UCA students pulled the whole university community behind them in demanding the full governmental budget allocation and achieving a victory at the end that few had thought possible. But while the protest questioned the government's neoliberal policies--which condemn the majorities, as well as a young generation of students, to a future without hope--this questioning did not define the university model that Nicaragua needs. In 1993, the university reform has not yet gone beyond the limitations of the past or creatively faced the profound international changes and the challenges of the national crisis.

Absorbed by the grave problems of personal and university economic survival, authorities, students, professors and administrators run the danger of giving in to exhaustion and withdrawing intellectually and politically from the university dilemma. It is easier to blame the administration than propose alternatives, to wait for the return of a progressive and subsidizing state than create from within the university proposals that can serve civil society and win its support. It is easier to rely on the power of criticism, as if this were sufficient, and wield short-term emergency demands than face the medium-and long-term problems, and easier to demonize the market than confront it creatively, seeking within it the factors that can guide the university's own transformation.

Such intellectual and political retreat is irresponsible. Without defining a new university model, we would be deceiving not only the students, but ourselves and the country. "University endogamy" is a university's greatest danger, the cancer that eats away at university transformation and the crucial contribution the university can and must make to the crisis of civilization our world is now living through.

Latin America's Lost Decade

In the 1980s, all of Latin America experienced democratization processes and the emergence of their civil societies. In no other region did these changes have the force that they had in Central America. In Nicaragua and El Salvador, after years of war, the principle of negotiation and agreement finally won out over the logic of arms.

The challenges of the future are increasingly technical, scientific and economic.

But if today Latin America, particularly Central America, is more democratic than at the end of the 1970s, it is also much poorer. The modernization of our economies has not accompanied the modernization of our civil societies. According to the United Nation's Economic Commission on Latin America (ECLA), the Latin American economies' lack of international competitiveness could undermine the advances attained in the political sphere. There is growing agreement among economists that the 1980s were a "lost decade" for Latin America's peoples in terms of economic and social development.

In the UCAs, the harvest of political democracy and the desire to defend it could distract us from the fundamental challenges of the future, which are increasingly technical, scientific and economic. We are going through a particularly difficult, even dangerous, period due to insufficient clarity about either the challenges of the 21st century or what university model will be required to respond to them. One overriding principle, however, should propel our responsibility as a university: our transformation can only come in response to the challenges that exist outside of the university classroom.

The Abyss Between Us and Them

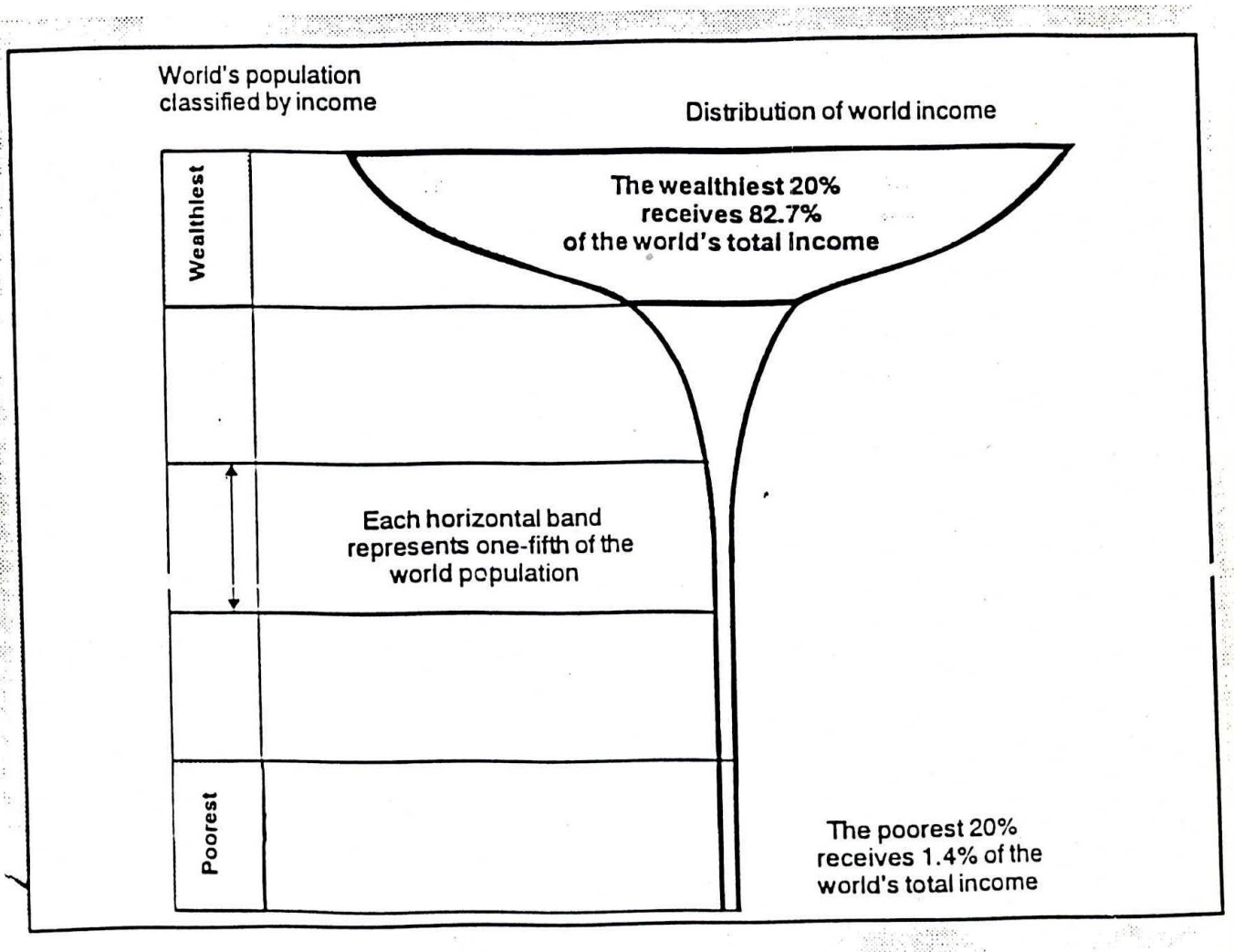
The "structural photography of the planet" that appears in the United Nations Development Program (UNDP) report called "Human Development 1992" is

stylized champagne glass, in which 83% of the world's wealth is concentrated in the shallow but ample cup of the North to the benefit of the 20% of the population living there, while 60% of the planet's human beings is crammed into the slender stem and base of the South, which sustains this wealth yet benefits from only 6% of it.

The wealthiest 20% of humanity controls 81% of world trade, 95% of its loans and 81% of its domestic savings and its investment. In addition, the 20% of humanity living in the wealthy countries consumes 70% of the world's energy, 75% of its metals, 85% of its wood and 60% of its food supply. The middle classes are tending to disappear or at least shrink drastically, since the 20% that could be called the world's middle classes only receives 11.7% of its wealth. The current international "order" only functions by maintaining a growing inequality, thus provoking a structural instability and ungovernability that endangers even its own growth.

The increasing poverty is a threat to growth. It is a virus that is eating away at and delegitimating contemporary civilization.

In July 1992, Latin America's ministers of finance met in Washington with then-Secretary of the US Treasury Nicholas Brady. All agreed that the increasing poverty is a threat to growth, democracy and peace in the world. In the same vein, the Interamerican Dialogue, the Interamerican Development Bank's Social Forum and even the World Bank have issued alerts regarding the need to address poverty as a virus that is ea-



ting away at and delegitimating contemporary civilization.

Worse yet, the gap between the industrialized countries and the underdeveloped ones is becoming an abyss. In 1960, the wealthiest 20% of the world's nations was 30 times richer than the poorest 20%. Thirty years later, in 1990, it was 60 times richer. An analysis of individual income--not that of a country as a whole--reveals even more profound inequalities. In 1990, the poorest 20% of the planet's population was 150 times poorer than the wealthiest 20%.

Between 1980 and 1990, not only did the gap spread between the living standard of the 24 most developed economies of the North and the economies of Latin America, but the per-capita Gross Domestic Product (GDP) of Latin America as a whole also dropped 10% in absolute terms. Countries like El Salvador and Nicaragua lost three and even four decades of development, precisely due to the force of political change. Nicaragua is the only country in the world whose per-capita income in 1993 is less than it was in 1960. Poverty levels in Latin America, following mild improvement in the 1970s, increased from 35% in 1980 to 41% in 1991. Indigence and malnutrition levels rose from 15% to 19% in the same period, while urban minimum wages fell 40%.

What, then, does it mean to train "successful" professionals in this sea of poverty, in a civilization and a society that is ever more exclusionary and unstable and less governable? Does an institution that does not confront the injustice surrounding it, that does not question the crisis of a civilization that is ever less universalizable to the great majorities of the world, merit the name "university"? Would not such an institution be simply one more element that reproduces this unequal system? What changes can a university make to be able to respond to these dominant problems with vision, hope and proposals?

The Technological Revolution: Concentrated and Exclusive

As the UNDP report also indicates, the inequalities between the North and the South increased even more in the indicators of scientific capacity and technological development than in those of income distribution. In less than 10 years, the North's advantage in the number of scientists and technicians expanded by 60%, and in only 15 years, the differences in university enrollment levels doubled in favor of the developed world.

Investment in research and development ("R&D" in the argot of the transnational companies) is a key indicator for predicting the spectacular development of the central economies of the North, but it is also a key to predicting greater poverty for our peoples. Between 1980 and 1990, the gap in research and development spending widened a breathtaking 170%.

Both of these indicators show that the "champagne glass" of education, and of the preparation of human capital in general, is becoming even more top-heavy than that of per-capita income.

It was once possible to believe that entrepreneurial development could get us out of poverty through the concept known as "trickle-down." While practice belied theory even in its heyday during the Alliance for Progress, today we can no longer even believe in the theory. New spaces were created for private business initiative in all the Latin American countries in the 1980s, and in Nicaragua at the end of the decade. Nonetheless, our continent's participation in international trade fell 41% in that neoliberal decade while that of the countries of the North--including Japan--as well as India, China and the four "tigers" of the Pacific increased. With the exception of Chile and perhaps two or three other countries, both Latin America and Africa have lost their competitive place in the world market.

Can universities be called successful if they produce professionals incapable of contributing to the creation of appropriate and necessary science and technology for our countries?

Sub-Saharan Africa's exclusion from the international market was almost double Latin America's, but subregions such as Central America--with the exception of Costa Rica--come closer to Africa's situation. This exclusion--particularly, but not only, of the continent's smallest countries--is deepening our societies' backwardness, as reflected in the growing use of the term "Africanization of Latin America." Even Brazil's President Itamar Franco called attention to the "Somalization" of several northeastern regions in his own country.

This "Africanization" is basically due to our educational, scientific/technical and organizational backwardness compared to Asia and the countries of the North. The majority of our populations are excluded from the market because this backwardness takes place in an elitist culture of increasingly materialist and selfish minorities dependent on the developed world's models, which they aim to imitate only in its consumerist lifestyle.

All of this is a great challenge to our universities, which must accept a large share of responsibility for the fact that the underdevelopment of our scientists with respect to the North and of our professionals in the technological and administrative spheres has contributed greatly to our increasing poverty. Can a university be called successful if it churns out professionals unable to contribute to creating the appropriate science and technology that are needed so that our countries do not retreat even further from international competition? A university transformation that does not deal with the challenge of our growing scientific and technological distance from the North will be a project that condemns an ever greater percentage of our population to poverty.

The university and its professionals must take on the creation of a new international economic, legal and ecological order that can overcome assymetric international relations in a world technologically converted into a "global village." One of the tasks of a university facing the challenge of a civilization that is truly universal--albeit in such exclusionary forms--for the first time in history is to create interdependent links with other universities of the world.

The Lost Link

This internationalization of the planet is producing vacuums at national levels. The credibility of national alternatives and the legitimacy of the national state are in frank decline while political instability, a wide array of fundamentalisms, and people's boredom with and apathy towards political rhetoric are sprouting up everywhere. Nor are the localisms and nationalisms so rampant at this century's end a solution, since they are racist and violent, and are leading to polarizing chauvinisms.

This delegitimation of the state and of political parties themselves--both on the right and on the left--for their inability to deal with the problem of growing poverty and unemployment cannot be blamed only on interference by the transnational economic powers and the globalization of the economy. There is also a break between our countries' political, economic and cultural technocracies and the problems and alternatives that arise locally. The disconnection between the "know-how" of most micro-businesses, small factories, peasants and small and medium-sized farmers of the nation and that of those coming out of the university system--who are precisely the ones who feed the technocracies that govern that nation--is enormous. The local definition of problems, needs and solutions is almost always very different from that imposed by the national-level technocrats.

An enormous gap exists between the know-how of the peasants and that of those coming out of the university system.

There are professors of business administration who cannot research small businesses of 20 workers because such businesses do not use the sophisticated accounting systems that they studied in the texts, and which are used by only a small minority of our factories. In a country in which the immense majority of farms belong to small and medium-sized growers, some professors of agricultural administration are only comfortable with the business and state administration schemes that they know from the Harvard manuals. Examples of this missing link between local know-how and university know-how can be found in all our departments.

Professors interested in local work and political candidates involved in trying to solve local problems at a national level do exist, but they are the exceptions. Given this, local initiatives end up isolated not only from the national agenda but also from each other. Furthermore, with today's accelerated contraction of the state and, above all, with the absence of any national plans or perspectives, no broader framework exists in which to try to insert local experiences. Local projects remain reduced to islands of assistance, floating in a rising sea of idealistic economic theory and very real misery.

A link has been lost between national alternatives and local experiences.

The missing link is between the macro (national alternatives) and the micro (local experiences). There is a lack

of "people-bridges" capable of creating communication links among different local experiences, of promoting experimentation among them or of pushing viable national programs based on their successes.

More than any other factor, this vacuum between the macro and the micro subverts our efforts to find an alternative national development model. We lack the necessary methods to evaluate, interlink and accumulate an overall project based on the enormous and valuable reserve of local experiences. "Lyrical leaps"--the facile extrapolation from local needs and experiences to national alternatives--are a very characteristic feature of our now failed political rhetoric. There can be no communication without knowledge and no knowledge without the experiences that link micro projects up with each other and with macro/national proposals. There is no substitute for the university's role in this task, above all in the face of a shrinking state that is privatizing everything and losing its normative and implementation capacity. The new generation of professionals must learn how to do this in all areas: the state, businesses, parties and nongovernmental organizations.

Without a genuine university transformation, the majority of students from the UCA and Nicaragua's other universities will fall into this vacuum between local and national realities (which lacks alternatives) and between the national and the international (which abounds in impositions).

Some few will get jobs outside of the country or in the privileged enclaves of our economic structure and will not have even one creative word to say in the current scientific, technological and administrative revolution that is making over the face of the planet. How many of them will end up being obedient sheep toward their bosses, but fierce wolves toward their brothers, sick with ambition to take home salaries and enjoy life styles that are light years from those of the majority of their own people?

But the majority of our students will not even get the kind of plum job in modern enterprises or public posts to which they aspire. And without a university transformation, the UCA curriculum will not prepare them to face our economic and social structure's most common problems, which can only be understood by analyzing local experiences and our economy's typical businesses. Unprepared either for the increasingly scarce privileged jobs, or to be professionals who can accompany the poor majority of producers in their search to generate more income, our students will join the army of unemployed or feed the "economy of froth" that consumes our scarce foreign exchange in the luxury goods that the North sells us.

The Challenge: Develop Human Capital

While there is consensus regarding the main factor the South contributes to our growing poverty (lack of human capital and scientific/technical underdevelopment) there is also apparent consensus among the multilateral agencies (UNDP, ECLA, the World Bank) about how to solve the poverty problem.

Wealthy and poor countries are unequal competitors in the international market. If the "developing" countries are to compete on equal footing, there will have to be massive investments in human capital and technological development. According to ECLA estimates, spending on public and private education would have to increase to as much as 10% of the GDP, which in some cases is more

Three Strategies for Forming Human Capital in Latin America

1. **AID:** Concentrate on primary education and leave technological development in the North's hands.

2. **UNDP, ECLA, UNESCO:** Accept the double challenge of promoting primary education, attending to basic necessities, as well as technological development and higher education.

3. **UCA/New Generation:** Simultaneously prepare university professors and grassroots socioeconomic leaders in concrete and local experimentation and development environments. Offer integrated development of analysis and technology for all strata of the nation's producers.

than twice what is now dedicated to human training.

According to ECLA, the roots of Latin America's "Africanization" can be found in a "spurious competitiveness." This means that in place of an authentic international competitiveness, based on incorporating technical progress and raising productivity and the remunerations to human capital, Latin America's insertion into the world market is accompanied by a reduction in remunerations and social services for the more modest sectors.

This "spurious competitiveness" is contrasted to "systemic competitiveness," in which the country's social fabric as a whole must be competitive, not just a specific company, product or economic enclave. As Lester Thurow, one of the Clinton administration's main economic advisers, noted, the comparative advantages of Japan's or Germany's "communitarian capitalism" over the Anglo-Saxon "individualistic capitalism" of the United States lie precisely in the "systemic competitiveness" of the former.

But, while the international development institutions and their advisers recognize the "human factor," they limit it strictly to its productive facet. They leave aside the building of human character and ethical values, so necessary in the search for "productive transformation with equity." Furthermore, equity is a technical as well as ethical requisite of development. But how can equitable policies be implemented if people do not choose them, if they reject them in the name of consumption and market competitiveness?

Official organizations with much more power than ECLA, such as the World Bank, have recently appropriated the term "human capital," but continue to leave policies of equity to one side. For its part, the US Agency for International Development (AID) is pushing another policy: it gives priority to primary education and rejects Latin American higher education, which it sees as ineffective and costly.

ECLA itself tends to project the image that technological development is destined only for "viable" businesses, while peasants, micro-business owners and informal sector workers should only receive a good primary education so they can participate as an adaptable labor force in the new businesses with modern technology. This proposition reflects an ignorance of Latin America's structures, in which technological advances remain isolated within the enclaves of the privileged classes with no trickle-down effect toward the majorities. It also reflects an underestimation of the technology that the popular classes have used and developed for many years, and which would increase the country's competitiveness in the international market if they could evolve appropriately.

In many Latin American countries, the businesses of the poor--those that ECLA sees as non-viable--represent jobs for as much as 40% of the economically active population and contribute a substantial percentage to the GDP. In Nicaragua they produce a third of the GDP and have the capacity to employ more than 50% of the working population.

Statistics distort and falsify this reality. In fact, a very large difference often exists between the producer's net income and the net benefit for the country. Although income per day of work may be higher in large enterprises with a high coefficient of imported inputs, for this same reason they consume the country's scarcest economic resource: foreign exchange. Our peasants thus generate more net foreign exchange than agribusiness.

The Invisible Producers

It is often impossible to find any serious analysis or research--with economic calculus and technological behavior--of urban micro businesses or of peasant and small farmer enterprises in our universities, even though they are fundamental components of our countries' GDP. All we find are social or anthropological descriptions. In the faculties of business administration the only things taught are the business strategies, technology and economic calculus of big business. The problems suffered by the majority of the country's businesses appear nowhere, which shows a kind of economic, social and technological "apartheid." What flattens the poor most is not being "exploited," but being excluded, going unseen, being "nobodied" by a system that does not take them into account, that ends up converting them into a leftover element, a "throw-away."

The universities do not prepare their students to face the most common problems of our economic and social structure.

In a truly equitable strategy the producing majorities must be conceived of not only as potential beneficiaries of the "miracle of technological growth" that may occur in some uncertain future, but as essential contributors, through their own human and productive potential, to our economies and to an integrated development, both nationally and internationally.

Although their potential to successfully contribute is

not guaranteed, these majorities would not continue making heroic efforts to survive if they did not believe in themselves. And that faith has greater value because they have historically been excluded, as if they were a pariah caste, from training and organization programs and, for the most part, still are today from the "social compensation programs."

A minimum of respect for the concept and reality of equity urges us to include all strata of producers in our strategy of training human capital and democratizing education and knowledge. We should make our dedication to preparing professionals for the business sectors compatible with serious programs and sufficient human and financial resources for small producers. This could be the best way to communicate to all our professors and students the value of equity and respect for the potential of all those who should be taken into account in a free market with a symmetry of opportunities, which would democratize the market and society. This is the profound meaning of the option not only for but *with* the poor and their cause, the only way to build genuine democracy and sustainable development.

> ***The most permanent component of our crisis is reflected in the crisis of cadres and of human capital.***

Five Kinds of Human Capital

The most permanent component of our crisis is reflected in the crisis of cadres and of human capital, which in turn is reproduced in the crisis of institutions, parties, the state and the universities themselves. The neoliberal proposals and the conditions set by the wealthy nations encounter neither our own negotiating capacity nor our ability to efficiently absorb the foreign aid and creatively design and execute projects, which in large part ends up being done by foreign consultants or "technicians" from outside of the community.

We need to train new cadres in the various levels and territories of society who can digest and assimilate the experiences accumulated during the regional crisis and confront the challenges of the future. We need human capital that is professional, ethical, regional, grassroots and international.

Professional Human Capital. These professionals must overcome the isolation between teaching and research and between both of these academic tasks and the grassroots subjects and entities of civil society. This presupposes an alternative social insertion by the universities, in which professionals make the knowledge of national reality and its equitable and democratic transformation into the center of their own human fulfillment.

Ethical Human Capital. The problem is not only one of new techniques and methodologies, but of values and options, of a new vision and profile of the professional in society. We need an ethical human capital with the capacity to provoke an option of alternative service in the face of the totalitarianism of values imposed by the market and the productive model of technological society. The crisis is not merely economic, social, technical and geo-political; it is a crisis of civilization itself.

Regional Human Capital. The solution to the crisis of our countries is regional, and demands regional subjects and actors, who begin with national proposals and integrate them into a regional and Latin American vision and future. The preparation of these regional cadres, whether professionals or political and grassroots leaders, requires a new kind of university institution and intersectoral and interdisciplinary regional education projects.

In a world of great blocs and megamarkets, purely national solutions are impossible, above all in a strategically, geo-politically and geo-economically open area like Central America, which is a bridge between North and South America and between the Pacific and the Atlantic. Our area requires vision and regional negotiating power, with regional human capital able to build a common project.

Grassroots Human Capital. The creation of human capital in grassroots leaders--incorporating both women and men--with a capacity for alternative, up-to-date and technical thinking, and linked to the new generation of professionals in their country and region, will be a democratizing and integrating factor for our societies. This human capital will be able to create regional institutions of the grassroots sectors that can compete with greater symmetry and negotiate more effectively with the big guns.

International Human Capital. By linking this new Central American generation with similar movements in Latin America, the rest of the South and even the North itself, we would have the international human capital that Central America needs to overcome its own crisis and contribute from its rich experience to the design of a really new international order. International links with ecological movements, with producers from diverse sectors, with organizers of more appropriate technologies, with consumer organizations, etc., offer us an unexplored potential

to move beyond the "transnationalized, subordinated and assymetric insertion" that the North's international organizations impose.

The international link-ups with universities and research centers that such insertion is increasingly making necessary would allow a break with the induced fatalism that there are no alternatives other than the ones they offer us, or conditions other than those the market and the agents of the dominant economic, technological and political powers offer us. The new critical role and awareness emerging in the global centers of thought and education should be used from a perspective that democratizes knowledge and the resources dedicated to producing it.

Professionals Who Professionalize Others

The issue is to train professional men and women who are "for others," professionals who professionalize others. The core of Ignatius of Loyola's educational proposal was to give priority to forming character and human values, so as to have human capital capable of transforming the world--not only of filling existing posts within it, but of creating new perspectives and institutions that can change reality. It is the well-known Ignatian "magis" and his obsession to overcome mediocrity, above all in moments of profound crisis.

The first key characteristic of the new professionals is not their capacity to "do something for others" or to "lead others," but to "train others so they can lead themselves." Perhaps the main cause of the failure of many movements and institutions whose projects have equity and justice as ideals has been the inability to train human capital that could implement them.

Ignacio Ellacuría, the martyred rector of the UCA-El Salvador, argued that the "essential element of education resides in individuals, not in ideas; the great man is not he who has great intellectual capacity but he who knows and teaches in an integrated, convinced fashion, not abstract but innovative and not tied to rules." This principle emphasizes the importance of a university curriculum and educational process that seeks to create men and women capable of preparing others.

It is about training professionals who are men and women "for others," professionals who are "trainers of others."

The scarcity of this kind of professional can be felt at the moment of doing any economic or social project in Central America. The professionals with knowledge totally lack the capacity to put together a team that could proceed without them. They turn in documents, advice and ideas--which may be brilliant--but leave no installed human capacity to implement such proposals. To advance, the grassroots sectors require one outside consultancy after another, which eat up the majority of the available resources, without leaving any human capital from and permanently in the communities. On the one hand, the grassroots sectors lack the necessary knowledge, and on the other, the professionals cannot communicate their knowledge pedagogically and effectively or form self-sustaining local teams that could initiate an effective decentralization and broaden the focal points of productive accumulation.

Practical Dilemmas, Not Theoretical Ones

We are living through a kind of post-modern renaissance. Our times require the preparation of professionals capable of facing not only theoretical dilemmas but practical/administrative ones within the specialization that the world requires today. The young "stars" currently climbing the executive ladder in the transnational corporations are characterized more by practical/ administrative genius than by technical/theoretical training.

Our professors should be able to deal not only with theoretical dilemmas but with practical ones.

A common feature of the failures of both our companies' productive/technological transformation and the social change initiatives for justice is not so much in the "what to do" or the "why do it" as in the "how to do it."

We Jesuits have an historic slant that inclines us toward theoretical dilemmas. Theoretical debate was a very

valued characteristic from the 16th century on--although when the Jesuits were faced with Latin America's problems, the practical dilemma imposed itself on their Paraguayan settlements of converted Indians.

Today's needs and challenges are how to apply theory/technique to the practical dilemma. Theory and vision--more important than ever in this crisis of paradigms and ethical values--must confront the practical dilemmas with ways to formulate, proceed with and implement pragmatic and real alternatives.

Inside and Outside The University Classroom

If the universities opt to begin transforming their model, a gradual process of interaction between the different strata of human capital within and outside of the university can be initiated.

The first step, absolutely necessary both to begin and to progress in transforming the university model that we seek, is to emphasize building a catalyzing institution endowed with enough autonomy and professors who can dedicate themselves full time to creating nuclei for experimentation, research, grassroots education and development projects. On this basis, it will be possible to rapidly increase the quality of university research and the experimentation necessary to simultaneously permit university instruction and the formation of a new generation of professionals as well as the promotion of new leaders outside its classrooms.

In a first phase, the catalyzing institution would invest two or three years in consolidating these experimental nuclei and training the local bases in grassroots education workshops. This would produce technical and economic grassroots educators who can expand local development. It is also necessary to train local development professionals, born in the communities, who would take off-campus education courses and progressively replace the professors from the catalyzing institute, so the latter can extend their work according to the new teaching and apply the pedagogy they learned outside to the university curricula.

During this period, the experimentation nuclei would provide feedback to the university through new texts created on the basis of their experiences, with which they would also support the curricular transformation according to the national reality and, even more importantly, incorporate other professors and their students into the new research and experimentation spaces in the local nuclei (such as ecological, agricultural, anthropological, economic and technical ones, others on women and children, etc.).

In a second phase, the different majors--business administration, sociology, social work, economy, agricultural and industrial engineering, ecology, law and journalism--would begin to have more independent contact with the experimentation nuclei. Although the catalyzing institute would continue supporting these initiatives, it would dedicate more time to research, experimentation and systematizing the already obtained experiences with macro/micro counterparts who would begin to distribute what the university had collected to government ministries, banks and businesses, NGOs and international organizations.

We believe that this interdisciplinary, intersectoral work of macro/micro relations, of research/teaching/off-campus grassroots education is the heart of the university reform in Latin America and in the South as a whole. It is the heart of the transformation required to prepare the new generation of human capital that will be dealing with the 21st century.

The Strategic Element: Democratizing Knowledge

University talent is and is measured by its academic excellence. But a university "mind-set" also exists, which refers to the way in which the professional's intellectual capacity and technical abilities are inserted into human reality. In a true university, academic talent is accompanied by this mind-set, this wisdom that judges and knows how to situate knowledge within the mosaic of life and apply it ethically to human well-being. It is born from connecting with peoples' cultural and historic identity.

Among its recipes and models, the dominant neoliberal model brings a project for society and for the university: the latter should serve "market demands" without state, "academic or ethical" interference. The "market demands" determine a marketability of the university product so as to put it at the service of the large enterprise and a privatization of the university so that it can serve the most privileged classes. In such a project, that university mind-set disappears, and the university becomes a branch of the wealthy businesses, which it feeds with professionals for their operations.

The university should respond to market demands, but not by selling itself to the highest bidder. It should do so by contributing technical and scientific proposals that can fertilize the development of all of society, including, but not exclusively, the wealthiest enterprises. But to make that contribution, the university needs to maintain the autonomy that allows it to exercise its particular mind-set.

In the transformation of the UCA-Managua, we pursue the academic excellence of both university talent and its mind-set. "We can be tolerant of many limitations and

even defects in our Jesuit universities, but what cannot be tolerated is mediocrity," asserted Father General Peter-Hans Kolvenbach in a meeting of the Jesuit universities in Mexico.

To democratize knowledge, the UCA must leave its classroom, break down the wall that separates it from society and come down from its ivory tower. We still have a long way to travel to reach academic excellence and we will do everything to speed up the trip. But even that search for academic excellence will be mediocre if it is not accompanied by a fine-tuning of the university mind-set. Academic excellence isolated from our national reality will also be mediocre.

If the contents of our curriculum are not of high quality, they will be of no use in training a new generation of professionals. This truth is clearly and directly seen in the experimentation nuclei: the lack of academic excellence will only lead to the failure of the experiments. Resolving the problem of poverty and unemployment requires more technical quality than working in the government apparatus or in a big private company. The poor cannot continue being fooled by second-quality professionals.

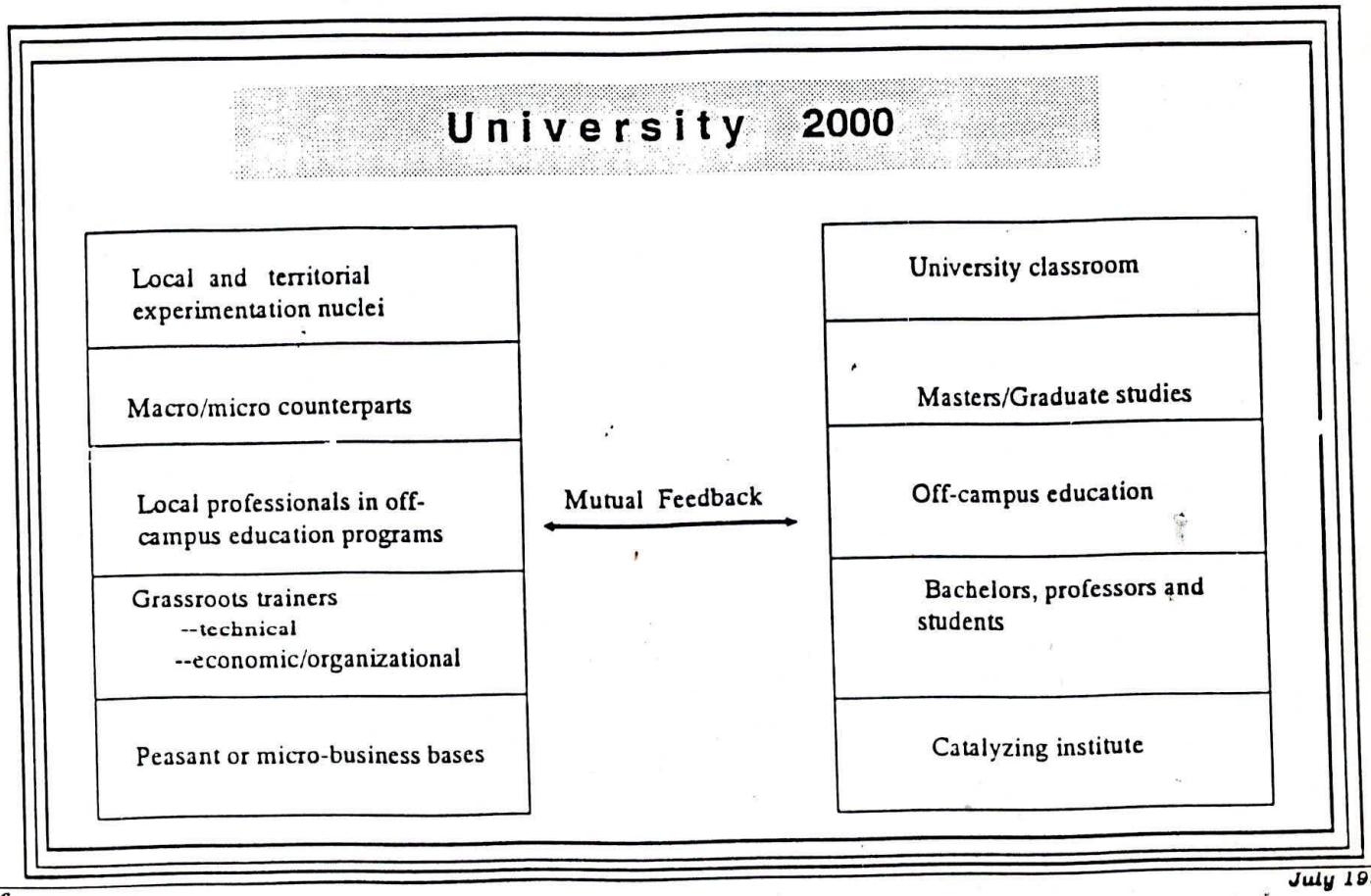
The main university mind-set that we want to stand out in the UCA is not its political belligerence, but its belligerence as an educational institution. Its impact on society should be made through knowledge and wisdom, through the "ethical and cultural sapience" that incorporates the new creating force of the South's ethnic, gender, ecology and theological movements. Nothing can be more relevant in a world where development and poverty are defined in terms of knowledge and human capital.

To protect itself from neoliberal tendencies and from repeating the errors of the 1960s and 1980s, the UCA's option is to define its university mind-set around the democratization of knowledge. We want to do it by inserting university training into the core of society.

Ignacio Ellacuría once said: "The excellence of our university is not in equaling the specialized fields of Harvard University or Oxford. It is in dominating our own national reality, in forming an awareness of transformation and in contributing effectively with this awareness to the process of change. The excellence of a distinct university should be in the knowledge of reality, in knowing what one is doing and what should be done."

Nuclei of Research, Experimentation and Development

Since 1990, UCA-Managua has defined four basic ac-



tivities: teaching, research, masters programs and graduate studies, and social projection. Each of these activities has its own logic and requires a high degree of autonomy to be able to evolve successfully--an organic autonomy that integrates these diverse components into the "universitas."

Nonetheless, experimentation nuclei that combine and integrate research, social projection and teaching for university professors are necessary for the democratization of knowledge. In these experimental nuclei, the UCA seeks to work jointly with associations of civil society to solve its most heartfelt problems.

The UCA currently has several of these research, experimentation and development nuclei. Social Work began using this model of societal contact years ago. The School of Agricultural Sciences has an experimental nucleus for ecological protection and self-sustainable development in Río San Juan and San Andrés de la Palanca. The Department of Ecology has another nucleus among the shrimp cooperatives in Puerto Morazán and in Río San Juan. Nitlapán has experimental nuclei of peasant development in Masaya, Carazo, Matagalpa and Jinotega and three experimentation nuclei of small industrial development with micro enterprises of Monimbó and Masaya. More than 150 of our students participate in Nitlapán's experimental nuclei. Nitlapán has also developed an experimental nucleus in land titling and the legalization of cooperatives with students in the Law School.

CIDCA has been and continues to be a pioneer in work on and in the Atlantic Coast, and will broaden out in the future to study coastal ecology and its economic problems. The Juan XXIII Institute works in rural development with some 40,000 peasant families. The Central American Historical Institute, an autonomous institution directed by the Society of Jesus, has a collaboration agreement with the UCA through which it joins forces with our work, maintaining five social projects, including *envío*, among which is distinguished the most important project with war disabled in the country, with more than 3,500 individuals (those with disabilities and their families) organized into rehabilitative production and education workshops.

All of these experimental nuclei offer an ideal place for our professors and students to bring their theoretical knowledge down to earth, to participate in research projects that directly benefit civil society and to extend teaching to Nicaraguans excluded from access to secondary and university education. One objective of these nuclei is the simultaneous preparation of a new generation of professionals and leaders of civil society. In that way, our professors and students are getting skills and training in the same process in which they train others. The university campus is also getting valuable feedback through these experimental nuclei with new texts and with new problems and ideas about Nicaragua's reality. In fact, the majority of the research being undertaken today in the UCA takes place in these nuclei, which should permeate each school's own research and education.

Upgrading the Nuclei

For the UCA to democratize knowledge and respond to the country's most urgent needs, these experimentation nuclei must be expanded and empowered. On the one hand, the number of these new experiences must be multiplied and more students--and, above all, more professors--must be connected to them. On the other, there is an urgent need to increase the academic excellence with which research, teaching and social projection is carried out in them. Increasing excellence obliges us to train new well-prepared professionals so that the nuclei can produce experiences and development models that are reproducible at the national level by the government and by the diverse organizations of civil society.

This work of research/teaching/long-distance grassroots education is the heart of university reform in Latin America and the South as a whole.

We should multiply the research, experimentation and development nuclei that the UCA already has to respond to the challenge of the growing concentration of science and technology, characteristic of developed countries. As mentioned above, Research and Development programs are key indicators for predicting development in the central economies of the North. The businesses that invest more in their R&D units begin to nudge the others out. National economies with more R&D spending end up being the more competitive economies. What today distinguishes research and development is the integration attained by the company between pure research, the re-skilling of the labor force and experimentation with new products and technologies. Research isolated from the up-grading of the labor force and that is not applied re-

search is not only backward in today's world, but is a bad investment.

In the UCA's transformation, we aim to create a research and development environment that is alternative to that of the transnational corporations. Our research and development nuclei should be differentiated from those of the transnationals by seeking to democratize knowledge instead of concentrating it even more. And although they should not differentiate themselves in either their academic and technical excellence or their applicability and viability in the practical world, they indeed should be different in their ethical option and in the selection of their priority social subject.

With the evolution and upgrading of our experimental nuclei, the UCA will have the ability to initiate off-campus education programs, which have been one of the most effective mechanisms to democratize knowledge in other countries of the world. These programs could be even more effective if they have a real tie to the experimentation nuclei, which would function as curriculum creators for the off-campus education programs. Nitlapán, CIDCA and the Department of Agrarian Development are currently preparing the foundations for an off-campus education program that should link up with University Radio and prepare for Educational Television in the future. Although experimental nuclei are an optimal place for training professors and students in research for transmitting knowledge to civil society and for social projection, they are not enough to make the leaps that the UCA and the experimental nuclei themselves require.

The recycling and permanent training of teachers and researchers and a periodic and continual curricular transformation from and at the service of national reality itself are needed. In a society without perspectives, university creativity should turn itself into an element of hope.

University transformation and the advances in democratizing knowledge and in academic excellence in the experimental nuclei will contribute new and useful elements for our social projection units, for the Juan XXIII Institute, for the Grassroots Law Office and for teacher and student practice as part of their academic curriculum.

The University: A Platform for Proposals

The redefinition of the idea of the University of the South gives priority to the role that it can play in mitigating the growing concentration of science and technology. A third-worldist university such as the UCA can be an effective environment for the scientific-technological generation and transference necessary for our country's economic development.

The university should serve as a platform for debate, analysis and improving the proposals arising from civil society.

The UCA's goal should not be to replace the dynamics of the producers' associations or to substitute for the specialized research on international market possibilities already done by the transnationals and specialized research centers of the North.

The UCA's central activity should be in the field of generating analysis and applied technologies that are appropriate and committed to the majority economic and social subjects. And this should happen in all fields: law, humanities, and the social and communication sciences.

The university's role is not to be the author of proposals or alternatives in the experimental nuclei, but to serve by offering itself as a platform for debate, analysis and improving the proposals that emerge from civil society and government programs. Its role is to be a platform that catalyzes knowledge for new proposals that include the interests of big business, small peasant/artisan production and the poor of the city and the countryside, in a process of accumulating knowledge from below and from within national reality itself.

A common feature of our failures is not so much in "what to do" or in "why to do it" but in "how to do it."

The experimental nuclei should not be platforms of the University or its professionals but of civil society,

from which the university and reality itself are transformed. They should be catalyzing platforms, with multiple expressions within and outside of the university campus and with a formative character rather than one of a rhetorical or political tribune.

To be intermediaries for the generation of applied and appropriate technology is not a utopian dream, because the resources necessary for exchanging and transferring knowledge and technology are much less than those needed for merchandising raw materials or end products. Evoking another phrase of Ignacio Ellacuría: "No one should have more competence than our university in one thing: the knowledge of our reality and what we need in order to get out of underdevelopment."

University Transformation Is a Process

A good diagnostic is not in itself university transformation. The transformation could fail if we do not find a realistic process through which to carry it out. This process implies some subjects of university transformation, some priorities, some institutional mechanisms and a timeline with defined periods in a chronogram that allows us to constantly evaluate the quality, equity and efficacy of the transformation.

The process further requires some consensual principles that can guide the university community in its behavioral benchmarks and collective commiments. In the UCA and in the National Council of Universities, the following principles have been defined: autonomy, participation, openness, consensus and solidarity.

There should be no bosses and employees in the UCA, but rather a community whose priority is preparing the new generation.

The search for academic excellence and for its quality, efficiency and equity has caused confusion and accusations of intellectual elitism. We in the UCA understand academic excellence as the result of a process carried out through: 1) curricular transformation; 2) a teaching roster and an evaluation that promotes quality, status and adequate remuneration; 3) graduate studies and new masters programs and a practice of permanent teacher upgrading, which in 1993 includes scholarships for more than 20% of the instructors in higher education; 4) research integrated into teaching, incorporating the research institutes; 5) social projection and insertion in national life; 6) general studies and credits

The aim is not to imitate the theoretical excellence of the North's best universities, but to seek an excellence that has an applied and practical character and, above all, an ethical insertion of service to the large majorities. This ethical commitment is what defines the UCA's identity. Academic excellence cannot be separated from ethical commitment. To attain this academic excellence, the UCA should initiate a selection and evaluation policy for new students entering from secondary school.

The selection should be dominated by this ethical vision. The UCA proposes that 60% of its students come from economically underprivileged sectors, who will be guaranteed free education. It also proposes a scholarship complement for those students who, despite free tuition, do not have the economic means to attend the university without this survival aid. This implies and requires that the state maintain a real and stable budget and that the UCA generate complementary financing. We also aim to give the selection a regional character, with priority to students from the Atlantic Coast and the other departments, for whom 30% of the UCA spaces would be absolutely guaranteed.

At the end of this century and millennium, there are no longer national solutions. The solution will be Central American or there will be no solution.

For this process to be stable and so that the fear of losing one's job not impede the commitment and dedication of all members of the university community, the UCA has maintained a policy of labor stability, which implies a profound solidarity among all members of the community and also a clear commitment to work and productivity.

The lack of this--together with the violation of the principles of university transformation and the UCA statutes--would be the only elements that would determine job loss at the UCA. This labor stability policy is intense and difficult due to our profound financial crisis. But we start from the principle that the university project, its quality and contribution to the country, can guarantee stable financing for the university transformation, even in the short run. Financing is a means, not an end in itself. If there were clear objectives and university consensus, the financial crisis, as serious as it may be, would not be the most difficult to resolve.

We maintain that the university is useful and makes a social contribution, which benefits the country, and that

fore society as a whole should take responsibility for maintaining the material base to guarantee the university's objectives and goals. As an entity of social utility, the university should basically be financed by the state and be free, especially in these times, when investment in human capital has become the most effective way to overcome underdevelopment. But the depth and character of the current economic crisis and the "straight jacket" the financial organizations have imposed with the reduction of the state (and thus of the state budget) means that even genuine compliance with the state's constitutional mandate of guaranteeing 6% of its budget to higher education will not maintain a university that fulfills its goals and is free for all. Therefore, to the state's obligatory contribution to maintain free tuition should be added contributions from society (businesses, foundations, NGOs) and from those beneficiaries of university education who have the ability to contribute. The university institution itself should also seek forms of additional self-financing.

Regional and International

At the end of this century and this millennium, national solutions no longer exist, least of all for the small countries of the periphery. The solution will be Central American or there will be no solution. Although we necessarily have to start from a national project, the future is regional.

The regional project in which the UCAs were born over 30 years ago has a profound Latin American character and inspiration. The Central American Higher Council of Universities (CSUCA), founded in 1948, was the first regional institution of Central American integration. The origin and propulsion of a great part of integrationist thinking came from those university professors, who later enriched regional institutions such as the Central American Economic Integration Bank and the regional ECLA, among others. Nonetheless, the regional crisis absorbed CSUCA's energies, and our national universities became victims of repression and financial crisis. To recover the original intuition of the regional university and transform it to deal with the demands of the 21st century is part of the task of university transformation.

In a world transnationalized by the internationalization of capital, technology, the "management" revolution and informatics, the universities, if they are to survive and be relevant in the future, must cooperate among themselves in a project that makes the "universitas" not only a community of local educational associations but of international ones. An inter-university cooperation project could be the most determining factor for overcoming the North-South gap, establishing a new and unused element to achieve genuine development. The proposals of ECLA and the other United Nations bodies are short-sighted in visualizing a development potential that closes off the democratization of knowledge. The lost link that can catalyze the new dynamic of investment in human capital and permit the transfer of appropriate technology and its adequate assimilation and utilization is precisely in the democratization of knowledge.

The current crisis of civilization and the crisis of hope for modern society needs a new generation, a new vision, a new perspective and bold proposals. It requires a project of great scope, capable of challenging the universities, getting them out of their stupor and mediocrity, provoking their transformation and making them recover their historic role in culture and society. In this way their autonomy can have new meaning, as it had in previous crises, when the university was so often the promoter and midwife of new and vitalizing proposals for society. It is a question of life, of life for all. Of signing the university up with the party of life. ●

MERCANTILE COLONIALISM: DESTRUCTION OF THE ECONOMY AND SUBSERVIENCE

Walter Fernandes
Arundhuti Roy Choudhury

Colonialism can be defined as a form of political, economic, cultural and discursive control by an outsider subjugating the local population, by instituting legal, economic and ideological mechanisms. This system distorts the past of the colonised peoples in order to get them to internalise the colonial ideology, reproduce their leaders into its value system, and hold them in its grip thus producing consent for the foreign power. These coercive ideological apparatuses are mediated also by the powerful structure of patriarchy or institutionalised sexism. Here we understand patriarchy as a sex and gender system of authoritarianism, male dominance and reinforcement of female dependency. So, on one hand the colonialist uses brute force and on the other smoothens out the resulting social contradictions and ten sions through a strategic production of specific ideas of the self, which the colonised internalise (Worsley 1973: 29-30).

In stating that colonialism institutionalised a system of subju gation, one does not claim that it was a one way street, with the dominant partner founding a new social order. It was a two way process that can be defined as a foreign nation ruling other peoples through the collaboration of their upper classes (de Boschere 1967: 24-25). Thus it is an ambiguous process of the colonialist using the local social and cultural systems to his benefit and simultaneously reject ing them as inferior. In that sense it built on local divisions and inequalities and further intensified them. Many contemporary develop ments like fundamentalism can be understood in the context of the resultant ambiguity in which the local elite lived.

Most importantly, colonialism is an integral part of capitalist development. The economies of the colonising countries of the North have developed through the brutal exploitation of their own workers and consumers and much more so those of the South. In this development the South and the North have never been equal partners because coloni alism exists not to develop but to exploit the colony. This is true particularly about its mercantile age. By its very nature it had first to underdevelop the colony in order to support the European Industrial Revolution that depended on their capital and raw material and on captive markets for its finished products (Worsley 1973: 44-49).

Thus the domestic development of Europe and the United States, depended on the conquest of foreign lands and stimulation of demands for western goods within them. So the underdevelopment of the colonies was intrinsic to the institutionalisation of the hegemony of capital ism as a world system with the European Industrial Revolution as its basis. The forms of colonialism varied from country to country. But in all cases western type of political organisations so also economic systems were established, to suit colonial needs, and were imposed on the native economy. That resulted in a dual economy.

Though the legal, political and cultural factors played an important role in this process, we shall refer to them only in passing since another paper deals with them. Our focus will be on economic changes. Using case studies mainly from Asia, we shall attempt to analyse the process

through which the colonial economies were adapted to the needs of the European Industrial Revolution. In order to understand the mercantile age, we shall also take a look at the processes that resulted in the colonial occupation of much of Asia. We shall end the paper with an analytical cónclusion.

Capitalism, Colonialism and Underdevelopment

Though based on the concept of frontierism that presented coloni alism as a mode of civilising barbarians, in reality the "Civilising Education" ideology was a mode of legitimising the economic exploita tion of the colonies for captive markets and cheap raw materials. Thus an understanding of the development of the North and the underdevelopment of the South begins with the question raised by economists like Harry Magdoff and others: where would the original accumulation of capital used in Industry in the West have come from if not from the extraction of wealth from the colonies, piracy and the slave trade? Where would the reproduction and growth of the capital needed for investment have come from if not from the sufficiently large profits arising in the operation of enterprises in the non-west ern world?

Hence the ascent of the West since the 15th century can be viewed as a concerted drive to control the human and material resources of the world's peoples and a process of capital accumulation. But one cannot make a sweeping statement about the whole period being uniform ly geared to this end. A clear distinction exists between the feudal age that began in the late 15th century, the manufacturing age of the 18th, and the Industrial Revolution of the 19th (Rothermund 1981). While one led to the other, each stage has its specific features.

Modern colonialism was initially a commercial enterprise that began in the feudal age as a continuation of the Crusades by the Portuguese and the Spaniards. Then followed the Dutch and British and later French East India Companies. Being purely commercial enter prises, like their feudal age predecessors, they too began with the objective of exporting primary produce, initially spices and later indigo. They then passed through the second stage of exporting high profit manufactured goods like textiles. Already in the 17th century this stage initiated the process of changing the local economy through indigenous middlemen (Rothermund 1992: 7-9), and laid the foundation of the third phase of direct colonialism. It was done by adapting the European commercial organisations to the Asian environment through Joint Stock Companies. By putting trade relations with the local middlemen on a more profitable basis, these changes retained the commercial character of the companies (Brenning 1979: 78-90). With the expansion of the Europe-centered world economy from the mid-18th century and the Industrial Revolution that followed, regions as far apart as West Africa, the Ottoman Empire, South Asia and the Indone sian Archipelago were integrated into it (Wallerstein 1986: PE-30).

These regions had different economic systems, all of them fairly well developed. Some like South Asia had a somewhat well developed manufacturing base. Others like much of South-east Asia had a good trading system in agricultural and other natural produce (Braudel 1982: 115-118). In other words, the local powers that emerged into prominence in these regions during the period of the gradual collapse of the local empires, represented a picture of buoyant economies with both internal and external active trade being carried out. For example the private English ship owners who had become very active in the Indian Ocean by the mid-17th century, were offering themselves as

alternative carriers or suppliers between different Asian trade centres. However, the ports at which private English shipping became established were those which already had a highly developed overseas trading network and vigorous merchant communities with their own fleets (Arasaratanam 1986).

The East India Companies had formed a valuable partnership with some of the fleet owners and mercantile forces dealing in the commodi ties. Many of these local entrepreneurs later became collaborators of the colonialists, when the foreign traders became rulers. Also the local society began to be destabilised already from the manufacturing age, since the middlemen tried to adapt the economy to the export needs of the companies that required locally manufactured goods (Sarkar 1983: 85). For example, there are signs that with the commer cialisation of items like textiles, the producers who had practiced it as a part time occupation, had to abandon their agricultural activi ties and devote themselves fully to it. So they required money to buy food which they used to produce till then. But on one hand returns were low, on the other, this system made them dependent on the middle men who had by then introduced the `system of advances' that ensured their indebtedness (Wallerstein 1986: PE -31). Their impoverishment was the consequence. The bonded labour system would follow later.

Thus the establishment of colonial control predated the mercan tile age. So there is a need to conceptualise this phenomenon to not only understand the colonial process in its totality but also to indicate the inter-related complex of naval, economic and other types of domination. They have nascent colonial overtones but ante-dated direct political control. In short, this initial phase of proto-colo nialism paralleled the later stage of full fledged foreign rule (Kosambi 1993: 207).

The Decline of Trade and Colonial Takeover

Specific to the mercantile age is a transition from trade in finished products to supply of capital and raw material to support the European Industrial Revolution. That system has continued to our days, in different forms, though the colonies have attained political free dom. A major change that symbolised the beginning of the mercantile age is that by the end of the 18th century the number of Asian ships engaged in trade fell below the high totals seen at its beginning. Complaints of poor returns abounded from most Asian fleet owners.

So the reasons for these changes have to be identified. The crucial questions that need to be answered in order to understand these changes are: Why did Asian shipping lose out during that period? Was pre-colonial Asia generating or capable of generating a public culture of rational, goal oriented procedures, methods and regulations which could bring together its capitalists, intellectuals and rulers into a single dynamic political economy, as it happened in Japan and in the Europe of the Industrial Revolution? Did their socio-economic order contain within itself the seeds of growth? Did the developments indicate the birth and growth of indigenous capitalism at least in an embryonic form within the shell of the old order? Were there forces operating to cause dissolution and disintegration of Asiatic society? These questions are crucial because in answers to them depends an understanding of the developments in the mercantile age.

Scholars have put forth different explanations. Some view the changes exclusively as a result of internecine wars within Asia while some others put the responsibility on the external forces alone. P.J. Marshal (1993) with much of the Cambridge School discards any simple picture of the Europeans

sweeping their Asian competitors off the seas, by fire power or technological sophistication. According to him, the European traders had rarely penetrated into the internal economy of the region where they operated. As such they were no threat to the Asian merchants who produced goods for export or who handled them on their way to the port. Linked to it is the popular explanation that the decline is a direct resultant of the collapse of different Asian empires, the Mughals in India and others elsewhere, and of the chaos that ensued. Colonialism would then amount to establishment of order in this chaos.

In his search for an explanation elsewhere, Marshall seems to be equating colonialism with its industrial phase, thus restricting its scope unjustifiably. This amounts to ignoring two centuries of Euro pean presence, gradual commercial and political domination and urban activity, before the Industrial Revolution. The Cambridge School also ignores important questions about the relationship between the commer cial expansion and the political expansion which was to take place later on. Thus the role of the colonialist in the changeover cannot be excluded as Marshall would have us believe. But that alone does not explain all the events. Also internal pressures have to be studied. That the checks and balances built in some of the traditional systems suffered and as a result the economy and society were destabilised, is beyond doubt (Alam 1986: 31-34). But that it amounted to chaos or that colonialism brought order needs to be questioned.

Some scholars of the Cambridge School tendency also opine that most Asian countries lacked the type of tension experienced in Europe and Japan, between the actual state of economic activities and the obstacles to industrial development, on one hand, and the great prom ise inherent in such a development on the other. The scholars holding this view seem to state that the situation in much of Asia was not conducive to a transition to a higher stage of development, by which they mean capitalism. Some attribute this lacuna to social systems like the Chinese materialist outlook (Tenant quoted in Bayly 1993: 5) and the Indian caste system that made it difficult for the elite to move out of their land and have a concept of the mastery over the seas which was basic to colonialism (Moreland 1962: 189-192).

While one cannot discard these statements as totally untrue, one should also remember that the path to capitalist development differed from region to region. For example the path followed by England and France was different from that of Germany, Japan, Russia and Italy. So one sees no reason why at least some Asian countries could not have followed their own path and dynamics. In fact, Bayly (1983: 7-8) is of the opinion that the Hindu-Muslim interaction in India had prepared the ground for such a development. Why, then, did they lose out?

We hold that this destabilisation and the subjugation of Asia resulted from a combination of the two, viz. external pressure and internal destabilisation. While rejecting the view of the Cambridge School that the end of the local empires led to chaos and the coloni alist brought law and order to these nations, we believe that the colonialist was able to exploit the wars and destabilisation during these decades, that were a part of the process of State formation. This political turmoil was accompanied by economic uncertainty.

By the late 18th century, the traditional systems had been weak ened considerably. The breakdown of the political system is evident in South Asia. For example, though the Mughals overthrew the Sultanate of Golconda at the end of the 17th century, the Coromandal coast was only superficially

incorporated into the empire (Richard 1975; 508). Similarly, by the 1740s the stability that Bengal enjoyed began to crack. The Maratha invasions and Alivardi Khan's pressing financial needs began to push its economy to the brink of collapse (Choudhury 1975: 308). Conditions turned against the Indian ship owners in the early 18th century as the Marathas cut off their markets and sources of supply inland, and Iran and Yemen got ravaged and finally both property and life became increasingly insecure in the cities which hampered trade (Choudhury 1978: 99-111). As political authority became fragmented and conditions were often unstable, Indian merchants were drawn into closer relations with Europeans in search of the relative security of the towns they controlled.

Similar situations existed elsewhere in Asia. In Vietnam the French sided with one or the other of the feudal lords at war with each other, and got them to sign one sided treaties in their favour (Gheddo 1970: 6-7). In the late 19th century, many Filipino merchants became agents of the Americans since the Spanish regime did not re spond to their profit demands (Yu and Bolasco 1981: 4-5). Even coun tries that were legally independent had to join the colonial scheme. The king of Thailand, for example, came to an accommodation with the foreign powers as a mode of protecting his country from direct inva sion by them. He had to sign unfavourable treaties with them in the early 1800s, when his powerful neighbour Burma which was till then a threat tc Thailand, was defeated by Britain. The treaties were later modified in favour of the foreigner under King Mongkut Rama IV. Before he ascended the throne in 1851, use of naval power had forced China to open its borders to the West. He, therefore, decided to live with western nations and signed the Bowring Treaty with Britain in 1855, and with other countries during the subsequent years (Ingram 1971: 128-129).

Only Japan escaped this subjugation by responding to the western challenge through reforms and a national upsurge. Till the abolition of Takugawa Shogun in 1868, Japan had remained isolated though some what prosperous, with a big educated class of daimyo and samurai whom the peasants maintained. When the system was reaching the breaking point, USA forced on Japan a treaty of extra-territorial rights and restrictions on its fiscal, legal and commercial autonomy. These concessions were then extended to other European powers (Kirby 1967: 25-27). The emperor who resented them, refused to ratify the treaties. A crisis ensued. Takugawa Shogun was overthrown and a modern centra lised State was formed. It also introduced land reforms to encourage tenants to be productive and utilised its educated aristocracy to build an industry on the western model (Maddison 1969: 6-16). Since Japan already had a big educated class and its society was used to absorbing Chinese culture, these reforms enabled it to absorb western technology without losing its autonomy. It followed also the western expansionist policy and colonised its neighbours like Korea and later conquered China (Kirby 1967: 26-27).

It is possible that like Japan some other Asian countries too had the potential of developing an autonomous polity and economy. But they were in an age of transition and internecine wars. In opposition to the Cambridge School interpretation of these events as chaos and the colonialist as the harbinger of law and order, other scholars view them as a process of State formation analogous to what was happening in Europe around the same period. For example, had the external force not intervened, today's India would probably have been divided into four or five viable States. But coming as it did at a time of external pressure, this process played into colonial hands who used the social destabilisation that set in, to occupy the land (Aloysius 1997:10-11).

It is clear then that European influence grew when the Asian States were drastically weakened by their catalogue of disasters. Scholars like Athar Ali (quoted in Wallerstein 1986: PE-29) think that the simultaneous decline of the Mughals, the Safavids, the Uzbek Khanates and the Ottoman Empire was not a coincidence, but

that the European demand for Asian goods, given the non-expansion of production, served to increase the real prices of those products on Asian markets, thereby causing a `serious disturb ance' in their economies, and intensifying the `financial diffi culties' of the ruling classes.

These difficulties seem to be among the reasons why the tradi tional administrative, martial and mercantile forces of these coun tries collaborated with the outsider and formed the backbone of colo nial rule (Misra 1961: 49-52). Such collaboration between the foreigner and the local elite made the exploitation and subservience of the colonies easier. In general, the colonial powers had two major ideas in formulating their long term policies in the colonised countries. Firstly, to create, in a systematic manner, a class of local col laborators, and secondly to see to it that the newly emerging proper ty/landowning class had no resemblance whatsoever to the European feudal property/landowning classes, and therefore was in no position to make a quantum leap needed to transform the pre-capitalist mode of production in agriculture to a capitalist one (Sathyamurthy 1990: 98). One of its consequences is that while the Industrial Revolution re sulted in capitalist development in Europe, in order to support the industrialisation of the metropolitan country, the coloniser ensured the strengthening of feudal/conservative forces in the colony (Sarkar 1983: 39-41). Its consequences continue to be felt even today.

The Main Stages of Mercantilism

Two other inter-related developments led to the next stage i.e. Industrial Revolution in Europe and mercantilism in the colonies. The first was the growth of the financial enterprises that lent money to the owners of industry in Europe. By the late 18th century, the East India Companies, particularly the British, were indebted to the finan cial institutions that in practice became their masters through joint stock companies in India and other forms of control elsewhere. With this development, complaints arose that the Companies did not utilise their profit properly, and pressure grew on them to invest it differ ently. For example, in the late 18th century, the French consul at Genoa complained about their mode of utilising their capital and demanded better ways of investing it (Braudel 1982: 398-399).

The second was the end of the monopoly of the East India Compa nies, as a result of the role of the financial institutions. The British in 1833 and other countries during subsequent years, abolished the monopoly of the Companies over the economy of the countries they traded with initially, and occupied later. Their Governments decreed that private companies be allowed entry into the colonies. These companies were an integral part of the Industrial Revolution. As such they needed not manufactured goods but capital and raw material. Their objective was not trade but to turn the colonies into suppliers of raw material and capital for industry in Europe and creation of captive markets for its finished products (Kling 1962: 7-9).

So they changed the politico-legal systems to suit these needs. Besides, three main methods were employed to transform their economy to suit the objectives of the Industrial Revolution. The first is deindustrialising or otherwise destroying the economies of the subjugated nations. The second was

to make the colonised countries interdependent to the benefit of the coloniser. The third was to change the legal and political systems to suit these needs. Besides, since the financial institutions also lent capital to the industrial entrepreneurs in Europe, the East India Companies had to change their policies and supply bullion to them. That became a major factor in their abandoning the partnership with the agents of manufactured goods (Rothermund 1981: 83-86). To fall in line with the objectives of the Industrial Revolution, the Companies had to change also their trading pattern.

Capital Transfer and Subservience To begin with, the colonialist needed bullion to finance the new type of trade. Till the 18th century, it was brought into the coun tries of Asia. But the need of the Industrial Revolution and of the new trading pattern for more capital resulted in it being exported (Kling 1962: 10-13). The additional capital required was generated through taxation and by commercialising commodities till then produced for only sustenance (Rothermund 1981: 41-45). So the pattern of pro duction was changed to suit these needs (Worsley 1973: 47-49).

The change is visible in the trading records. For example, in 1777 alone, Rs. 2.4 million in bullion were ordered to be supplied from Bengal only for the trade in China (Sinha 1970: 31). By the end of the 19th century, fear of unrest among the peasants made further increase in land taxes non-feasible. So focus shifted to the forests where more vulnerable populations lived (Sarkar 1983). In Indonesia the Dutch had introduced the corvee labour system in the place of the traditional princely system, in order to turn the colony into a supplier of coffee and spices. During the short British rule, the governor Raffles replaced both these systems with land tax which "varied according to the value of the land and its production, from one quarter to one half of the main crop, which was rice" (Michael and Taylor 1956: 282). The Dutch modified the system further. As a result "in the years between 1831 and 1877, a total of 823,000,000 guilders was earned for the Motherland, a fantastically large amount for that time, providing nearly one third of the Netherlands budget" (ibid: 285).

The taxes often crippled the economy. Referring to the land taxes in India, the Anglican Bishop Huber (quoted in Sarkar 1986) reported "neither the native nor European agriculturist can thrive at the present rate of taxation. Half the gross produce of the soil is de manded by the Government."

Deindustrialisation and Subservience

The second step in adapting the economy to the needs of the Industrial Revolution was deindustrialising the colony and creating a captive market for its products. Only `extractive industries' like mines and plantations that provided raw material to the factories were permitted (Sarkar 1983: 28-30). It also required the control of the trading systems in order to change their function from suppliers of manufactured goods to that of raw material. Thus it required the reorganisation of productive structures in such a way that they participate responsively in the social division of labour and the reorganisation of the political structures in a manner that they facilitated this economic participation (Wallerstein 1986: PE-30).

This was a new mode of integrating the local economy with that of the colonialising countries. The nature of the integration depended on the resources available in a colony and the specific needs of the European industrial entrepreneurs. An indication of this shift is given by the trading pattern in South Asia. In 1814, the early years of the Industrial Revolution, 81.23% of its exports of Rs. 58.6

million were indigo and piece goods. By 1857, when it had attained maturity, these goods accounted for only 21.83% of the exports. The rest were raw materials like cotton and raw silk (Sarkar 1986: 66).

Similarly, since mineral resources, the main need of Europe, were abundant in South-Central Africa, "the modern political history of South-Central Africa, in large measure, is shaped by its early and continued dependence on mining" (Worsley 1973: 47). Also the Filipino economy was changed after the ten year grace period agreed to with the Spanish after the American takeover of the country in 1898. Beginning from 1909, because of the tax free entry of Filipino raw materials into USA, large areas were converted from staple food to crops like sugarcane, tobacco, copra, hemp and flax (Michael and Taylor 1956: 298). In Indonesia, after the Dutch occupied the country a second time, the farmers were required to set aside one-fifth of their land for the production of export crops determined by the colonial powers and to spend at least one-fifth of their labour on its cultivation, for which the government paid a very low price that it called fair. The commodities produced by this system, such as coffee, indigo, sugar, tea, tobacco and cinnamon, brought high prices in Europe (Ibid: 284-286). In Malaysia and Singapore, focus was on tin mining and rubber plantations (Arasaratnam 1979: 162-164). With the growth in the automobile industry, the export of rubber from Singapore grew from about 10,000 tons in 1909 to a million tons 25 years later (Croft and Buchanan 1958: 216-217).

This transformation was achieved only partially through the cost efficiency of the European manufacturers due to new machinery. The main tool used was the quota system and later, imposition of a duty on all manufactured goods from the colonies. For example, from 1788 British manufacturers began to demand a stop to Indian textile im ports, to protect their nascent industry. Eventually duties were placed on Indian textiles, but no corresponding duties were permitted on British textile imports to India (Wallerstein 1986: PE-30). In other words, the trading pattern was altered by arbitrarily fixing low prices of raw materials and high export duty on the manufactured goods. The prices became non renumerative and discouraged their manufacturing within the country. Contrary to it, the export of raw materials, though there also the prices were fixed arbitrarily to provide them at cheap rate to the British factories, was more profitable (Sarkar 1986: 66).

It is equally visible in the imports into the colony. For example, after the American takeover, USA became the principal trading partner of the Philippines. As a result, imports of finished goods from USA rose from $1.15 million in 1899 to $5 million a decade later and to $50 million after World War I. They formed 60% of all Filipino imports (Michael and Taylor 1956: 298).

As a result of these processes, the State and a small upper class coterie got additional income, and imported finished products from Europe while domestic industries declined. The elite that benefited from it, collaborated with the colonialist in its commercial enter prise. For example, in India the Brahminic administrators, princes and other upper classes transferred their allegiance to the British (Misra 1961: 49-50). Similar was the case in Sri Lanka, Thailand and other countries that were either colonised or with whom treaties favourable to the colonialist were signed (Ingram 1971). These treaties and the collaboration of the local elite, ensured the subservience of the colonial economies to western needs. An administration and a legal system were introduced to protect the interests of the European Indus trial Revolution.

Interdependence and Subservience

Another feature of mercantile colonialism is that the economic policy of the colonising countries dealt with the totality of colo nies. They made the colonial economies interdependent in their own favour. For example, the Dutch tried to turn Malaysia into a producer of pepper and tin in order to finance their trade with China (Arasaratnam 1979: 161-173). When the American War of Independence cut off cotton supplies from that continent to Britain, a policy decision was taken to turn India into the main supplier of cotton to British textiles. Thailand together with Burma, became the main supplier of rice (Ingram 1971) It was sold mainly to India and Southeast Asia. We have already mentioned above, how the South-central African region was turned into a supplier of minerals to Europe.

Through this process many colonies were turned into single product suppliers in accordance with the need of the metropolitan counties. For example, Malaysia was turned into a largely rubber pro ducing country and as a result it had to import rice in large quanti ties from Thailand and Burma even to meet its basic requirements (Croft and Buchannan 1958: 217). Similarly, Indonesia became the near monopoly holder of Quinine and thereby, other countries were made dependent on it for its supply. Even countries that were legally independent had to form part of this scheme. But this interdependence was only in raw materials and related commodities whose main destination was the colonising country that exported finished products to the colonies. The latter had thus to remain undeveloped in order to develop Europe.

Change in Land Use and Laws

Closely linked to the raw material requirements was the need to make land available for the plantations and mines and ensure supply of labour for these plantations and mines. These changes were considerably different from those of the feudal age, particularly in the Americas, Australia and New Zealand, where land was required for direct colonisation by the White settlers. In North America it was done through what has come to be known as the principle of eminent domain according to which the State appropriated to itself all land that did not have individual title holders (Fernandes 1995). Legal changes were introduced by the settlers to suit their objective, and the Amerindians were forced to sign treaties favourable to the Whites. Force was used in other cases. Till today the Ameriandians have not succeeded in freeing themselves from their alienation (Brunelli 1993). In Australia, Aborigene land was occupied by the Whites under the principle of terra nullius or nobody's land. Any land that did not have an individual title was considered nobody's property, as such could be occupied by anyone. Only in 1993, the Australian judiciary declared this principle null and void and reasserted Aborigine rights over their land (Brennan 1995).

In the mercantile age, the main purpose of changes in land use and ownership was not occupation by individual settlers, but revenue for the State and changeover to uses such as plantations and mines for the production of raw material. To begin with India, changes began already in the 18th century. When the British acquired control over Bengal, they inherited a system of sharecropping in which the ryot (peasant) paid a fixed portion of his harvest to the State. Initially the East India Company continued this system and appointed district collectors to collect taxes. Later they were replaced by provincial councils. After taking over the administration in 1772, Warren Hast ings farmed out the

right to collect taxes to the highest bidders, on a five year contract. But this system too proved unsuccessful since those who had won the right were unable to collect enough taxes to meet their commitments. So the Permanent Settlement was introduced in 1793. The estate was handed over to the highest bidding zamindar (landlord) on a permanent basis. It was hoped in this manner, both to collect taxes and to create a class of prosperous farmers who would benefit from this colonial system and would collaborate with the foreign ruler (Sarkar 1986: 47-48).

However, only the first objective was achieved and not the second because tax collection became the main goal of the zamindari system. Land was sub-let to other peasants who in their turn gave it out to others on a tenants at will basis. The share of the tax ranged from half to two thirds of the harvest. It only meant that the farmers were hard pressed by taxes that were drained way from India. So unlike in Japan where the combination of a literate peasantry and land reforms functioned as motivation for higher production, in Bengal the insecurity of tenure and the high taxes were disincentives. As a result, agricultural production declined (Sen 1975: 20-22). Munro the Governor of Madras (1819-1827) modified this system for the Madras Presidency, to get the peasant to pay the rent directly to the State instead of through the zamindars. But that too was not successful in achieving higher production (Stein 1989).

However, when it became difficult to get adequate land for the companies that came in after the Company was deprived of its monopoly, other means were used, particularly taxation. Beginning from 1834, new laws were added to it. Force was combined with them to force the peasants to part with their land at throwaway prices (Bhadra 1991). From the 1860s, new legislation was introduced, to turn forests, till then the sustenance of the forest dwellers, into State property, to provide revenue and timber to build the railways in India and ships for British trade and colonial wars elsewhere (Gadgil 1983: 116-119). Eventually, draconian laws like the Land Acquisition Act, 1894 were introduced to enable the State to acquire land for a "public purpose" that was not defined (Fernandes 1995). The Indonesian land holding pattern changed with each transfer of power, i.e the Dutch to the British and then to the Dutch. The Dutch adopted the policy of transferring the economic resources from the government to private enterprise. By the time of World War I, Dutch capitalists were in control of production of all of its important raw materials. Similarly, the British during their short stint, between 1811 and 1818, deprived the sultans and the princes of all their authority and revenue. Raffles replaced the princely right of tribute and labour with individual tax on each farmer. The new tax system might have freed the Indonesian farmers from the oppressive rule of the princes. But once they reacquired power, the Dutch managed the administrative system themselves and derived their income from direct taxation. In fact, the Sultans, as well as the regents, were but figureheads - useful tools who enabled the Dutch to impose their administration without having to interfere with the cultural tradition and customs of the Indonesians. They made the villagers responsible for tax in kind and labour service - a system which combined the worst features of the princely privileges of the past with exploitation by a colonial bureaucracy.

The problem of land ownership, and the culture system, in fact, remained an important one in Indonesian politics. Consequently in 1870 a new agrarian law was promulgated. It protected the village lands in order to guarantee food production. But in doing so it bound the farm ers to the village community and thus prevented the emergence of an independent Indonesian farmer class. In other words, it froze the communal status of the villages. Moreover, the plantation enterprise brought high profits to European estate owners and commercial enter prises, but did nothing to raise the living

standard of the Indonesian farmers (Michael and Taylor 1956: 284 -286). In the Philippines, to suit the needs of the American market, a substantial acreage of land under rice cultivation was converted to the production of sugar, copra, tobacco, hemp and flex. This made the position of the tenant farmers in the estates producing cash crops worse as they began to depend for their food on the landowners. Again, the tenancy contracts were shortened which gave less protection to the peasants and gave little incentive for them to improve his holding by investing his labour and capital.

Similarly, in Burma, a western legal system was introduced, in the framework of which this economy fuctioned. For example, the property laws, which legalised mortgages on land and the right of foreclosure, were introduced, which were totally contrary to the Burmese tradition. The land rules were changed in order to privatise land investment which was then protected with a Western legal system which made it possible for outsiders like Indian merchants and businessmen to take over much of the country's modern economy. Much of this investment was in the lower Irrawaddy delta where rice production increased substantially in the last decade of the 19th century and the beginning of the twentieth. Similarly teakwood production was regulated by a system of licensing introduced by the colonial government (Ibid: 305).

Destabilisation and Human Labour

A direct result of the policies of colonial powers, was the creation of new classes and class relations, both in the urban and the rural setting. These shifts and transformations led to much social destabilisations. An army of traditional agricultural and manufactur ing workers were set free with no alternatives. It fitted in with the need of the plantations and mines for cheap labour.

A deliberate effort was made to transform the victims of this transformation into such labour for the estates and mines. At first the British tried to get the Chinese to take up most of these jobs but succeeded only partially (Arasaratnam 1979: 164-165). Later an effort was made to recruit the peasants in Assam from whom land was alienated, to became plantation workers (Bhadra 1991: 21-24). Finally the poor who were displaced by deindustrialisation and the new land laws were recruited for this purpose (Sen 1979: 12). For example, in Malaya, the British encouraged Chinese and Indian immigration which provided cheap labour and the commercial enterprise which, they claimed, the Malays lacked. By doing so the Chinese came to outnumber the Malays, and incurred their enmity by becoming the dominant economic group (Michael and Taylor 1958: 284-285).

In countries like India the destabilisation of the socio-economic structures arising from these changes freed a big labour force from land. This was done mainly through changes in land and forest laws. They had worked till then in an exploitative relationship with the land owners. This system of exchange of labour had provided them material security but their working conditions and social status were exploitative. The new land laws weakened this system. But no alterna tive was provided to them while freeing them from this relationship. They were thus deprived of the material security provided by their pre-colonial state without making avenues of upward social mobility or of escape from their economic exploitation available to them. Their only choice was to become indentured labourers for British companies under slave like conditions. Labourers were thus supplied from this class to mines and plantations in India as well as in other colonies in Asia, Africa and in far away holdings such as Fiji and the West Indies (Jayaraman 1975: 26-30). According to one estimate, about

35 million persons were displaced from their land or their jobs in the towns and villages, because of the destabilisation set in by deindus trilisation and changes in the land tenure system (Naoroji 1988).

Such destabilisation was basic to the process of creating the type of workforce that could be used in the most exploitative manner.

Men had to be induced to work in new ways for new people and new ends. The exploitation entailed in colonialism, therefore, was not an exploitation of things fetishistically conceived, but an exploitation between classes of men. Geographers may speak of the exploitation of resources. But to utilize or valorize resources, colonialism has to exploit men (Worsley 1973: 47).

For example, in Indonesia, the laws that forced the peasants to produce coffee, indigo, sugar, tea, tobacco, left them with little time or land to raise food for themselves, and the soil became exhausted when it had to produce crop after crop without enough care. As the price paid for these export crops was extraordinarily low, the farmers did not have enough income to buy the food they lacked. Besides, groups of villages were sent to work out their quota in the factories where sugar, indigo, and other produce were processed and prepared for export. The working contracts of the villagers were in theory free and their labour was to be paid. In practice they had to work at very low wages, under conditions which amounted to compulsory labour (Michael and Taylor 1956: 286).

Conclusion

We have studied in this paper, the processes of colonialism and the manner in which the colonial economies were made subservient to the needs of the Industrial Revolution in Europe. As is clear from above, the colonial powers instituted a developmental regime that was a child of capitalism. In that sense, we may agree with Andre-Gunder Frank (1978: 238-239) that the process of capital accumulation is a, if not the, principal motor of modern history. Structural inequalities and temporal unevenness of capital accumulation are inherent to capitalism. Of greater relevance to us is the fact that the world capitalist development occurred because of the exploitation of the workers and consumers of the South that related to the North in an unequal relationship. To achieve the objective of subjugating the colonial economy for the needs the European Industrial Revolution, the colonial powers provided an ideology of progress and scientific measurement in which the colonising State became the enlightened representative of progressive forces and morally responsible for their propagation. When capitalist States acquired new territory, they exerted power in the name of progress which they termed civilising education. Thus right from the beginning a developmental discourse informed policy debate and provided a language of legitimacy for the imperialist State's rule. The colonial powers pursued a development mission that imperialism posed as philanthropy and moral and material progress. In other words, the colonial powers instituted a developmen tal regime, which is a child of capitalism.

To achieve the colonial purpose, past systems had to be replaced by rational policy and social order designated by enlightened rulers to benefit people victimized by their past. So the colonialist rewrote history for this purpose. As the Cambridge historian Taylor stated, the role of history is to show what barbarians the past rulers of India were and what civilisation the colonialist has brought. The colonial West thus construed the East as the "other" on the frontiers of European expansion (Ludden 1995: 254). For Example, the disorder and anarchy "out there" in the world of Indian politics and

tradition became an "other" to be vanquished by conquest and by analysing the colony empirically to bring it into the history of the new regime, to transform it for the good of the people victimised by their past.

Progress meant standardisation and centralisation; efficiency required a chain of command to subordinate knowledge about India to the scientific intellect. Thus after 1790, under Cornwallis, new attention was paid to native intermediaries in the information system. They stood between the Court of Directors and its Indian Subjects (Stein 1989). In this understanding the vast masses became the subjects of the colonial State who had the responsibility to rule them and may be rule justly.

Such considerations indicate why the colonial social and sometimes economic policy wavered between reform and conservation. To create a domain for progress, the colonial regime separated "economy" and society in the name of liberalism. It presented society as a complex of traditions whose reformation had to be balanced with con servation to maintain its social hierarchy and stability (Bayly 1981). At the same time it initiated a centralising trend which was much more operative than even that of the Mughal empire which was more patrimonial than bureaucratic.

In stating this, we are aware that the forms of colonialism differed radically across different cultural locations. Its interac tion with other orders of oppression made it complex and multivalent. However, within this diversity, colonialism also had some commonali ties. The role mercantile colonialism played in adapting the colonial economy to the needs of the Industrial Revolution, is one such common ality. In this context, wherever a globalised theory of colonialism might lead us, we must remember that also resistance to colonial power always finds material presence at the level of the local. But the manner in which it found this presence differed from country to coun try. That has influenced the post-in dependence systems.

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INTERNATIONAL CONFERENCE

on

COLONIALISM and GLOBALIZATION

Five Centuries after Vasco da Gama
February 2-6, 1998
New Delhi, India

THE "FREE LUNCH" TRANSFERS FROM TROPICAL COLONIES AND THEIR CONTRIBUTION TO CAPITAL FORMATION IN BRITAIN DURING INDUSTRIAL REVOLUTION

by

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THE FREE LUNCH:
TRANSFERS FROM THE TROPICAL COLONIES AND THEIR CONTRIBUTION TO CAPITAL FORMATION IN BRITAIN DURING THE INDUSTRIAL REVOLUTION

There is a widespread idea among scholars in the third world countries that under colonial systems, quite substantial transfers of surplus took place from them to the metropolitan countries, and these transfers helped to fuel industrial transformation in the latter while condemning the colonies to a distorted pattern of development. Attempts to quantify this idea in India took the form of estimates of the " drain of wealth" in the form of unrequited exports from India to Britain. However many unresolved conceptual problems remained, of the actual mechanism of the exploitation of the colonies and the way the mechanism worked with respect to the trade and investment relations between colony and metropolis. Owing to this it was easy enough for those rejecting the idea of substantial colonial transfers, to say that it was a question of interpretation, and the same data on unrequited exports which the third world nationalist writers adduced in support of their contention, could be interpreted differently to represent payment for valuable services which the metropolis rendered by way of "good government".

The purpose of this paper is to argue that the fact of transfers of surplus from the tropical colonies is not a matter of differing interpretations; it is inherent in the unique and concrete character of the macro-economic relation of trade and investment which prevailed between colony and metropolis, which is quite different from normal trade and investment relations between sovereign nations, the latter being the only type which is investigated by received theories of trade. The purpose of this paper is also to present an estimate of the extent of transfer from India (and *inter alia* also from the West Indies) and its contribution to British capital formation during the Industrial Revolution.

How does colonial trade differ from normal trade and give rise to transfer?

In the course of trade between two sovereign nations, in which neither country exercises military or extra-economic coercion in any form upon the other, it may be assumed that trade is the outcome of mutual perception of gain from engaging in trade : for if one or the other country was actually losing out from trade, it obviously has the option of withdrawing. Ricardo's famous theory of comparative advantage, the starting point of all subsequent mainstream trade theory (including the Heckscher-Ohlin-Samuelson theory) basically assumes such a scenario of trade between two sovereign independent countries. It is a two-country, two-commodity model (remember his example of Britain and Portugal, each country assumed to be producing two goods, cloth and wine); Ricardo and was concerned with showing why, even when the labour cost per unit of production of *both* goods might be lower in one country compared to the other, it would make economic sense for each country to specialise in that good which it could produce at *relatively* lower cost, and exchange part of it through trading , for the other good. Through such specialisation and trade, both countries would be better off by having more of one good for no less of the other good, in the post-trade situation compared to the pre-trade one. Thus even if Portugal could produce both cloth and wine at a lower cost than England, if the ratio of wine cost to cloth cost was lower in Portugal compared to England, both countries would be better off with Portugal specialising in wine

and England in cloth, and exchanging through trade. Given the assumptions, the argument cannot be faulted.

The Ricardian theory appeared to provided a powerful justification for viewing even the trade relations between a colony and metropolis as leading to *mutual advantage*. Everyone knew that a typical tropical colonial country had much lower labour cost and produced every good more cheaply than a typical Northern metropolitan country; but relative, not absolute cost is what mattered as Ricardo had argued, and surely the metropolitan country had relative or comparative advantage in some goods (like machine-made textiles) so that tropical colonies specialising in primary products and exchanging them for their needs of machine made products through trade, would be better off in the post-trade situation compared to the pre-trade one. So ran the argument, and even though people might say critically that "comparative advantage" was a static concept, etc. this was not a powerful enough criticism to prevent most people from feeling that colonial trade, everything said and done, was good for the colonised no less than for the coloniser.

In fact the above Ricardian argument applied to tropical colonial trade is logically quite wrong and contains a gross fallacy. The fallacy arises because the Ricardian assumption is not satisfied, of both countries (in this case, backward colony and advanced metropolis) producing both goods (cotton textiles, say, and a tropical crop like sugarcane or jute). The tropical colony like India could produce both goods, but the Northern country like England could not produce both goods in the pre-trade situation. Given this, "comparative cost", that is cost ratio, simply cannot be defined for the advanced temperate country whenever a tropical crop is one of the two goods. A statement like "India had a comparative advantage in sugarcane- or jute, or tea, or whatever- while England had a comparative advantage in cloth" - becomes a *non sequitur*, an undefinable and hence meaningless, logically wrong proposition.(We have developed this argument at greater length elsewhere and it will not be further belaboured here). This is the first and fundamental reason why the trade of the tropical colonies was quite different from the trade assumed in mainstream theory: **it involved goods which the colonising countries could never themselves produce.**[1] Comparative cost therefore could not even be defined.

This also gives the clue to why trade did take place in which a colony like India exported a variety of tropical crops to metropolitan countries and imported manufactures. The reason that the temperate-region colonising country wanted the trade was precisely because it wished to consume, but could not itself produce a range of goods which the tropical country could (valuable tropical crops useful either for final consumption or productive consumption, viz. as raw material); or because it had inadequate or zero supplies itself of minerals. The reason the colonised country entered into trade however was because it had no choice in the matter. The important point is that the Ricardian conclusion of mutual benefit from trade no longer holds once it is recognised that tropical bio-diversity and natural resources gives an endowment advantage to tropical lands and makes it impossible to conceptualise or define relative cost ratios whenever a specifically tropical primary good is involved.

That trade benefited the colonising power cannot be in doubt since it made available a much larger range of raw materials, minerals and final consumption goods to temperate land populations than they could command by depending on their domestic production capacity alone. Far

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[1] With a vast expenditure of energy derived from the fossil fuels, small quantities could be produced in hot-houses as in a botanical garden; but field production on any sensible scale was, and remains, out of the question.

from benefiting the tropical colony however trade becomes positively harmful. It certainly made no economic sense for India to grow and export commercial crops for the benefit of metropoles when thereby her output of foodgrains for her own population from the limited land area, ceased to increase. Nor did it make sense for India to displace large numbers of artisan producers by importing cloth which she could produce herself. The first led to falling food output per capita and laid the basis for famine; the second led to de-industrialisation and falling value-added per worker.

The second and very important reason why colonial trade differs from the trade between equal partners assumed in trade theory, is because **exports from a colonised country like India were paid for to the export-goods producers, out of the local tax revenues those same producers had themselves contributed; while the foreign exchange earnings those exports earned abroad, was used by the colonising country to offset its trade deficits and ease its own balance of payments problems**. This is a very big and significant difference between the pattern of revenue expenditures and trade earnings, of a colonised exporting country compared to a sovereign exporting country. No sovereign country sets aside a part of budgetary revenues for purchasing export goods and sending them out of the country, and treats that part of revenues as no longer available for domestic spending under other heads. Nor does a sovereign country earning vast sums in foreign exchange from merchandise exports, have no control over those sums and allows their use to pay for another country's trade deficits. Both were happening throughout the period of colonial rule in India, to Britain's benefit.

The reason for treating colonial goods exports as **transfer** and not as normal "exports" under normal trade, lies in the second factor, the tax-financed nature of the exports from the colony, and the use made by the metropolis of the exchange earnings to pay its own trade deficits. If an average Indian paid Rs. 100 in taxes to the colonial government and then got back Rs. 30 out of that as payment for tea/jute/opium he sold, this is equivalent to his giving a total tax of Rs.100, divided up into Rs.70 cash and RS.30 worth of exportable goods, comprising tea/jute/opium. To the colonising, importing country, the imported tea/jute/opium becomes completely costless, for it is the commodity equivalent of a part of the tax the Indian has paid. It does not have to be paid for to Indians in equivalent goods, nor does it create any claims by the Indians on Britain. Therefore the import is not an "import" as in normal trade, but is a transfer.(The foreign exchange earned by selling the tea/jute/ opium for dollars, francs etc. on non-British markets, accrues in London and is used for settling trade deficits Britain might have vis-a-vis USA, France etc).

We find that a colonised country typically builds up a large merchandise export surplus (which was sustained decade after decade in the Indian case), but never has a current account surplus, and may even incur current account deficit. No matter how large the merchandise export surplus might be (and by the end of the 19th century India had the second largest trade surplus in the world, second only to the USA's) sufficiently large invisible political charges are imposed on the colony, to wipe out and even more than wipe out, the trade surplus and produce a deficit on the current account. Borrowing from abroad then becomes necessary to balance overall payments, which adds to future interest burdens. Colonial trade and investment represents topsy-turvy world where the country with the large and growing trade surplus (India) has its earnings siphoned off via invisible burdens and has to borrow, while the country with the large and growing trade deficits (Britain)is able through politically imposed and manipulated, growing invisible

earnings to more than offset these deficits and therefore exports capital.

Our interest in this paper lies in looking at the role of colonial transfer in the very early, crucial period of the 18th century Industrial Revolution from 1770 to 1820, a period which starts just after Britain has acquired tax-collecting powers in Bengal and ends when the Company's trade monopoly in India is ending. At the beginning of this period India was arguably the world's largest producer and exporter of cotton textiles; at the end of it her trade pattern started to be reversed as machine-made cotton yarn and cloth started pouring in from the newly emergent factory system in Britain, entirely dependent on imported raw material. What role if any did colonial transfer play in this?

We use the merchandise export surplus from India (X - M) not total exports X, as the measure of transfer even though total exports were purchased out of the tax revenues. This in itself represents an underestimation of transfer, for it could well be argued that the goods India was importing into the region where the Company had acquired the sovereign power, Bengal were goods the conquerors needed, and goods thrust on a subject people, not goods the Indian population wished to have.[2] We will nevertheless choose to err on the side of underestimation of transfer and accept the export surplus as the measure, as previous estimators have done. It will bear repeating that this export surplus constitutes, analytically speaking a measure of transfer, because it was a quite different economic category from export surplus from a sovereign nation. Unlike in the latter case export surplus from British India created no claims by Indians on Britons, who appropriated and used the goods which were costless for them, for these goods represented the commodity-equivalent of taxes collected from the colonised Indians.

Was the transfer from India and other tropical colonies at all important relative to the British GDP and capital formation at that time? This is the question to which we seek an answer. The source of data is mainly the Abstract of British Historical Statistics edited by B R Mitchell and P Deane, supplemented with data from British Economic Growth 1688-1959 by P Deane and W A Cole; we also use some of the data available in the volume edited by Floud and Mc Closkey, The Economic History of Britain since 1700. While the merchandise trade figures for Asia and the W. Indies are readily available for the period, other tropical trade areas cannot readily be separated in the statistics. Accordingly the estimate relates to Asia and the West Indian colonies alone. All that has been said about transfer from India applies in a modified form to the W.Indies - modified, because of the institution of slavery created there by the colonisers differed from free petty rural production in India, so taxes on independent producers played a smaller part: what was being transferred via a merchandise export surplus, was mainly slave rent. Otherwise, the argument remains the same : no claims accrued to the native West Indians on account of the merchandise export surplus, which in its entirety represented the commodity equivalent of slave rent.

[2] These mandatory imports included such items as glass bottles, grand pianos and chandeliers.

Magnitude of the colonial transfer relative to British GDP and capital formation, 1770-1820

Once the East India Company acquired the Diwani of Bengal in 1765 or the right of revenue collection, it no longer had to make any outlays out of its own funds for purchasing the goods it traded in. It used a part of the land revenue collections; during the last quarter of the 18th century, the proportion of net (i.e. net of collection costs) tax revenues which was used for purchasing exported goods , averaged one-third. England and Wales at that date had a tiny population of 8 million persons, increasing to 10 million by the turn of the century; the British East India Company had acquired control over the agriculturally rich area of Bengal with a population totalling about 30 million. Even if we assume the real per capita income in Bengal to have been only one-fifth that of England (possibly the income gap was smaller than this), this implies that the Company had parasitically latched on to the tax-paying capacity of an economy of 6 million English-equivalent Indians in income terms, almost as large as was the home country even as early as 1765;, and was using part of the tax revenues for further extending its areas of control by financing wars of conquest against local rulers.

By the turn of the century it had added large territories in South India and in the Bombay Deccan, and had set in place tax collection systems in all these regions by the decade 1810-1820. Not only did the geographical spread and numbers of taxable population grow: each colonised native could be pushed down to a lower subsistence level and taxed much more heavily than an Englishman. Progressively larger volumes of goods were purchased for export out of the increasing tax revenues. The impact on the British economy of such increasing costless transfer, *a priori* can be assumed therefore to be significant and worth estimating.

In a pioneering estimate for the year 1801, Sayera Habib had looked at the separate and combined transfer in 1801 from Asia and the West Indies to England, and obtained **the combined transfer in 1801 as 5.0 percent of British GDP and as 4.8 percent of its GNP, while relative to British domestic savings the transfer amounted to 71.4 percent.**[3] This is certainly very high; we use the same data and basically the same method as she does, but to keep our estimate a conservative one, do not adjust data upwards for smuggling. Nevertheless owing to our use of different and more accurate price inflators to adjust the constant value figures of import surplus, we obtain an even higher percentage of transfer to British GDP for 1801, at 6.05 percent. Our estimate of combined transfer to domestic savings in Britain in 1801 is also correspondingly higher at 86.4 percent compared to 71.4 percent in Habib. In this short paper we do not go into the detailed estimation procedure except to mention that we have derived implicit price inflators from the series by Imlah on current and constant values of imports and exports, and adjust the import surplus figures to 1801 using this, a more accurate method than Habib's adjustment using a price index available upto 1897 only.[4] Apart from the year 1801, we also extend our estimation procedure backwards to the year 1770, and forwards to include 1811 and 1821.

The pioneering estimate by Sayera Habib (1975) has unfortunately, attracted less attention than it deserves. The author rightly says,

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[3] Sayera Habib 1975 *"Colonial Exploitation and Capital Formation in England in the early stages of Industrial Revolution"* in Proceedings of the Indian History Congress , Section 4, pp.12-24

[4] For those interested the detailed estimation procedure is set out in my forthcoming book on agricultural transformation in Britain and Japan, tentatively titled *The Peasantry and Industrialisation*

regarding the role of colonial transfers in British industrial revolution, that

"What the British economy gained from colonial wealth was .. .. not landed estates nor even luxuries for aristocratic consumption, but an immense supply of raw materials and wage-goods - a supply inconceivable if Britain did not have colonial tribute to finance it."

While retaining Habib's basic methodology, which is analytically correct, in our own estimate for the years 1770, 1801,1811 and 1821, we have made certain changes in the interests of *underestimation* rather than accurate estimation of the transfer : for instance as earlier mentioned we make no upward adjustment in the tropical import surplus into Britain on account of smuggling. This is on the principle that since we argue the actual transfer was large, it strengthens our case if even with a minimalist estimate, we obtain a substantial transfer relative to British GDP and capital formation out of domestic savings.

The estimate for 1770 is to provide a rough benchmark to which the years 1801 to 1821 might be compared.1770 to 1801 was a period of large fluctuations in revenue collections within Bengal; soon after acquiring the *Diwani* of Bengal in 1765, the Company jacked up the demand compared to that under the Muslim rulers and farmed out revenue collecting to tax farmers; their rapacity compounded the effect of bad harvests and led to a devastating famine in 1770, which is estimated to have carried off a third of the rural population, leading to fall in production. After some experiments and dithering the Permanent Settlement of the revenues was instituted in 1792.

Taking the average annual import surplus for the five year period centred on 1770, and expressing it relative to the estimated 1770 GDP in Britain, **we obtain the transfer as 2.88 percent of the GDP in 1770,** while assuming the savings rate out of GDP was 5%, **compared to total domestic savings the transfer works out to 57.6 percent (see Table 1).** At this date the Indian transfer was still less than that from the W. Indies, but by the turn of the century, the importance of the Caribbean region had not increased while that of Asia did increase, primarily owing to the expanding territories and revenues of British India. Because there is no direct estimate of GDP for 1770, we have been obliged to estimate it.[5] From 1801 inclusive onwards however, GDP estimate are directly available for Britain at decadal intervals.

By 1801 the combined transfer relative to British GDP had risen to a remarkable high of 6.05 percent, and assuming, as Deane suggests, that the domestic savings rate rose to 7%, **this transfer amounted to 86.4 percent of domestic savings. Both in 1811 and 1821 the respective proportions remain remarkably similar, the transfer being 6.01 percent and 5.22 percent of GDP in 1811 and 1821;** and assuming, again on the basis of Deane's estimates, that the savings rate still hovered around 7% by 1811 and rose to 9% only in the next decade, **this combined transfer works out to 85.9 percent and 74.6 percent of domestic savings in 1811 and 1821. Our estimates thus suggest that the colonial transfer was indeed of great importance and nearly doubled the resources available from domestic savings, during the crucial period of transition to the factory system in Britain** (See Table 1).

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[5] The estimate of GDP for 1770 at constant prices has been arrived at by accepting Deane and Cole's evidence of a one-third rise in real output per head between 1770 and 1801, and multiplying this estimated real output per head for 1770 by the known population at that date. The constant value is then adjusted for price change to obtain the current value. See P Deane and W A Cole 1969 *British Economic Growth 1688-1959* (Cambridge University Press)

While the transfer as proportion of GDP is a fairly firm statistic, the same transfer as a proportion of domestic savings may appear to be less firm since the low estimate of domestic savings itself, put forward by Deane and Cole, has been challenged. However the challenge itself emanates not from access to any better estimation methods or data, but from the difficulty of accounting for the large order of physical capital formation that actually occurred, if it is assumed that domestic savings was the sole source of domestic investment- as the British economic historians have routinely -and incorrectly - assumed. Given our argument that substantial transfer into Britain from the tropical colonies took place (of which our estimate is actually an underestimate) the analytical problem is easily resolved. **A much larger order of actual capital formation could take place in Britain, than would have occurred if Britain had been restricted to her domestic savings capacity alone, for the transfer was nothing but a huge costless inflow augmenting working capital in the economy by providing a supply of tropical raw materials and wage goods, exchanged in part also against temperate land goods.** This inflow was costless to the macro-economy because it created no external liabilities at all on Britain by the producers of those goods. The supply indeed was so large that the British economy was unable to absorb all of it, and **on average in this period two-fifths of tropical colonial imports were re-exported,** 80% going to the European Continent alone, to pay for Britain's imports of a vital wage-good, corn and for strategic naval materials viz. bar iron, timber, pitch and tar. Without the colonial goods which were in elastic demand on the Continent which readily absorbed them, P Deane points out that Britain would have had considerable external payments problems as her own products were in low and inelastic demand [6](Deane 1967).

The physical, commodity form of the transfer from the tropical colonies was in the form of raw materials like cane sugar (refined in Bristol), raw cotton, hardwood timbers, saltpetre, indigo, hides, and a variety of other products; while final consumption goods comprised above all wage goods like manufactured cotton textiles, tobacco, rum, and corn for bread obtained from the Continent, the last part-financed by re-exports. We are justified therefore in adding on the estimated transfer to the estimated domestic savings, to get an idea of the actual total gross capital formation which could be and was financed by this combination of domestic savings and external inflow. In Table 2 this exercise is carried out, and the percent of GDP formed by capital formation domestically financed and capital formation financed by transfer, set out. The sum of the two gives our estimated *total capital formation.*

The remarkable thing is that this set of figures agrees reasonably closely with C Feinstein's estimates of capital formation arrived at by following a totally different method, the method of product flows. According to our own estimate, **the total gross capital formation financed by domestic savings plus external transfers from tropical colonies, registered a rise from 7.8 percent of GDP in 1770 to 14.22 percent of GDP by 1821.** Relying on domestic savings alone the proportion would have remained absolutely low at 9 percent of GDP as late as 1821. The magnitude of the transfer to total capital formation was thus very substantial : it ranged between at least 36% in 1770 to 46% in 1801 and 1811, dropping back to 36% in 1821 (See Table 2).

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[6] P Deane, 1967 *The First Industrial Revolution* (Cambridge University Press). See also P Deane, Vol.4 Ch.4 of The Fontana Economic History *The Industrial Revolution in England 1700-1914* (Collins, London)

Comparing our estimates with C Feinstein's estimate[7] of capital formation which uses the independent product-flow method, we find a close correspondence. Thus Feinstein obtains a rise from 8.1 percent of GDP in the decade ending in 1770, to 13.5 percent of GDP in the decade ending in 1820. Given the problems with historical data so far back in time, the correspondence is close indeed. Unless we integrate our estimates of transfer into the analysis of what was happening during this period, the estimated savings and investment variables are not consistent with each other. One economic historian after a detailed study of consumption, output growth, investment, technical change and productivity growth, even reaches the following conclusion:

"**.. .. indubitably Britain from 1780 to 1860 ate a massive free lunch. The normal return on investment was 10 or 15 percent a year,.. .. Yet in fact the nation was earning 12 percent or so in addition to this on the investments with no corresponding costs**". (D McCloskey 1981)[8]

Yet the obvious answer has not struck any economic historian of Britain, that the source of the "free lunch" must be sought in the colonial transfer, the mechanism whereby taxes and slave-rent wrung from the colonised people were transmitted in commodity-form as a massive, costless injection of working capital and wage-goods into the British economy (for the transfer continued long beyond the period we have studied. After 1820 however it can no longer be estimated using the methodology we have employed).[9]

Without the enforced contribution by the tropical colonies of these very large transfers, it is doubtful whether the transformation taking place in the British economy in this period could have proceeded at a fast enough pace to merit the term "Industrial Revolution". A gradual evolution is a far more likely counter-factual scenario, rather than the actual rapid growth of factory production which transformed British economic and social life in the course of a generation.

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[7] See C H Feinstein " Capital accumulation and the Industrial Revolution" in *The Economic History of England since 1700* edited by R Floud and D N McCloskey 1981 Cambridge University Press

[8] D.N McCloskey "The Industrial Revolution 1780-1860 : A Survey" in *The Economic History of Britain since 1700* edited by R Floud & D N Mc Closkey , Cambridge University Press

[9] The direct export surplus to Britain from India can no longer be used as an adequate measure of transfer after 1820 because India was made into a market for Lancashire cotton, the direct export surplus disappeared, and taxes had to be transmitted via third countries. For the later mechanism see my article " Tribute transfer and the balance of Payments in the *Cambridge Economic History of India* " Social Scientist 1986 also included in U Patnaik The Long Transition : Essays in Political Economy forthcoming 1998 , Tulika , Delhi

Table 1 Estimated value of combined transfer, British GDP, GNP, and Gross Domestic Capital Formation from all Sources (in million pounds, current values)

YEAR	TRANSFER	G D P	G N P	G D C F
1770	2.645	91.84	94.485	4.59
1801	14.037	232.00	246.037	16.24
1811	18.109	301.10	319.209	21.07
1821	15.186	291.00	316.186	26.19
1770	(PER CENT OF	2.88	2.79	57.63
1801	TRANSFER TO)	6.05	5.71	86.43
1811		6.01	5.67	85.86
1821		5.22	4.96	74.57

NOTE : Transfer estimated by taking the combined import surplus into Britain from Asia and the West Indies, basic time series in Mitchell and Deane Abstract of British Historical Statistics 1962 Cambridge ; GDP figure for 1770 estimated as discussed in text; GDP figures for other years from Mitchell and Deane, ibidem. GNP figures obtained by adding on transfer to GDP; gross domestic capital formation or GDCF attributable to domestic savings, obtained by taking estimated domestic savings figures (accepting assessment of savings ratios in Deane 1967 and Deane and Cole 1969). The lower half of the table gives the transfer as percentage of GDP, GNP and GDCF.

Table 2 Contribution of domestic savings and of transfer from the tropical colonies to total capital formation in Britain, 1770-1821

PERIOD	Percent of Total Capital Formation to GDP by source			Percent of Total Capital Formation from	
	Savings	Transfer	Total	Savings	Transfer
1770	5.00	2.88	**7.88**	63.45	**36.55**
1801	7.00	6.05	**13.05**	53.64	**46.36**
1811	7.00	6.01	**13.01**	53.80	**46.20**
1821	9.00	5.22	**14.22**	63.29	**36.71**

Source; From Table 1; savings ratios from discussion in Deane and Cole, British Economic Growth 1688- 1959

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COLONIALISM and GLOBALIZATION

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FOR A PROGRESSIVE AND DEMOCRATIC NEW WORLD ORDER

by

Dr Samir Amin
Third World Forum,
Dakar, Senegal

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We are all likely to agree on the fact that the page of the post -World War II era has been turned. We may further distinguish ourselves from dominant ideological and political tendencies by refusing to reduce this transformation to "the end of the Cold War". For me, the transformation is defined by the collapse of the three societal models that shaped the life and struggles of the postwar period (1945-1980): the welfare state of the developed capitalist West, Sovietism, the projects of national liberation/modernization of the Third World Countries.

A "return" to these models is impossible, and the desire for such a return is little more than the expression of a helpless nostalgia on the part of groups that have, in any case, largely lost their capacity to act. "Remakes" would not be much better, for societies throughout the world and capitalism itself have changed profoundly and are not what they used to be.

We are also likely to agree that the development we have experienced over the past fifteen years are not acceptable because in our view the economy must be made to serve the people, and not the other way round.

These developments can be summarized in quite simple terms: we are speaking of growing social distortions as they take a dramatic turn in the majority of countries in the West, the former Eastern bloc and the South. Massive and permanent unemployment has reappeared within the Trade, the welfare state has been eroded, a new phenomenon of exclusion/marginalisation has become a permanent feature of the landscape. In the countries of the former Eastern bloc and the South, the situation is even more dramatic. Rare exceptions involving some Southern countries with dynamic economies deserve further discussion (the exceptions are relative, in any case: the same phenomena are observed in these countries, but they are-as yet?-more subdued).

> We do not accept the dominant argument that these developments are "the price we have to pay for a period of transition" that will eventually lead to a new, allegedly healthier and more dynamic economy from which all will benefit.

However, can we say that these social distortions are really a new phenomenon in the history of capitalist expansion? Or was the postwar era the exception in this history- an exception that can be explained as a result of the fact that power relationships, after the defeat of fascism, were more favourable to the labouring classes and peoples of the world than at any previous time? In that case, the current situation would be a return to normal (i.e, a return to the law of accumulation and pauperization, according to Marx's theses).

The "Third World" has broken apart into a group of emerging countries, which have now entered the industrial age and even developed the capacity to compete in world markets, and a group of marginalised and excluded countries. Specifically:

(i) The capitalist countries of eastern Asia (Korea, Taiwan, Hong Kong and Singapore), but also, behind them, other South-East Asia countries (Malaysia and Thailand first and foremost), along with China, are registering accelerated growth rates, while these rates are collapsing almost everywhere else in the world. These countries are now actively competing to provide industrial products in world markets. In addition to being economically dynamic, they are less affected by aggravated social distortions (this point needs to be qualified and discussed on a case-by-case basis), less vulnerable (because of an intensification of intraregional relationships that is specific to East Asia, and similar in degree to what has happened within the European Community), and characterized by effective intervention by the state, which plays a key part in carrying out national development strategies, even when these national strategies are turned outward.

(ii) The industrial capacity of Latin American countries and India is equally significant. However, regional integration is less advanced in their case (20% for Latin America versus 60% for Eastern Asia or the European Community), and state intervention is less coherent. Because growth rates remain modest in these regions, the aggravation of already huge inequalities is even more dramatic.

(iii) Overall, the countries of Africa and the Arab and Islamic world are still trapped in an obsolete international division of labour. They remain exporters of primary products, either because they have not entered the industrial age or because their industries are fragile, vulnerable, uncompetitive. Here social distortions mainly appear in the form of swelling masses of pauperized and excluded people. There is absolutely no sign of progress towards regional integration (intra-African or intra-Arab). Growth is practically nil. Although this group includes both "rich" countries (oil-exporting countries with small populations) and countries that are poor or extremely poor, it does not include any country that behaves as an active agent in contributing to shape the world system. In this sense it is well and truly marginalized.

Active and marginalized peripheries are not distinguished solely by the competitiveness of their industrial production. There is also a political difference. Dominant powers in the active peripheries, and behind them society as a whole (whatever the social contradictions within that society), have a project and a strategy to carry it out. This is obviously true of China, Korea and, to a lesser extent, certain countries in South-East Asia, India, and some Latin American countries.

These national projects are confronting the projects of imperialism, which currently dominate the world, and the result of this confrontation will shape the world of tomorrow. Marginalized peripheries, on the other hand, have neither project (despite the claims of rhetoric such as the discourse of political Islam) nor strategy of their own. As a consequence, their thinking is done for them by imperialist circles which retain the exclusive power to initiate "projects" for these regions (e.g. the ACP-EEC association, the "Middle- East" project of the United States and Israel, Europe's vague Mediterranean projects) - projects which are not opposed, in fact, by any local project. These countries are therefore passive subjects of globalization.

The growing differentiation between these groups of countries has shattered the concept of the "Third World" and ended the common front strategies of the Bandung era)1955-1975).

However, as we shall see, there is no general agreement on how to assess the nature and prospects of capitalist expansion in the countries of the former Third World. For some people, the most dynamic emerging countries are in the process of "catching up" and are no longer "peripheries", even if they are still at an intermediate level within the world hierarchy. For others, including myself, these countries represent the true periphery of tomorrow. The centres/peripheries contrast, which from 1800 to 1950/1980 coincided with the opposition between industrialized and non-industrialized economies, is based today on new and different criteria that can be defined through analysis of the five monopolies exercised by the Triad (globalized finance, technological innovation, access to planetary resources, means of communication and information, weapons of mass destruction).

What of marginalized regions? Is this a phenomenon without historical precedent? Or does it embody on the contrary a permanent tendency of capitalist expansion, one that was momentarily checked, in the aftermath of World War II, by power relationships that were less unfavourable to peripheries as a whole? The argument states that this exceptional situation was the basis of the Third World's "solidarity" - despite the variety of countries of which it was composed - in its anticolonial struggles, its demand with regard to primary products and its political will to impose its own modernization and industrialization, which Western powers attempted to prevent. It is precisely because the successes achieved on these fronts have been uneven that the coherence and solidarity of the Third World have been eroded.

The dominant ideology proclaims that "there is no alternative" and that the peoples of the world must "adjust" to the so- called rationality and efficiency requirements of the ("market") "economy", according to us, capital (i.e. "markets") must be forced to adjust to the requirements of the people's social progress.

What is new in the world Capitalist System?

A number of major features of today's general economic situation have defined and seriously studied. At this point, it will be sufficient if we outline the most important of these features:

(i) The same fundamental options, known as neoliberalism, inspire the economic policies of almost every government on the face of the earth. In the countries of the Triad and within the European Community, these options are associated with recognized goals deregulation, more flexible labour markets, unlimited privatization (including the privatization of traditionally public services), cuts to social spending, emphasis on the fight against inflation (supported by tight money policies and high positive real interest rates), uncontrolled openness to international capital transfers, etc. In many Southern and Eastern countries these options are reinforced by the implementation of draconian "structural adjustment" programs (SAPs), and in some cases by what is known as "shock therapy". However, this general description must be qualified by important distinctions concerning the countries of East Asia (Korea, China, Taiwan and, to a lesser extent, South-East Asia), which are not really playing the neoliberal game. These countries implement the kind of coherent industrialization policies that other countries have given up, and that are practically "planned" in that government interventions are designed to provide energetic support for their requirements.

(ii) A crisis is being experienced by almost every country on the face of the earth, with the exception, once again, of eastern Asia. Symptoms include weak economic growth (nil or negative for many Eastern European countries and for marginalized areas of the Third World), weak investments in productive activity, the rise of unemployment and precarious employment along with the growth of "informal" activities, etc. We have already mentioned the aggravation of distribution inequalities that accompanies all this. Stagnation persists, even though official rhetoric still focuses on "recessions" and "upturns".

(iii) Financialization is taking place, i.e., the domination of short-term, speculative concerns, imposing themselves at the expense of long-term choices favouring productive investments.

(iv) As globalization advances, so does the subordination of national policies to the hazards of this unbridled globalization, made uncontrollable through fundamental neoliberal choices (flexible exchange rates, freedom of financial transfers, etc).

Together, these factors lead almost everywhere to economies running at several speeds: certain sectors, regions and companies (especially among the giant multinationals) record strong growth rates and large profits, while others stagnate, regress or disintegrated. Labour markets are segmented to adjust to this situation.

Once again, is this a genuinely new phenomenon? Or is a multi speed system in fact the norm throughout the history of capitalism? The phenomenon would merely have been attenuated for exceptional reasons during the postwar period (1945-1980), when social relations had imposed systematic government interventions (on the part of the welfare state, the Soviet state and the national state in Third World countries of the Bandung era) that made it easier to generalize the growth and modernization of productive forces by organizing the regional and sectional transfers that shaped this growth.

On at least two levels, these transformations bring decisive long-term effects:

(i) Giant corporations are certainly not a new development in the history of capitalism. However, it has been rightly pointed out that some aspects of their evolution are new. Up until now, large corporations - even the ones known as multinationals - have been in the first place (and particularly in terms of who owned their capital) national firms whose activity had extended beyond the frontiers of their country of origin. In order to deploy themselves, they needed the active and positive support of their government. Today, they have become powerful enough to develop their own strategies of expansion outside (and sometimes against) the assumptions of government, policies. Therefore, they want to subordinate these policies to their own strategies. Anti-government neoliberal discourse conceals this objective to legitimize the exclusive purpose of defending the private interests represented by these corporations. The "freedom" being demanded is not freedom for all; it is freedom for corporations to pursue their interests at others' expense. Form this point of view the neoliberal discourse is perfectly ideological and dishonest.

(ii) On another level more directly related to current technological revolutions, work processes are now being radically modified. Assembly-line production (the Taylorist model) is being replaced by new forms that are profoundly affecting the structure of social classes and their perception of the problems

and challenges faced by workers. Here too we find important elements of the problems related to the segmentation of labour markets.

Financialization can be analyzed as a product of the crisis. Surplus capital, which under existing structures cannot find an outlet in the expansion of productive systems, embodies a serious danger for the dominant class - the danger of a massive devaluation of capital. Management of the crisis therefore demands that financial outlets be provided in order to avoid this worst possible outcome, and high interest rates, flexible exchange rates, the foreign debt of the Third World and Eastern European countries, the American deficit, privatization and the financialization of pension funds are means to this end. However, the flight forward into financialization does not offer a way out of the crisis; on the contrary, it leads to imprisonment in a stagnationist spiral because it worsens distributional inequality and forces companies to play the financial game. In this sense financialization is not merely synonymous with the domination of financial institutions (banks, insurance companies, pension funds); it also means that financial assumptions dominate the management of all corporations.

The new East-West split, visible in all the areas we have discussed above, certainly challenges theories of the global expansion of capitalism.

The "Asian miracle" has caused much ink to flow. Asia (or the Asia/Pacific region) as a centre of the emerging future, taking over the role of Europe/North America in dominating the planet, China as the superpower of tomorrow - what has not been made of these themes!

In a more sober vein, the Asian phenomenon has given rise to assertions which, although they strike me as hasty, deserve serious attention. These assertions question both the theory of the polarization inherent in worldwide capitalist expansion (a theory that is unfortunately often confused with vulgar versions of "dependency"), and the strategies of disconnexion suggested as ways of meeting the challenge of polarization. There is supposed to be evidence that catching up is possible, and that it is more likely to be achieved by active integration into globalization (in the vulgar version of this argument, this can ultimately mean an export-oriented strategy) that by an illusory disconnexion (which is deemed to have caused the Soviet catastrophe).

Internal factors, including the "cultural" factor, would therefore explain why some have succeeded in imposing themselves as agents actively shaping the world, while others have failed and become marginalized and disconnected against their will.

If we are to make genuine progress in discussing these complex issues, we need clearly to distinguish the various levels of analysis dealing with internal social structures and forces acting at the level of the world system. These fit together in a way that it is preferable to make explicit if we want to go beyond facile, but pointless, polemics. In my view the Soviet evolution, for example, is chiefly explained by the nature of the system's social options (the "capitalism without capitalists" project). An active and controlled integration into globalization is very different from an economic strategy based on giving priority to exports; each is founded on a different internal hegemonic, social bloc. East Asian countries have been successful precisely to the extent that they have subjected their external relationships to the requirements of their internal development - have refused, in other words, to "adjust" to dominant tendencies at the world level. This is in fact the definition of delinking, which some too hasty readers have confused with autarky.

Polarization, like any other aspect of capitalist society, has not been defined once and for all in some immutable form. What has certainly changed is the way in which it expressed itself for a century and a half through the contrast between industrialized and non-industrialized countries - a contrast that has in fact been challenged by the peripheries' national liberation movements, which have forced the centre itself to adjust to transformations brought about by the industrialization (however uneven) of the peripheries. Can this fact justify the assertion that East Asia is in the process of "catching up" with Triad centres? The conclusion seems overhasty. The thesis I am presenting here leads to a very different conclusion: through the action of the Triad's five monopolies, the globalized law of value produces polarization in new forms, subordinating the industry of dynamic peripheries. China, if it chooses further integration into international division of labour, will not escape this evolution.

The evolution of China's development will weigh heavily in the global balance, simply because of the weight of this continent/country. The various possibilities in this regard should therefore be thoroughly discussed.

I will attempt to make explicit the conditions, internal and external, that govern various scenarios all of which are equally possible and which can be classified as follows:

(i) The country; breaks up (this is the objective of U.S. and Japanese strategies); China's North and West are "marginalized", and the South-East becomes a compradorized region within the South-East Asian constellation, which is industrialized, but nonetheless dominated by the United States and Japan.

(ii) The Chinese national project is pursued on the basis of the success of the "three positives" (social redistribution of income is sufficient to maintain solidarity throughout the region, regional redistribution reinforces the interdependence of China's regional internal markets, and control over external relations continues to be subordinated to the requirements of the national project).

(iii) This last scenario deteriorates under the influence of what I have called the "fourth and major negative", i.e., the attempt to pursue the national project without modifying the framework of the existing power system (the Party State described as Leninist). This deterioration could lead either to the break-up of the country (first scenario) or to the crystallization of a more overt, and probably not very democratic, form of national capitalism.

(iv) The current projects shifts towards the left as popular social forces reinforce their power, and the country moves forward in the long transition to socialism.

The problems of the construction of Europe must also be reassessed within this global framework. I am sorry that the debate on these issues within the European left is too often confined to continental horizons, or, at best, to those of the Triad. Beyond this, one hears little more than pious hopes (especially on the topic of North-South relations).

(i) The construction of Europe began as a common market project. Having scored easy triumphs during the expansion phase of the world economy (until around 1975), the project has become increasingly

difficult now that capitalism has entered into its structural crisis phase. In my view, going beyond a common market towards multidimensional economic integration implies that a high priority be given to the political integration of Europe. However, political integration is coming up against the persistence of national realities, and furthermore the left (along with the right) is divided on this issue in all countries within the Community. Under these conditions, is the priority given to the common currency (the euro, Masstricht) likely to activate the necessary political integration, or will it rather cause the contradictions between European states to explode? This question itself is a topic of discussion and disagreement within the European left.

(ii) In Europe, the neoliberal programe is endorsed by dominant powers (not only right-wing forces, but also electorally dominant socialists, even though their endorsement is sometimes qualified). Under these conditions, the establishment of a social alternative (a new, progressive social compromise throughout the Community) does not seem to be on the agenda. However, a debate has begun on what a new European social pact might be like, and it is important to pursue this debate and define its strategic options and perspectives. Beyond "magical" terms of uncertain meaning ("neo-Keynesianism"?), what in fact is wanted? Is it a) a social "Fortress Europe", or b) an open social Europe, and in that case, how should it manage its relations with the United States, Japan and the peripheries?

(iii) Dominant interests in Europe (large corporations), like those of Japan and the United States, are defining their strategies in a context of unbridled globalization. It follows that they are not active agents capable of challenging American hegemony at the global level, or of developing another vision of North-South relations.

(iv) It also follows that new East-West relations within Europe spontaneously fit into the framework of the "Latin- Americanization" of Eastern Europe, rather than its integration on an equal footing. Will European left-wing forces, in the West and East, be able to join forces in defining a different strategy - one that meets the requirements of a progressive, pan-European social pact?

(v) Liberal options and the Latin-Americanization of Eastern Europe are tilting the imbalance within the Community in Germany's favour. Will "German Europe" be acceptable, in the long run, to Great Britain, France and Russia? In the meantime, endorsement of this project perpetuates America's global hegemony, since Germany, like Japan, plays the part of a regional power aligned with the United States on world issues.

The Global Management of the Crisis

The requirements of the economic management of the crisis are expressed in the economic policies described above. However, this dimension of the management of the system cannot work on its own without the support of appropriate political forms, for neoliberalism engenders nothing but chaos and leads to the multiplication of seemingly insoluble conflicts. This is why I have argued that it is not a viable alternative, but merely a method for managing the crisis (this point has given rise to disagreements whose meaning should be clarified).

We would probably all agree that the structure of political life was profoundly modified when the page of the postwar era was turned.

Political life and struggles traditionally took place within the framework of political states whose legitimacy was not questioned (a government might be challenged, but not the state itself). Behind and in the state, political parties, trade unions, a few major institutions (i.e. business leaders) and the sphere defined by the media as "the political class" formed the basis structure of the system in which political movements, social struggles and ideological currents found expression.

It is apparent that almost everywhere in the world, all of these institutions have lost part or all their legitimacy. The people "don't believe in them anymore". In their place a variety of "movements" have take centre stage, focusing on the demands of environmentalists or women or the struggle for democracy or social justice, or asserting community identities (ethnic or religious). The status of these movements, their patterns of organization or non-organization, their methods of expression (in some cases purely declamatory, in others acting through the channels of political life such as parties and elections, and sometimes resorting to violence terrorist or other) vary from one country to the next and often from one moment to the next. Extreme instability is therefore a characteristic of this new political life. The way in which these demands and movements combine with a radical critique (i.e. of actually existing capitalism), or fit into globalized neoliberal management, deserves to be discussed in concrete terms. Some of these movements are or can be part of a conscious and organized refusal of the societal project of dominant powers; others, on the contrary, are not interested in fighting this project.

Dominant powers know how to make this distinction and do in fact make it. Manipulation or overt or concealed support for some, determined opposition to others, such is the rule in these new, chaotic and agitated political life. The left must also make its own analyses and remember them in defining its strategies for mobilization and action.

One of the major themes of the neoliberal offensive out by dominant powers is an all-encompassing anti state ideology.

We have already noted that this offensive serves the private interests of large corporations seeking to free themselves from possible government intervention, because the government might be responsive to interests other than theirs.

However, this does not mean that the world could really functions as a pure market, without governments. Large corporations themselves, and capital in general, need a government able, at the very least, to act as a police officer. The functions of this police officer, at the national and world levels, vary according to the situation.

In the countries of the periphery in the widest sense integrated and dynamic peripheries of Asia and Latin America, potential new peripheries of Eastern Europe, marginalized peripheries of the African and Islamic worlds - the useful police officer function excludes any serious attempt at democracy. Here, the theme of democracy is cynically invoked to shoot down an adversary (socialist or populist), but is never invoked against an ally or an agent. In this area, the double standard prevails. At times, however, the violence of the political crisis is such that it imposes an appearance of democracy of the type I have referred to as "little, low- intensity democracy", pseudopluralist and pseudo-electoral, as a way of managing the "transition". The era of dictatorships and authoritarian regimes, whether military, theocratic or other, is far from ended.

In developed capitalist countries the conflict between the aspirations of popular majorities and the results produced by current policies, the helplessness of states to deal with the forces unleashed by globalization (a helplessness that is accepted and even willed by the classes that dominate the state) and frighteningly effective forms of media manipulation have produced a genuine crisis affecting the idea and practice of democracy.

Generally speaking, then, actually existing contemporary capitalism works within a system of "low intensity democracy". Postmodernist ideology seeks to justify this situation by denigrating major struggles over fundamental choices and choosing instead to laud the management of daily life at ground level. The proliferation of NGOs is to a large extent an answer to this strategy of depoliticization of the peoples of the world. Far from constituting the basic structure of a powerful civil society emerging to face the state, these reorganizations accompany the management of society by the dominant forces of capital. A strong civil society goes hand in had with extensive politicization, living and active class organizations (parties, trade unions and others), and a state that is strong because it is genuinely democratic. A weak state is the best vehicle for the weakening of democracy and civil society.

This management system cannot do without police officers capable of acting at the global level. In this respect, all dominant forces accept that the United States (i.e. American military forces equipped with remote-controlled weapons of mass destruction) shall fulfill this function. There is no conflict between globalization as it is proposed by these dominant forces of capital and American hegemony. Neither Japan, the European Community nor any of the countries that make up the Community have any real ambition to reduce this power, even if at times, in some European countries, there is a feeling that "it would be nice if things were otherwise". The anti-state discourse is aimed at all states, except the United States in its hegemonic political and military functions.

There is an overall political strategy of global management. This strategy is carried out by the United States and supported by the Triad. This point is certainly the object of controversies and contradictory analyses that need to be discussed. The debate should not be avoided under the pretext that the idea that our opponent has a coherent strategy is a return to some kind of stale "conspiracy theory". There is no conspiracy, but the adversary does have a general strategy.

In my opinion, the global of this strategy is to maximize the fragmentation of potential antisystemic forces by supporting the break-up of state forms of social organization. Let us have as many Slovenias and Chechenyas as possible! The use or indeed the manipulation of identitary demands is highly appreciated in this context.

The issue of community identity and specificity-ethnic, religious or other - is therefore one of the central issues that must be debated with the greatest possible seriousness and sense of responsibility, especially given the fact that in this area, situations as well as ideological and political positions are highly variable. Generalization is a major pitfall that we must try to avoid.

The basis democratic principle implying genuine respect for diversity, whether national, ethnic, religious, cultural or ideological, must be fully respected. Diversity cannot be managed in any other way than through the sincere practice of democracy. Otherwise, it is doomed to become a weapon that the adversary can use or even manipulate for his own purposes.

Historically, left-wing, forces have often been deficient in this area - though not always, of course, and not to the extent than is often asserted today. One example among others is Tito's Yugoslavia, which was practically a model of coexistence of nationalities on a genuinely equal footing. Romania, on the other hand, is a different story! In the Third World of the Bandung era, national liberation movements often succeeded in uniting different ethnic and religious communities against the imperialist enemy, and the first generation of ruling classes in African states was often genuinely transethnic. Rare, however, were the powers capable of managing this diversity democratically and maintaining achievements, when there were any. The weakness of their democratic propensities produced results as regrettable as their management of the other problems faced by their societies. Powerless to deal with the crisis when it came, the ruling classes resorted to desperate expedients and often played a key part in encouraging retreat into community as a way of prolonging their "control" over the masses.

However, even in many authentic bourgeois democracies (and even if there are no others, that is no reason for not trying to make democracy advance) in which the fundamental freedoms are respected, community diversity has certainly not always been appropriately handled. Canada, Great Britain in Ireland, racism against black people in the democratic United States (or in Brazil, which is not very democratic, the treatment of native people in Latin America (also generally not very democratic), provide a number of examples just as well as undemocratic regimes like those of the former USSR. Many other example might be invoked. Therefore, we cannot neglect these very real problems or ignore the rights of oppressed peoples, even if the degree of oppression varies. We cannot do otherwise than support perfectly legitimate aspirations to respect for diversity which actually existing systems fail to honour.

A serious debate on the issue of specificity and the culturalist ideology is therefore necessary. In my opinion (which many do not share), the success of culturalism is proportional to the deficiencies of democratic management of diversity. By culturalism I mean the assertion that these differences are "paramount" and should be given "priority" (over class differences, for example); they are sometimes even considered "transhistorical", i.e., founded on historical invariants (this is often the case of religious culturalisms, which they easily slide towards obscurantism and fanaticism).

In order to see more clearly in the jungle of identitary claims, I submit for discussion a criterion that strikes me as essential. Progressive movements are those whose demands combine with the struggle against social exploitation and for the extension of democracy in all dimensions. In our current phase, progressive movements are therefore, those that help open people's eyes to the reality of the societal project of globalized neoliberal management, i.e., those that clearly refuse to support, tolerate or ignore the objectives of ubridled capitalist globalization, the subjection of workers and peoples, "low intensity" democratic management, support to authoritarian but docile regimes, etc. On the other hand, movements that claim to be "without a social program" (arguing that it is unimportant) or"not hostile to globalization" (equally unimportant of course!) - let alone the ones asserting that democracy (accused of being "Western") is foreign to them - are frankly reactionary, practically Fascist movements that perfectly serve the interests of dominant capital. Dominant capital, moreover, is aware of this and supports these movements, even as the media take advantage of their barbaric content to denounce the peoples who are their victims. These movements are used and in some cases even manipulated.

In conclusion, I will revert here to the scenarios for the future that follow from the basic assumptions of the deployment of capital's project for globalized domination.

On the basis of what has been said above, multiple variations of the one big scenario are possible, e.g.:

(i) European variations: German Europe? with or without the euro? Latin-Americanization of Eastern Europe? Break-up (or downplaying) of the European Community? etc.

(ii) East Asian variations: Regional Asia-Pacific integration around Japan and the United States? Regional integration of Eastern Asia, minus Japan around China? Break-up of China? etc.

The "big" project, in any case, is already formulated in terms of neo-imperialist regionalizations (along the lines of "sharing the burden"), defining geostrategic Southern spaces behind each of the powers constituting the Triad:

i) USA/Canada/Latin America (definition of this space has begun with the integration of Mexico through NAFTA).

ii) USA/Israel/oil-producing countries of the Persian Gulf/Arab Mashrek.

iii) European Community/Maghreb/sub-Saharan Africa.

iv) European Community (or Germany)/Eastern Europe, or, alternatively, Germany/USA/Eastern Europe/former USSR.

v) Japan/ASEAN or Japan/USA/Asia-Pacific.

Here also, two observations probably deserve further discussion:

(i) Is the neo-imperialist project compatible with the emergence of about fifteen regional and subregional poles enjoying "privileges" in their region, but continuing to act as faithful relays under "open" gloablisation? Germany and Japan, America's brilliant seconds in command, immediately spring to mind. Others include Brazil in South America, Israel in the Middle East, South Africa in southern Africa, Turkey (and/or Iran) in western central Asia and Korea in eastern Asia; they are supported by second-rank regional powers such as Egypt, Nigeria, Kenya, Pakistan and Malaysia.

(ii) Is it possible for some of the subregional poles to "rebel" and extend their autonomy in conflict with globalisation/American hegemony? On what conditions? Brazil and the Mercosur initiative, for instance, might provide an example if Mercosur were to increase its distance from liberal dogmas.

In this general context, it is easy to imagine a new stage of capitalist expansion, based on the accelerated growth of active peripheries (China, East Asia, India, Latin America) and a renewal of growth in Eastern Europe, the former USSR and the European Community, while the marginalized

African and Islamic world is left to its convulsions. Intensified exchanges between the world's various dynamic regions would certainly support this project. However, in my view (which is not necessarily share by all), the further we go in this direction, the more exchanges between the regions in question will intensify and the more the new polarization founded on the Triad's five monopolies will increase. In this perspective the disparities between regional levels of development would not decrease; on the contrary, the distance between the centres and the new periphery would widen.

There will be no lack of spoilsports to disrupt the deployment of the scenario in its diverse forms. For example:

(i) A renewal of class struggles is foreseeable and already visible (France, 1995, Korea, January 19997...). The movement will spread and progressively erode the power of dominant capital's offensive. It may thus prepare the conditions for the emergence of the alternative that we will be considering in the fourth section of this document.

(ii) The ruling classes and hegemonic blocs of certain countries may also act to inflect the model in a direction more favourable to them, thus enlarging their margin of autonomy. I am thinking firstly of China - especially if the social solidarity which endows its project with a marked national character should be reinforced by the intervention of currently excluded popular forces - but also of Korea, India and Brazil. There are probably other countries where this kind of evolution is possible.

Outline of an alternative: An Economy Serving the People

Any alternative that is going to embody respect for the interests of workers and peoples must inevitably start with the reinforcement, through their struggles, of their power in their national societies.

In the absence of such developments, discourse on alternatives remain pious hopes, academic exercises and wishes entertained by intellectuals. "Pleas" based on "reason" or general interest, addressed to existing powers, will never have any effect, because the policies carried out by these powers are sufficiently rational and efficient from the point of view of the social interests they defend. The results they produce (unemployment, inequalities, exclusion) are their true objectives, while the rhetoric of politicians who deplore them are pure hypocrisy. Nor can we rely on the spontaneity of struggles in hopes that they will invent a coherent alternative of themselves.

A profoundly responsible discussion of the lineaments of an alternative is therefore, and will remain, indispensable for all analysts and actors of social change. Fortunately, debates of this type are numerous and often rich. However, they usually take place within a country or a region (Europe, Latin America, Arab world, Africa, etc.), and for this reason the global dimension of problems and solutions if often missing. Other debates often present the opposite flaw: world problems are not related to national problems, which are ignored or simplified.

We must reject the idea, which there is currently an attempt to impose on public opinion, that globalization is a take-it-or leave-it proposition - take it as it is, in its unbridled form designed to answer the needs of large corporations, or leave it and choose confinement in some autarkic absurdity.

Globalization, like everything else, can be embodied in many possible alternatives defined by the balance (or lack of balance) in the relationships between nations at any given moment, and, behind them, the specific internal social relations of these nations.

Just as the reinforcement of the popular classes is an absolutely necessary condition for the emergence of alternatives at the national level, the reinforcement of peoples at the peripheries (active and marginalized) is essential within the world system. How can this be achieved? Certainly not through "humanitarian" rhetoric (or interventions), nor through "cooperation" as it is developed even in the most well-intentioned circles.

In this case, as in internal matters, we are dealing with power relationships that can be modified only by the parties involved, i.e. the countries of the peripheries, whether active or marginalized. I am suggesting that emphasis should be put on giving priority to the construction of large regional groups. However, these zones must not be defined as they are in the neoimperialist project (as zones of specific responsibility for each member of the Triad, i.e., as vehicles for unbridled globalization), but, on the contrary, as blocs of resistance to globalization, capable of forcing the renegotiation of North/South relationships. Obviously, we are all thinking of the Latin American, African, Arab, South-East Asian blocs, for no single country in these regions has enough weight to modify the heavy constraints imposed it by unbridled globalization. The only exceptions are continent/countries: China, India, and perhaps Brazil or Russia. The regionalization I am suggesting seems to me the only reasonable and effective way of opposing the polarizing effects of the Triad's five monopolies. Specifically on the basis of these five monopolies, it would be possible to define the essential orientations of the regionalization projects I am suggesting, i.e. the priorities that the projects ought to serve.

Of course, the transformations of the international order I am advocating will become feasible only if, and to the extent that, the nature of power is itself transformed in the countries of the periphery as popular, national and democratic hegemonic blocs replace dominant comprador blocs.

At that point, it will be possible to look again at the major issues related to the world order in order to propose orientations and objectives for major negotiations that could organize a controlled interdependence, designed to serve the peoples of the world, on the following major issues at least:

(i)Renegotiation of "market shares" and the rules of access to them. This project of course, challenges the rules of the WTO, which, behind the rhetoric of "fair competition", is exclusively occupied with defending the privileges of oligopolies active at the world level.

(ii) Renegotiation of the systems of capital markets, in order to end the domination of financial speculation operations and channel investment towards productive activities in the North and South. This project challenges the functions, and perhaps even the existence, of the so-called World Bank (it is actually the Northern, and specifically the American Bank for the South).

(iii) Renegotiation of monetary systems in order to set up regional arrangements and system ensuring the relative stability of exchange rates and organizing their interdependence. This project challenges the IMF, the dollar standard and the principle of free and floating exchange rates.

(iv) The beginning of a worldwide taxation system, involving, for instance, the taxation of rents derived from the exploitation of natural resources and their redistribution throughout the world according to appropriate criteria and for appropriate purposes.

(v) The demilitarization of the planet, beginning with the reduction of the most powerful forces of mass destruction.

(vi) The democratization of the UN through the creation of a second Assembly more representative of popular social forces within member countries.

Considered as a whole, the proposals outlined in the previous paragraphs embody a kind of program for building economies that serve the peoples of the world.

Would this be a capitalist or a socialist economy? It is important to debate this point. My perception is that it would associate elements of both in an undeniably conflictual relationship, imposing a compromise at this stage between the assumptions of capitalism and those that are independent of capitalism (and that one may, if one so desires, describe as antisystemic). This is a stage in the long transition from world capitalism to world socialism.

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The early Asian reactions to the European colonial advances

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The reactions of the Asians, or rather, of different Asian population groups or individuals to the arrival of the Portuguese in the Indian Ocean regions reflected the social, economic and political realities of the times, regions and particular societies or individuals. Hence, it is not easy to draw a still picture of these reactions as valid for changing times and circumstances. Considering the fact that my research has been mostly on the Portuguese in India, it is but obvious that I can speak with greater confidence of the early Indian response to the Portuguese. References to the rest of Asia, or to the native responses to the other European colonial powers will not be entirely ignored, but I would prefer to leave it to others better qualified to handle them.

Incidentally, the Portuguese enterprise in Asia included numerous individuals and groups of other European nationalities, particularly Italians, Flemish and Germans. While the former groups were more commercially motivated, the Germans like Fuggers acted as big financiers of the Portuguese trade, but many less celebrated figures were the mainstay of the Portuguese defence needs in Asia as gunners of their fleets and fortifications.[1] The Portuguese missionary enterprise in Asia was equally a multinational effort. To take the case of the Jesuits who were in the forefront till the suppression of the Society of Jesus in the mid 18th century, nearly half of their membership in Asia came from the non-Portuguese nations of Europe, and included Italians, Spaniards, Germans, Belgians, Austrians, Poles, Englishmen, Frenchmen, and even Croats.[2] In reality, Francis Xavier, Alessandro Valignano, Matteo Ricci, De Nobili, are the better-known Jesuit celebrities of the Portuguese *Padroado* in Asia, and they were not Portuguese. The native response to the Europeans and to the Western brand of Christianity was a prime concern to each of them, and they

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[1] Luís de Albuquerque & José Pereira da Costa, "Cartas de 'Serviços' da Índia (1500-1550), *Mare Liberum,* Vol. I, Lisboa, CNCDP, 1990, pp. 365-366: In a letter dated 21-11-1545, the 'condestabre mor' of Portuguese India was reporting to the home government that he faced a crisis situation in finding gunners for the fleets and fortifications. While the fleet requirement was of 200 gunners, he could hardly find 130. He manifests the need of having at least 40 to 50 German gunners with good experience and trusted service, and asks for gunners to be sent from Portugal. Laments that from Portugal have been arriving only tailors and cobblers.

[2] Dauril Alden, *The Making of an Elite Enterprise: The Jesuits in the Portuguese Assistancy, 16th to 18th Centuries.* Univ. of Minnesota, 1992; Nikica Talan, "A Note on Croatia in Portuguese Indies", *Santa Barbara Portuguese Studies,* Vol. II, 1995, pp. 204-212. Refers to Croatian mercenaries. I was informed that some years ago the Croatian Academy of Letters has published letters written by a Croatian Jesuit in Goa to his family members.

contributed significantly to mitigate the cultural one-sidedness of the European missionaries.[3]

The reactions of the Asians to the Portuguese appear to have had a marked distinction due to their systematic tendency to interfere in the culture of the local people by means of conversion and miscegenation drives. In places where the Portuguese military presence was strong, as was the case of Goa and various other settlements along the west coast of India, the natives could hardly remain indifferent to the Portuguese. While a large section of the population had to fall in line, willingly or with varying degrees of resignation, with the Portuguese colonial and cultural impositions that were enforced through European religious structures and Inquisition procedures, there were also significant migrations of the more unbending types. A Jesuit visitor who travelled through Kanara in the 17th century, calculated in 30,000 the Goans, chiefly Hindus, who migrated thither to escape the religious and other pressures. It was among these communities of Goans that appeared the proverbial Konkani saying "*Goeant firangi na mhunno hhoim?* " (Who dare say that the Portuguese are not in Goa?) , a rhetorical way of asserting the futility of resistance of those who had stayed behind. [4] However, despite such lamentations of futility by those who migrated to distant places, expressions of resistance within Goa was never fully absent, and the Hindu community utilized its economic clout to vindicate and safeguard its heritage and traditional interests.[5]

Even among the converted, the colonial hopes of winning over the new converts for the cause of the colonialists were not always realized. The colonial superiority complex and the ethnic conflicts held often the upper hand and contributed to brewing discontent among the converted native correligionaries. The cases of Matheus de Castro in the seventeenth century, and the Pinto Conspiracy in the mid-nineteenth century are the better known illustrations of this, but an on-going resentment of the natives who felt themselves taken for granted for being Christians can be detected in the existing Portuguese documentation from the sixteenth century onwards, containing protests of the natives against their exploitation and ill-treatment, not only at the hands of the lay Portuguese or half-breeds, but even by their European parish priests and their few privileged native collaborators.[6] Curiously, the native priests were the most disenchanted and led the protest and revolutionary movements against the Europeans,

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[3] Teotonio R. de Souza, "The Christian Missions in the aftermath of Discoveries: Tools for shaping the colonial other", *Discoveries, Missionary Expansion and Asian Cultures,* ed. Teotonio R. de Souza, New Delhi (Concept Publ. Co.), 1994, p. 40-41.

[4] Teotonio R. de Souza, " The Portuguese in Goan Folklore", *Goa and Portugal: Their Cultural Links,* ed. Charles J. Borges & Helmut Feldmann, New Delhi (Concept Publ. Co.), 1997, p. 187.

[5] Teotonio R. de Souza, *Medieval Goa,* New Delhi (Concept Publ. Co.), 1979, pp. 116-118.

[6] *Ibid.*, p. 119. National Archives of Lisbon: *Monções 56*: fls. 285 ff.
This is a very lengthy transcription of the complaints of the sworn villagers in Jafnapatam against the various types of oppression they suffered at the hands of the Jesuit and Franciscan parish-priests. Some of the grievances are about their children being forced to water and manure the gardens of the parish house under pretext of attending catechism classes, about the adults pressed into keeping night-watch over the parish plantations, about private detention cells of the parish priests, and the physical punishments to which the natives were subjected there. The inquiry was conducted by the Captain of the Fort of Jafnapatam on the instructions of the viceroy D. Filipe Mascarenhas in 1645.

not only in Goa, but also in Philippines, [7] and in Japan, where several native members of the Society of Jesus left the order for not being promoted to priesthood. One of them, Fabian Fukansai, published an anti-Jesuit tract in 1620, denouncing the pride and arrogance of the European missionaries and their contempt for the Japanese colleagues. It may have helped to enhance the ill-feelings that led to the decisive persecution and expulsion of the Jesuits and the Portuguese from Japan in the wake of Shimabara rebellion.. [8]

While utilizing the European sources, we need to bear in mind their concerns and concepts of resistance and collaboration. Resistance is often tantamount to an anticipated fear, and collaboration could be a wishful thinking. Hence, these phenomena may be untrue or misrepresentations from the native point of view. There are plentiful references in the missionary accounts to the "devil at work", meaning native resistance to the missionary efforts. A deeper analysis of the socio-economic context often reveals that the native resistance is to the new social and economic interests that they saw lurking behind the missionary front.[9] Sanjay Subrahmanyam's treatment of Vasco da Gama has analyzed the reported instances of collaboration of Abraham Zacuto and Ibn Majid as appropriations of symbols of Asian wisdom and science as a way of gaining legitimization for the national venture in the eyes of the other peoples, somewhat along the lines of the Magi from the East tracing the star of Bethlehem of the Christian messianism .[10]

But certainly not all cases of resistance and collaboration were only imagined. Should I say that at times even the nature seemed to be cooperating with the new European colonialists? This too can have its legendary aspect and be put to serve partisan politics, but we need to look for the scientific credentials, if any. I wish to cite the fact of Vasco da Gama's first arrival on Malabar coast at a time of the year when staying in the Indian Ocean during the three months of the monsoons could only be a dare-devil performance. Was it the superior Portuguese navigational knowledge, or had monsoons failed that year? If we add nine days to convert the calendar of diarist of Vasco da Gama's first voyage from Julian into Gregorian, Vasco da Gama could not have escaped the fury of the monsoons almost from the start.[11]

I am given to understand that according to recent investigations of a Goa-based scientist of the Indian Institute of Oceanography there exist three pockets of the Kerala coast, unique in the whole world, and which house much muck in suspension during the monsoons, reducing the turbulent impact of the seasonal winds on the sea. It was not without reason that he was advised by the local people to put his ships into Pantalayini, or Pandarane of the Arabs and the Chinese navigating in the Indian waters. They had discovered this phenomenon centuries before the arrival of Vasco

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[7] Sr. Mary John Mananzan, "The Spanish expansion and Christianity in Asia", *Western Colonialism in Asia and Christianity,* ed. M.D.David, Bombay, 1988, pp. 30-36; John N. Schumacher, *Revolutionary Clergy,* Quezon City, Ateneo de Manila Univ. Press, 1981.

[8] Charles Boxer, *The Christian Century in Japan,* Manchester, Carcanet Press, 1994, pp. 337-338.

[9] Teotonio R. de Souza, "Why Cuncolim Martyrs? An historical re-assessment", *Jesuits in India: In historical perspective*, ed. Teotonio R. de Souza & Charles J. Borges, Macau (ICM), 1992, pp. 37-47.

[10] S.Subrahmanyam, *The career and legend of Vasco da Gama,* Cambridge Univ. Press, 1987, pp. 62, 121 ff.

[11] E. G. Ravenstein, *A Journal of the First Voyage of Vasco da Gama,* New Delhi, AES Reprint, 1995,

da Gama. What matters for our purpose here, is the fact that Vasco da Gama did not fail to receive local advice and he did not fail entirely to accept it. I say entirely, because the diarist of his voyage reveals that with their customary suspicion of the local advice, the Portuguese anchored only near that place at first. [12]

If King Manuel of Portugal was seeking allies among the St. Thomas Christians of India, his expectations were not entirely unfounded, and the fact that the relations soured with the Jesuit heavy handed functioning and the politics of Portugal under John III, which led to the crisis of the Synod of Diamper at the close of the sixteenth century and its troubled aftermath, there are enough indications that the initial response of the St. Thomas Christians to the arrival of the Portuguese was one of hope to recover their own dwindling economic and political importance in Malabar. The earliest written testimony is a letter in Syrian language sent by the local church authorities to their Catholicos in East Mesopotamia. [13] On the occasion of the second "bloody" visit of Vasco da Gama to India, when he threatened all and sundry, friends and foes, he was approached by a delegation of St. Thomas Christians, willing to pay obeisance to the King of Portugal.[14]

The scenario in Goa was not very different. We have the figure of Timmayya, to whom is attributed the initiative of suggesting to Afonso de Albuquerque the conquest of Goa with his military assistance. He may have had his own personal scores to settle and political ambitions that the cherished. According to Tomé Pires Goa had a large hindu population, and many among them were of a high social and economic status. [15] There are suggestions in the Portuguese documentation that Timmayya belonged to a lower caste, and that his collaboration could be motivated by intention of rising socially. He became inconvenient to the Portuguese at a later stage, but initially, as described by the Portuguese chronicler João de Barros, when "Afonso de

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[12] S. Subrahmanyam, *Op. cit.,*, p. 130. Ravenstein, *op. cit.*,p. 50.

[13] Luís Filipe F. R. Tomaz, *A Carta que mandaram os padres da India, da China e da Magna China -- Um relato siríaco da chegada dos Portugueses ao Maabar e seu primeiro encontro com a hierarquia cristã local.* Offpint of the Centro de Estudos de História e de Cartografia Antiga, No. 224, Lisboa, 1992. Povides very useful and detailed explanatory notes. My translation is based on his Portuguese translation of the Syrian and Latin versions. Here is a summarised translation: The letter dated 1503-1504 informs among other news: "We are pleased to inform our Fathers that a king from the Western christians, our Frangi brethren, have sent powerful ships to these parts of India, and they reached after crossing the seas during a whole year... After acquring peper and other goods they returned to their land. They opened a new route and learnt it well. Six months later the same king -- may God keep him--sent another batch of six ships to Calicut. This city is full of Ismahili muslims, who were furious at this interference of christians. Instigated by them the pagan ruler of Calicut ordered the Frangis in the city to be killed. There were seventy of them, and five priests. The others aboard their ships escaped and sought refuge with our Christians at Cochin. Also the king of Chochin provided them comfort and vowed to protect them with steadfastness. In the meantime arrived more ships of the Frangis and they dealt fiercely with the ruler of Calicut and killed many of his supporters. The Frangis have established a fort at Cochin and placed three hundred men in it with weapons to launch stones and fire balls. In further encounters with the men of Calicut, the Frangis destroyed three thousand of them. The Frangis sought also alliance of Cananore, and here too they were welcomed and given place to set up a base.... Their country is known as Portugal. and their king Emanuel."

[14] A. M. Mundadan, *History of Christianity in India, I,* Bangalore: CHAI, 1989, pp. 269 ff.; Sanjay Subrahmanyam, *The career and legend of Vasco da Gama,* Cambridge Univ. Press, 1997, pp. 218-219.

[15] Armando Cortesão, ed. *A Suma Oriental de Tomé Pires e o Livro de Francisco Rodrigues,* Coimbra, 1978, p. 216.

Albuquerque heard Timmayya, he was all ears, and could not believe he was hearing a gentile, but took him rather as a messenger of the Holy Spirit". [16]

In the face of the Bijapuri resistance to the conquest of Goa, the Portuguese played the card of protecting the interests of the disaffected local Hindu populations. The same Portuguese chronicler narrates how the Goan Hindus took active part in the defense of the territory and even accompanied Albuquerque in his naval sorties. There were others who revealed the Goan love for music by playing Portuguese tunes in Albuquerque's military band.[17] And there was no lack of women who fell for the Portuguese men and married them, while others merely satisfied their biological needs.[18] A contemporary Portuguese writer Tomé Pires, who wrote a detailed manual of strategic information about the places, people, customs and commerce of the Indian Ocean region , does not fail to mention the Goan women who dressed exquisitely and danced well.[19] We have the published receipts of the payments sanctioned by Afonso de Albuquerque, and these include references to rewards issued to the Goan Hindus who were vying with each other to bring more chopped heads of their former Muslim masters. Several of these local collaborators, wounded in these exercises, received compensation from the Portuguese.[20]

If, literally, thousands of P*aravas* of the fishery coast sought Portuguese military protection and accepted the Christianity and became *Colambucos* [21], early in the sixteenth century and later, it was entirely due to the fact that they saw in the Portuguese a potential ally that could enable them to survive as a community against the Muslim oppression. It was a complex socio-economic scenario, in which the Muslims of Kayalpatnam and Kilakkarai resisted the Portuguese assaults owing to support of Calicut. The interior based local ruler Martanda Varman got involved because of his war need for elephants and horses. In the wake of declining Pandya fortunes, he had captured Kayalpatnam. His interests too had got jerked with the new shape of the struggle in the area following the arrival of the Portuguese. Rulers in

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[16] João de Barros, *Décadas da Asia,* Ed. Liv. Sam Carlos, Lisboa, 1973, II, p. 429.

[17] A. B. de Bragança Pereira, *Arquivo Português Oriental,* T.IV, Vol. I, P. 1, Bastorá (Goa), 1937, pp. 843-44: Ten goans played trumpets, *tabaques, sestros,* and drums.

[18] *Ibid.*, Pay to *bailarinas, meretrizes*, pp. 524, 736. Cf. *Cartas de Afonso de Albuquerque,* ed. A. Bulhão pato, Lisboa, 1942, p. 40: Afonso de Albuequerque was writing to his king that the Indian women, the hard work and the hot climate of the region had a terrible effect on his men. He was promoting their marriages with great enthusiasm and reported success. But he also complained that many were getting easily bored of sleeping with their newly converted consorts, and sought hindu partners.

[19] Tomé Pires, *A Suma Oriental,* p. 217: *Molheres de Goa são jeitosas no vestir e as que dançam e volteam o fazem com melhor maneira que todas as destas partes.*

[20] *Ibid.* , pp. 407-26, 461-66, 525, 554, 595, 886, 910. The names of some are mentioned as Balaji Naik, Madhva Rau, Gopam Naik, Nage Naik, Yojna, Malogi, Damu Naik, Dagu Naik, Krishna, etc. Some of these had other locals in their service, inlcuding some who acted as Portuguese spies against Bijapur.

[21] *Pukkutha venumo?* Do you want to enter the caste (of the Farangis)?(*kullam* + *Pukkas* = caste + enter) This was the question asked of the candidates for Baptism. De Nobili opposed this approached? Cf. ARSJ: *Goa* 66, fls. 80-119. Describes the efforts of the Jesuits to protect the local christians in the "Ilha dos Reis" against the attacks of the hindu ruler of Tuticorin during the first decade of the 17th century. The island is now part of the harbour.

Ceylon and elsewhere in the East also saw opportunities and threats with this evolution. [22]

The complexity of the issues was not limited to Portuguese vis-à-vis the natives. The European religious orders, like the Jesuits and the Franciscans in South India (and it happened with other religious groups elsewhere in the East, including China and Japan) were quite often at loggerheads. The Jesuits were accusing the Franciscan Bishop of Cochin of seeking to place his subjects as vicars in the churches of the Fishery coast. The Franciscan Bishop of Cochin was reluctant to recognize the Jesuit Francis Ros as bishop of Cranganor in 1607. The two reached almost a war situation with threats of a violent conflict over the control of the Fishery coast. The Franciscans had a more friendly and accommodating approach in their dealings with the local Christianity, while the Jesuit mood is reflected by Gaspar Fernandes, a Jesuit writing from India in 1618: "The archdeacon is a terrible Keralite (malabar) by nature, very discreet, and knows how to do get his way, with little fear of God and less scruples of conscience". [23] The Jesuits denounced the Franciscan Bishop of wanting to appoint "a black priest" (*um clérigo preto*) as Father of Christians" (*Pai dos Cristãos*).[24]

The Jesuits as usual got the better of the situation by representing to the Portuguese authorities in Lisbon that divisions among Christian *Paravas* were harming the strategic State interests. The Jesuits had congregated several thousands of them in an island called the island of the Kings (today part of Tuticorin port?) to protect them against the persecutions moved by the ruler of Tuticorin and the Muslim entrepreneurs. The protection and unity of the *Paravas* was considered essential for the Portuguese trade and presence in the region. They were potential allies in war, just as D. Manuel had envisaged in the case of St. Thomas Christians when he sent Vasco da Gama in search of Christians and spices. The *Paravas* did actually contribute substantially with cash and services for the construction of the Mannar fort and supplied regularly foodstuffs to Malacca.[25] The Portuguese control of the Kanara ports, specially Bhatkal and Mangalore, on which Calicut depended for rice supplies, had further weakened Calicut's resistance. And the progressive squeezing of Calicut

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[22] Jorge Manuel Flores, "The Straits of Ceylon, 1524-1539: The Portuguese-Mapilla Struggle over a Strategic Area", *Santa Barbara Portuguese Studies,* Vol. II, 1995, pp. 57-74. It was not so much the pearl fishery that was important for the Portuguese, but the control of the Gulf of Mannar and safe access to the cinnamon of Ceylon, breaking the Mappilla monopoly over it. In Ceylon the Portuguese had gained the cooperation of the ruler of Kotte, Bhuvaneka Bahu, but had to face the hostility of Mayadune, the ruler of Sitawaka. Control of the Gulf of Mannar permitted the Portuguese to control the supply of rice from the Choromandel coast to Ceylon as a strategic weapon and guarantee of cinnamon in exchange. The Portuguese trade between Malacca and Malabar also required control of the Fishery coast. The Porruguese casados of Cochin had their own interest in the trade between Kerala and Choromandel. The Mappilla Marakkars of Calicut had been playing havoc with their *padaus* in the Choromandel waters in the first half of the sixteenth century.

[23] "O arcediago é terribilíssimo Malavar por natureza, mui dissimulado, e que sabe fazer suas coisas, como pouco temor a Deus e menos escrúpulos de consciência" (ARSJ: *Goa 17,* fl. 235).

[24] ARSJ: *Goa 64, fl. 185.* Cf. J. Wicki, *O livro do Pai dos Cristãos,* Lisboa, 1969: This was a State functionary, generally chosen among the Religious Orders, to look after the spiritual and temporal interests of the new converts.

[25] ARSJ: *Goa 64, fls. 48-56, 141, 146-147.* Goa Historical Archives: *Monções 26 B, fls. 468-469*: Jesuit stand and control vindicated by the State authorities as important for the State interests on the Fishery coast.

and its Moplah trade by the end of 1530s could enable Francis Xavier's feat of massive conversions of the *Paravas*.

The friendly relations of the ruler of Cochin (Kochi) with the Portuguese at a time when these were direly in need of them, is another historic example of politics of convenience. Cochin had discovered the political advantages that would accrue to it by diverting the Portuguese away from Calicut. Later, following the collapse of Vijayanagar, the pretensions of the ruler of Travancor (Venad) to assume the title of "Perumal" and its interest in wresting the control of Quilon from the Portuguese, also served Cochin to make a common cause with the Portuguese. It is important to know however that the politics of convenience was always more complex than it appeared, and the Portuguese settlers in Cochin were often in collusion with the raja of Cochin, to the detriment of the State interests of the Portuguese.[26]

An important factor that called for concessions and reluctant accommodation of the Muslim rulers of India and the Indian Ocean region, was the need of safeguarding the *hajj* pilgrims to Mecca. The Portuguese chronicler João de Barros described the general Muslim reaction to the arrival of the Portuguese in the Indian Ocean: "These kings and princes, as the merchants through whose hands ran the commerce of spices and oriental riches, seeing that with our arrival in India, in the brief space of five years , we had taken control of the navigation of those seas, and they had lost the commerce which they had dominated for so many years, and especially we were an insult to their House of Mecca, since already we had reached the gates of the Red Sea, seizing their pilgrims, all of these things were so serious for them and so sorrowful, that not only those directly offended, but all of them in general so hated us that they each in their own way sought our destruction".[27] A brother of Zain-ud-din, author of the famous *Tohfut-ul-Mujahideen,* wrote a long poem from Malabar in the early sixteenth century which noted how the "Portuguese forbade ships to set sail for Mecca, and this was the worst calamity" and they "restricted vessels from sailing on the sea, especially the vessels of the greater and lesser pilgrimage".[28]

The second voyage of Vasco da Gama to India provides a classic example of the Portuguese intransigence: He captured a vessel returning from Mecca with many *hajjis* and some rich merchants of Calicut and their families. Vasco da Gama paid no heed to their plea for a fair deal, and burnt and sunk the vessel. It seemed to be Vasco da Gama's way of avenging the killing of the Portuguese of earlier Cabral's fleet, or even the humiliations to which he had been subjected during his first visit. Sanjay Subrahmanyam has reported this event with much flavour, and without missing an opportunity of launching yet another provocative broadside, in his recent study of Vasco da Gama, to the "third world" moralists of a distinction between the eastern

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[26] João Alberto Rodrigues da Silva Tavim, *O rei que foi em peregrinação a Varanasi. Cartas de Rama Varma, Rajá de Cochim.* Lisboa, GT-CDP, 1997. Sanjay Subrhamanyam, "Cochin in Decline: Myth and Manipulation in the Estado da India", *Portuguese Asia: Aspects in History and Economic History (16th and 17th centuries),* ed. Rothermund & Ptak, Stuttgart, 1987, pp. 58-95.

[27] Barros, *Décadas da Ásia,* I, viii,1. Text translation taken from M.N. Pearson, *Pilgrimage to Mecca: The Indian Experience.*Princeton: Markus Wiener Publications, p. 83.

[28] M.N. Pearson, *op. cit.*, p. 83. Quotes from M.A.Muid Khan, "Indo-Portuguese Struggle for Maritime Supremacy (As gleaned from an unpublished Arabic *Urjuza / Frhul Mubyin*", in P.M. Joshi & M.A. Nayeem, eds. *Foreign Relations of India (From Earliest Times to 1947) -- Prof. H.K. Sherwani Felicitation Volume,* Hyderabad, 1976, pp. 172, 176.

and western ways of reacting to evil. Saradindu Bandhopadhyaya's *Rakta Sandhya* serves his purpose to bring this home to his readers.[29]

The Mughal - Portuguese relations were punctuated by frequent tensions, chiefly in Gujerat due to Portuguese threats to *hajj* shipping from Surat and other ports. We have in the *Summa Oriental* of Tomé Pires a short and clear definition of the Portuguese strategy: "Kingdom without ports is like a house without doors", rhyming "portos" and "portas" in his Portuguese text (*Reino sem portos casa é sem portas*).[30] When Akbar's aunt Gulbadan Begam and some other important ladies of the imperial family left for Mecca in 1576 some serious concessions were made to the Portuguese, but later put in doubt, after the ladies were safely back. The Portuguese had begun seeing the Mughals as their "hidden enemy" behind most threats to their presence in western India.[31]

We need however to balance the above picture of the Portuguese treatment of the Muslim pilgrims and trade. A Jesuit account of the mid-sixteenth century Malacca conveys the impression that the interest in spiritual matters was minimal, and that illicit trade was flourishing: " The Muslims, and even kazis, utilize ships owned by the Portuguese, and on the pretext of being merchants and carrying goods they reside in places where they have converted many to their religion and customs. They are so zealous in this mission, that many arrive from Mecca, Cairo and Constantinople and fan out to most remote regions to expand their creed. In the same boat by which Fr. Baltazar Dias embarked in Bhatkal, 20 leagues away from Goa, also embarked a Muslim with many others in his company, and carrying arms. He was going to Borneo where his companion had converted a large section of the local population, and even the local ruler had become his convert. These Muslims are a terrible pest, and in Siam, a very important kingdom of this region, when these kazis preach, many listen to them with open mouths and shaking their hands, claiming that the breath of those words sanctifies their hearts."[32] This critical and negative report confirms indirectly that in reality, with obvious exceptions and periods of tension, there was accommodation and compromise on either side. The private trade conducted by the Portuguese merchants (clerics not excluded) did not recommend any wanton State action that would disrupt the trade network to the extent of blocking all chances of profitable evasion. The State too would not wish to lose the considerable yield the Portuguese customs derived from the Mecca or Jeddah-bound trade. Occasional rich seizures were generally a way of reminding and enforcing the licensing regulations, and not were not intended to kill the goose that lay golden eggs. [33]

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[29] S. Subrahmanyam, *op. cit.*, pp. 208-209.

[30] *A Summa Oriental*, p. 215.

[31] S. Subrahmanyam, " O 'inimigo encuberto': a expansão mogol no Decão e o Estado da Índia", *Povos e Culturas*, Vol. 5, Lisboa, 1996, pp. 115-168. Cf. Also S.Sanjay Subrahmanyam, "The viceroy assassin: The Portuguese, the Mughals, and the Deccan Poltics", *Santa Barbara Portuguese Studies*, Vol. II, 1995, pp. 162-203.Discusses on the basis of some corrrespondence of the Portuguese viceroy Conde de Vidigueira, his hidden hand in the death of Prince Murad in Adhmadnagar at the close of the 16th century. Despite only suggestive evidence, considers it possible on the grounds of this viceroy's earlier performance in getting rid of a Portuguese renegade who was manufacturing guns for Bijapur.

[32] *Documenta Indica*, Vol. III, ed. J. Wicki, Roma, 1954, pp. 537-38.

[33] M.N. Pearson, *op.cit.*, pp.163-164; M. N. Pearson, *Merchants and Rulers in Gujarat*, New Delhi: Munshiram Manoharlal, 1976, p. 43.

Once in direct contact with the reality of the Asian trade and politics, Afonso de Albuquerque had tried to ensure the Portuguese control of the straits of Hurmuz and Singapore as a way of forcing their way in the Asian trade network on either side of the Indian subcontinent. The immensity of the task and the allurements of quick profits went soon beyond the capacity of Albuquerque to check, and he himself became a political victim of what has been described as "grande soltura", a large-scale Portuguese privateering alongside official efforts, leading at times to unbridled and high-handed behaviour of the adventurer elements. It had become difficult to identify and distinguish the official and the private interests in the Portuguese "shadow empire" to the east of the Bay of Bengal. Possibly, this feature permitted the Portuguese to make the best of either status, but they also paid dearly for this ambiguity through native reactions that did not always care to distinguish the private from the official initiatives. [34]

The Portuguese free-lancers or renegades could be found in most unexpected regions of South East Asia. Several had entered the services of the local rulers as mercenaries in large numbers, as was the case of Siam,[35] Pegu, and Martaban, where their number ran into hundreds. Fernão Mendes Pinto, the author of *Peregrinação*, narrates how he met 700 Portuguese mercenaries in Martaban, where he was sent to allure them back to Malacca at the request of its Portuguese captain tin order to assist in defence against impending Achinese threats. Just then Martaban was besieged by the forces of Burma, and the Portuguese mercenaries had belied the expectations of the ruler of Martaban to fight for him in his desperate plight. Disappointed, he could only lament: "Ah, Portuguese! Portuguese! How badly they have repaid everything I did for them on so many occasions! I thought I had earned the treasure of their friendship and had them as loyal subjects to help me in just an extremity as this!". He still let his Portuguese captain leave Martaban in safety and gave him two bracelets off his own arm , but not without reminding him: " Do not forget to tell all your Portuguese friends how hurt I am by their ingratitude, which I am determined to denounce before God on the day of reckoning and accuse them of criminal behaviour"! [36] But his shock was greater when he saw his Portuguese captain and soldiers in the victory parade of the ruler of Burma. The victorious enemy too was equally shocked and on request of the defeated king drove the Portuguese away, insulting them for their cowardly behaviour and calling on them to shave off their beards to avoid fooling people that they were gentlemen, while they were no better than prostitutes. The author of *Peregrinação* claims to have been there, and confesses that he never felt so ashamed all his life of being Portuguese as he did then.[37]

We could in this context recall briefly the early Chinese reactions to the Portuguese. Describing China, Tomé Pires reports a view of some Portuguese captains who had

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[34] L.F. Thomaz, *De Ceuta a Timor,* Lisboa: Difel, 1994, p. 354; Roderich Ptak, "Piracy along the coasts of Southern India and Ming-China", *As relações entre a Índia Portuguesa, a Ásia do sueste, e o Extremo Oriente*, ed. A. T. de Matos & L. F. Thomaz, Macau-Lisboa, 1993, pp. 255-273.

[35] Maria da Conceição Flores, *Os Portugueses e o Sião no Século XVI,* Lisboa, Imp. Nac.,1994, 104-106.

[36] Fernão Mendes Pinto, *The Peregrination*, trans. Michael Lowery, and Introd. by Dr. Luís Sousa Rebelo, Manchester: Carcanet Press Ltd., 1992, p. 204. There were Portuguese mercenaries fighting for the either side. Cf. Maria Ana Marques Guedes, *Interferência e Integração dos Portugueses na Birmânia, ca. 1580-1630,* Lisboa, Fundação Oriente, 1994, p. 52, n. 15.

[37] *Ibid.*, p.p. 211-12.

been to the region that the Chinese were weaklings, who greatly feared foreign pirate-merchants, and that the governor of Portuguese India who had conquered Malacca, could have taken control of the entire coastal China with ten additional ships.[38] However, it did not take long for Tomé Pires himself to have a first hand taste of the Chinese power and politics. He was chosen to lead the first Portuguese embassy to China in 1516. The embassy faced immense bureaucratic delays and when it reached Peking nearly three years later, the emperor refused to receive it. The Portuguese were given to understand that they had done wrong in conquering Malacca and wanted them to restore it to its legitimate ruler. The Chinese were also unhappy with the violent and arrogant behaviour of the Portuguese who attempted to build a fort in the island of Taman or Lin Tin, hanging of a sailor, and alleged purchase of Chinese children. [39]

The Portuguese embassy on its way out of Peking suffered humiliations, ill-treatment and condemnation to death. Another Portuguese embassy met a similar fate in 1522 and the survivors had to desist. Two letters that are attributed to two members of the first embassy, Cristóvão Vieira and Vasco Calvo seem to repeat the idea of Chinese military weakness in the same terms as did Tomé Pires in the *Summa Oriental,* and they add that the Chinese in Canton are hard pressed by hunger and oppression of their Chinese rulers, and are only waiting for a signal of the Portuguese to revolt. Apparently, it was more of a wishful thinking of the Portuguese captives who wished their own liberation and were obviously suggesting some military operation for their release.[40] We may recall that Francis Xavier had convinced himself that Japan could be converted only by reaching its cultural suzerains in China first. But the difficulties of entry left him dead near Canton, off the Chinese coast, before a Chinese merchants who had been promised a large sum of money could take him secretly to the mainland.[41] It was only in 1582 that the Jesuits could officially enter Chinese imperial court and in its Board of Mathematics and Board of Rites. But not unlike the contemporary case of the Jesuits at the Mughal Court, the long term impact of these high visibility performances need a more careful assessment as Asian responses to the cultural offers of Europe, and more than mere political-strategic gimmicks.

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[38] *A Summa Oriental,* p. 364.
[39] *A Summa Oriental,* Introduction, p. 33.
[40] António de Gouvea, *Asia Extrema,* I, ed. Horácio Araújo, Lisboa, 1997, p. 40.
[41] M. Joseph Costelloe (Trans.), *The Letters and Instructions of Francis Xavier,* Anand: Gujarat Sahitya Prakash, 1993, p. xxiii.

GEOCULTURAL DEVELOPMENT

Alternative development has begun rooted in labour, gender, nature, culture identity and the new generations conforming a citizens ethic and a new global consensus

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It is a privilege to have the opportunity to share accumulated experiences, tragedies and lessons with such an exceptional group, commemorating the 50th anniversary of India Independece and five centuries from India and Latin America and the Caribbean (LAC) "discovery". I would like to contribute the perspective from Central America, a region that held strategic attention on the international agenda in the 80s but today is not on any agenda, even though the causes of its crisis remain unresolved.

The time allowed only permits a telegraphic presentation of three points: 1)the ten fundamental facts or linked phenomena that urgently require evaluation and a plan of action to avoid the explosion of a crisis of civilization that could jeopardize the peace, democracy and the development of humanity we all desire; 2) the dialectics of hope and "inevitability" that define the last years of this century; and 3) the emerging consensus around the alternative development that has already begun.

I. A CHANGE OF EPOCHS MORE THAN AN EPOCH OF CHANGES.

The character, the extent and the velocity of the transformations in the past two decades imply a change of epoch dominated by a **worldwide conservative revolution** which attempts to present the "inevitability" of a homogenous globalization of the world market, based on privatization, competition and liberalization of the economies, under the "clearing house" of the Bretton Woods institutions.

The dominant paradigm has triggered a top-down, elitist *globalization* that concentrates and centralizes wealth, technology and military and political power as never before in the history of Humanity. Parallel to this, poverty and unemployment have grown, excluding huge numbers of people now viewed as **superfluous population**, with greater fragmentation and polarization of societies, both the societies of the 2/3s in the North and those of the 1/3 in the South.

In lock-step with all of this has been the simultaneous world ecological crisis, a product of this development style and this technological revolution. At the same time, the population explosion over the past 30 years in the South has hastened the rhythm of the environmental catastrophe due to the sheer fight for survival of increasingly excluded and impoverished masses.

The development model has forced even indigenous peoples and peasants, who preserved their environment for centuries, to become predators of mother nature so they can survive.

Ten determining facts exemplify and verify the aggravating tendencies of the situation described above, which we call a **crisis of civilization**, not just a crisis of the model of growth.

1) **A Champagne Glass Civilization** (Graphic I), reflecting the antagonistic and asymmetric distribution of income between the top 20% of humanity, which controls 83% of the world's income, and the bottom 20%, which survives on only 1.4%. In other words, more than one billion human beings survive on just $1.00 per day and three billion people on little more than $2.00 per day. This unjust distribution of wealth has tended to grow. The United Nations report on Human Development for 1994 indicates that the gap in the distribution is growing, with the income of the richest 20% increasing from 30 times greater than that of the poorest 20% in 1960 to 61 times greater in 1993 (Graphic II).

2) The **concentration of knowledge** is even greater. The disparity of investment on Research and Development means that it tends to be concentrated more and more in the nations of the North, at a time when the intensity of knowledge is the key to accumulating wealth. This is an era in which *flexible capital*--a product of the revolution in technology, management and electronics--allows power to be centralized and concentrated as never before in history. The metropolises and empires of the past, which were founded on the basis of colonial exploitation, never achieved this level of concentration and centralization of power. Nor did they achieve the abysmal difference between the living standards of the metropolis and the colonies that exists today between a small group of privileged countries in the North and the great majority of nations of the South.

3) The **accelerated growth of super-millionaires**, or billionaires (Table III), those who have more than one thousand million dollars, is also a phenomenon of this change of epoch. The July 1994 issue of *Forbes Magazine,* which analyzes great world fortunes, provides some statistics that are an aberration from an economic perspective and truly scandalous from a Christian one. According to *Forbes*, 358 individuals--we are not speaking of transnational corporations--have accumulated personal capital worth about US$762 billion. In other words, they possess the equivalent of the per-capita income of 45% of the world's population--2.5 billion poor people. The number of billionaires has *increased by 140% between 1987 and 1994.* The nation with the *highest growth rate of billionaires is Mexico*--a country the IMF and World Bank have portrayed as a good example of what neoliberal structural adjustment policies can achieve. It is thus not surprising that the Chiapas indigenous uprising coincides with the explosion of billionaires and also the January 1995 financial crisis, which shows the vulnerability of this kind of structural adjustment and the fragility of growth based on financial speculation. The recent crisis of what has been presented as the "Asian miracle and model" for LAC may be an interesting point for evaluation). Similarly, Law 187 in California against Latin immigrants makes it perfectly clear that NAFTA is only a free market for capital and its products, for the rich but not for normal working people.

4) No dividends have been reaped from the end of the cold war. *Annual military spending in 1993* equaled 49% of humanity's per-capita income, a surprising US$815 billion (Graphic IV), despite the end of the Cold War and a reduction in the world's military budget. Who are these weapons to be used against? Who is the enemy? Somalia? Rwanda? Haiti? We have gone from the Cold War to a war of social and individual insecurity. Private security is also booming both in the north and the in the south, and probably surpassed the 200 billion dollars of reduction in public

military spending. The 200 million weapons in the hands of US citizens indicates that the end of the Cold War has not brought the peace expected to follow the demise of the threat from the "evil empire." We have a planet armed to defend itself from the poor.

5) **Jobless growth** (Graphic V, Va and Vb). Even if we could recover the growth rates of the past, the perspective at a world level is of growth without jobs, in which the GDP and the population grow faster than the generation of new employment. The Champagne Cup Civilization will tend to concentrate more and the gap will expand in both the society of 2/3s and that of 1/3.

The concentration of power and wealth is even reproduced in the United States and the leading transnational corporations, as Chart VI reveals. Job slots are reduced while the managers(CEOs) who work out how to eliminate them increased their average 1.2 millon dollar salaries in 1992 to nearly 2 million in 1993.

6) **The new poverty in the North** (Chart VII) reveals that the growing assymetry, marginalization and exclusion of a good part of the population is a global phenomenon that is on the rise. The North and the South are now not geographic concepts but rather socio-economic-political and, above all, ethical concepts. In the South, we have a "North" that belongs among the wealthiest 20% of civilization in the champagne glass civilization. And in the North, the immigrants, indigenous peoples and workers marginalized by unemployment *live in conditions increasingly similar to those of the population of the South* or by what is euphemistically dubbed "virtual employment"(temporal, non unionized work without social benefits).

7) **Drug trafficking accounts** for US$400 billion annually, of which US$100 billion is laundered by transnational banks, according to INTERPOL's May 1994 report. The UN-sponsored "Naples Declaration," supported by 138 nations, made the commitment to curb international crime, which generates some US$750 billion annually from drug trafficking, illegal arms sales and prostitution. The absence of security for citizens and the rise in crime are due to a lack of meaning in life, and the search for escape through the use of drugs, sex or religious or political fundamentalism.

8) **The environmental crisis of our times** has been produced both by the over-consumption of a small number of nations and people in the North and by the growing impoverishment of the South. This poverty, and the consequent need to survive at any cost, has become a new threat to fauna, flora and the world's oceans. The South's growing megalopolises--produced by irrational development and the massive internal migration of peasants in Sao Paulo, Mexico City, Calcutta, Shanghai and other such areas--reveal the lack of direction, rationality or sensibleness of today's world of technological revolution.

9) **The "export-led growth model" is ambiguous and contradictory**, as Graphic VIII shows. What is known as Latin America's lost decade had the potential of being a decade of accumulation since exports grew 60% and imports shrank almost 15% in proportion to the GNP. Despite this, however, the structural conditions of the debt, the terms of exchange and capital flight sparked Latin America's decapitalization through the transfer of approximately US$500 billion. Mexico's current crisis indicates to us that the structural adjustments have not corrected this situation over the past 10 years. How much time is required?

10) **Nicaragua's case is even more paradigmatic.** Nicaragua is the only country in the world whose per-capita income is more than 50% lower in 1994 than it was in 1960, equivalent to

the per capita income of fifty years ago in 1945. Together with Guyana it had in 1996 the highest debt in economic history--six times greater than its GDP (a US$11 billion debt and a US$1.8 billion GDP). On the other hand, Nicaragua has received the second largest amount of foreign aid per capita in the past five years, obviously after Israel. Nonetheless, it still has negative per-capital growth, which after five years of peace is still 40% lower than 1985, in the middle of a war. It has 60% unemployment, more than 70% of the population living in poverty in a potentially wealthy country.[1]

This situation forces us to ask ourselves where we are and where we are going. Can we do nothing? This situation is stretching out under strict ESAF agreements and under the meticulous control of the IMF and the World Bank, which periodically monitor the level of international reserves and how the monetary supply is functioning? But, who is monitoring the increasing poverty, unemployment and ungovernability in third world countries?

At the beginning of the 90s, Mexico and Nicaragua were considered hopeful experiences of a new economic and political order. In 1997, both countries, are two question marks to which there is still no answer. For this we must look on the other side of the coin: the contradictions and reactions to this style of development.

II. THE DIALECTIC BETWEEN HOPE AND INEVITABILITY

Civil society is emerging onto the world stage with a new set of common values, attitudes and interests in response to common threats on all the continents. An "open globalization from below and from within" has been gaining force over the last decade. The failing prophecies of "market inevitability" have been met with alternative proposals incarnated in endogenous, participatory and accumulative projects at a local, national, regional and world level (Rio, Cairo, Madrid and Copenhagen are reflections of the emergence of these new local global subjects at all levels and in all sectors). They bring a vision, proposals and transforming hope that stands out in stark contrast to the fear and uncertainty of those who know their formulas for stabilization and adjustment are not working.

The rebellion of the cultures in response to the homogenization that threatens their identity and unique characteristics makes the new subjects of civil society hard to incorporate into the paradigm of top-down globalization, in which their only participation is as passive consumers, and, even then, only those who have some degree of purchasing power.

This veritable eruption of voices and worldwide alternative networks, protesting and proposing solutions to the Wahington Consensus and to the worsening situation, have found neither space nor a response in the opaque power structures that dominate the New Order. The incapacity, fragility, and lack of legitimacy and credibility of the Group of Seven (G7), the Bretton Woods institutions and the paradigm they present as inevitable is becoming increasingly manifest. **The Copenhagen consensus at World Social Summit is encountering strong opposition because it is being held at a moment of weakness and depletion of the dominant development model,** and at the beginning of a period of coalescence of social forces around alternative proposals accumulating at a global level.

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[1] See notes on "The political economy of Nicaragua" 1979-1997

It is important to point out the growing public criticism by governments of the structural adjustment policies. In addition, the academic and scientific world has overcome its vacillations in the mid-eighties, and is largely coming out against the increasingly cornered and isolated "Chicago Boys." The growing public criticisms of the Bretton Woods institutions by their own former officials is also notable. [2]) Most significant, however, is the strong controversy within these organizations, between the more technical-academic sectors and the political officials, and the increasing number of internal evaluations and external commissions that are highly critical of the weaknesses, the inadequacy and even the serious failures of the neoliberal model.

Given the WSS, it is important to perceive this model's weakness and erosion. **The new rhetoric** of the international financial institutions (IFIs), which uses the language of the NGOs--the alternative "buzz words"--and even the language of Liberation Theology itself, reveals its defensive attitude and its need for legitimacy and credibility. It is an opportune moment to move from "protest without proposals to proposals with protest," as Peru's women's movement announced..

The "new space" opened up by the crisis is revealed more profoundly at the IFIs' top hierarchical levels. It would be difficult to classify some of the plans being laid out as simple "rhetoric." The frank introduction by IDB president Enrique Iglesias, accompanied by IMF director Michael Camdesuss at the inauguration of the "reflection encounter" with bishops and theologians in January 1994 at the headquarters of the IDB, and repeated in November with bishops, theologians, educators and Christian social scientists [3]) raises new questions about the perception that high-level IFI officials have of the crisis. The "simplistic vision," "economistic reductionism," "marxist and populist reductionism," "ideological reductionism" and the strongest of all, "ethical reductionism," were the first self-critical commentaries for this reflection, in which the President of the IDB invited the churches to offer their ethical contribution given that "the basic aspects of the value ethic of a society have hardly found entry into our considerations".

For his part, Michael Camdesuss said in a speech that was very surprising for an IMF director: "We, who are responsible for the economy, are administrators for this grace of God -- for a part of it in any case. We are the relief of the suffering of our brothers and the procurers of the expansion of their freedom." "...We know that God is with us in the task of making fraternity grow." [4]

On the other hand, Camdesuss maintained that "the market is the most effective organizational form for increasing individual and collective wealth...." "If the market is totally left to its mechanisms, there is a great danger...that the poor will be smashed. In pure logic, price fixing could be their death sentence." "...The market should be monitored, framed in such a way that it can continue being free and also continue being just. That's why the substitution of marxist

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[2]. Bruce Rich, "Mortgaging the Earth: The World Bank, Environmental Impoverishment and the Crisis of Development," Earth Can (London), 1994.

[3] IDB, "Hacia un enfoque integrado del desarrollo: la ética, la economía y la cuestión social," Encuentro de Reflexión, January 13-14, 1994, Washington, D.C.

[4] Camdesuss, Michael, "Marche Royanne: La double appartenance," Bulletin of the Secretariat of the Conference des éveques of France, No.12, Juillet-Aut 1992, and "El mercado y el reino respecto a la globalización de la economía mundial," UNIAPAC (International Christian Union of Business Leaders), Monterrey, Mexico, Sept. 1993. These quotes are taken from the provocative analysis of Franz Hinkelammert, "La Teología de Liberación en el contexto económico-social de América Latina: Economía y teología o la irracionalidad de lo racional," DEI (Costa Rica), 1995.

fundamentalism by a market fundamentalism cannot be accepted. The market cannot be left to its logic, because the economy is not reduced to techniques but has human beings as its point of reference." "...a market overburdened with the forces of death and life. This reality, over which each one of us, one way or another, has a function, a responsibility." "...where economic rationality and the construction of the Kingdom of God converge."

F. Hinkelammert analyzes these theological declarations as "the attempt by the theology of the empire to recover the theology of liberation...thus transforming the option for the poor into an option for the IMF" Hinkelammert maintains that "Camdesuss needs a market ethic" because "the logic of the market could destroy the market itself."

Is this a "new rhetoric" or a revision of the simplicism and reductionism of the past? Is it an attempt to "co-opt" liberation theology or an attempt to fashion a "theology of the market" for the renewal and permanence of capitalism"?

This is not the moment for such an important debate. The only thing I want to underscore here is that the security and inevitability of the neoliberal model is showing signs of weakness and its efficiency and credibility are being questioned.[5] A new space and a new time have been opened to redefine the concept of development to link the alternative subjects and initiate a plan of action with national and international solidarity for a political strategy of change.

III. ALTERNATIVE DEVELOPMENT HAS BEGUN

This is not an attempt at a new theory or a new model, much less a universal utopia. The aim is simply to call attention and make a call for reflection on the multiple concrete experiences in all the continents that **have endogenously arrived at a joint set of visions, proposals and alternatives growing out of their own roots.** This enormous whole of separate micro and meso experiences has a strong *commonality of values, interests and attitudes with respect to the common threats* that share a high degree of similarity. A bottom-up civilization exists today that puts a priority on the quality of life, sustainability, equity and particularly shared happiness, the only form of human happiness. In diverse forms, from diverse cultures and from peoples on the five continents a set of shared priorities is emerging that could be conceptualized as the search for a Civilization Based on Simplicity. [6] Simplicity, as we will see, is richer and more complex and sophisticated than total market simplism and reductionism.

Alternative development is possible today. In fact, it has already begun. [7] Fragility and depletion, as well as the growing contradictions of the current model, both permit and require it.

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[5] SAPRI "Structural Adjustent Participatory Review Iniciative". World Bank. Wahisngton D.C. July 1997

[6] Innumerable such similar proposals are coming from all over the world, in the 1992 Earth Summit in Rio, in Madrid in 1994 and in the preparation for the Copenhagen Summit. It is recommended that working groups be created to analyze and articulate a common proposal and a plan of action at the global and regional levels based on the main proposals presented in the March summit. (For example, those of ICVA, UNRISD, ECLA, La Comisión Sudamericana de Paz, Seguridad y Democracia, the African Forum, The People's Plan 21 of the Pacific [PP21], NGO coordinating bodies, etc.)

[7] See the Pakistan's ex-Minister of Planning, Dr. Ul Haq, speech in honor of Barbara Ward in the last conference of the International Society for Development (SID), Mexico, April 1994. Ul Haq even said that "the new development paradigm has already been won. I detect white smoke coming from the chimney of the citadels of economic growth. The political battle, however, is only just begun."

The greatest problem is the system's ability, right up to today, to paralyze and destroy any attempt at an alternative. Nicaragua was a clear case of a "dangerous example" which required to be distorted inducing contradictions in the Sandinista model and later on be erradicated by a "low intensity war" with high intensity effects for such a small and poor country. The WSSD is an opportunity and a challenge to achieve a dynamic of implementation, a plan of action and mechanisms of independent follow-up and evaluation. The "conference fatigue" that was experienced after Rió cannot be permitted to dominate. The solutions should be endogenous, from within and below, but those solutions need the framework, spaces and rules of the game that can permit the appearance of a New Economic and Juridical World Order.

Based on these accumulated endogenous experiences, there are eight basic theses that are shared by the emerging geoculture:

1) **Getting past the culture of confrontation** and going beyond our "antagonistic civilization," which pits North against South, men against women, whites against people of color, growth against nature, the present against the future, consumption against happiness.

The struggle for a culture of tolerance and complementarity are crucial for overcoming the culture of confrontation. The inevitable explosions created by intolerance and oppression (Tchechenia, Bosnia, Chiapas, etc.) do nothing more than reinforce the need for the hegemony of the culture of tolerance and respect for shared diversity.

The new sense of tolerance in combined with an increasing lack of credibility in the political parties, even in the politicians who mobilized popular movement in the past. A growing mistrust and abstention with respect to the state and the electoral processes can be perceived on the part of civil society, a situation that we consider transitory due to the manipulation of "ambiguous democracy," which has not permitted the new subjects to genuinely participate in either the parties or the state.

2) **the predominance of geoculture over geopolitics and geoeconomy**. Not only does culture take precedence over the traditional sources of power, but there is a clash between two types of geoculture.

The **dominant geoculture** aims at a top-down homogenization of culture, from the "Global Dreams and global images" [8]) of a canned culture on cable TV, films and global music. Michael Jackson (man-woman?, white-black?, young-mature?) is an example of the culture of global images imposed by the total market, as is the Big Mac hamburger (the same taste, size and price for everyone everywhere), Nike tennis shoes, T-shirts, videos, discos, etc.

Faced with this top-down global homogenization, endogenous cultural diversity is sought, with its complementary identity and autonomy capable of creating the equilibrium and harmony that biodiversity creates in the environment.

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[8] **Barnet, Richard J. and Cavenagh, John, Global Dreams: Imperial Corporations and the New World Order, Simon and Schuster (NY), 1994.**

To that effect, the diverse experiences go beyond the politicization and economism of the past and attempt to incorporate *the subjects that correspond to the world of labour, of nature, of gender, of culture and of the new generation* (children and adolescents), in other words the future (over 90% of today's birth are in the South). These are the roots of a radical geoculture, which seeks its root in the profound simplicity of life, convinced of the incapacity of the current system to integrate these fundamental roots into its accumulation path based on profit maximization.

3) **Democratizing the market and the State**. The new geoculture no longer demonizes the market nor accepts "market democracies as it is". Rather, the stress is on the need to democratize the markets, transforming them into an instrument of participation, overcoming their current mono-oligopolization. In the same vein,
there is consensus concerning the democratization, openness and accountability of the state to civil society, together with greater participation, decentralization and participation by the municipalities, local governments and NGOs. In this way the "principle of subsidiarity" is recovered; what can be done locally and sectorally should not be done centrally, neither in the state and the parties, nor in the organizations of civil society itself.

The state in question is not necessarily or even primarily the national state, but the increasing power of transnational influence and international agencies that are displacing the national state. There is a sensed need for **endogenous development to overcome the controlling tendencies of the state and the new, but similar tendencies of the international agencies.** This is even emphasized by the World Bank itself, in an excellent participatory evaluation of structural adjustment in Africa (May 1994). The World Bank evaluation mentions that this foreign cooperation has failed because it lacked a project that was properly African and was consumed by the "vampire state" in the past and the "vampire elite" in the present.

Economic aid does not help and frequently becomes a barrier to growth. Development cannot be imported. Aid and technological transfer can only complement an endogenous project.

As we have learned from the best experiences in Asia and LAC, state and market are complementary, not contradictory. The need to reform and democratize the state, a non-substitutible element of development and complementarity to the market. We need a small, effective, normative and open state that both responds to and generates the endogenous development project through participation.

4) **Reaffirm the capacity and potential of medium and small producers and of local and municipal organizations** as priority actors of development at a national and international level, now that feasible integration of these endogenous forces is possible. Without overcoming their exclusion of the productive potential from the market, permanent growth and political stability are impossible.

5) **The macro-micro linkage** in each society is one of the tasks that is both most deficient and most necessary in the new experiences.

The macro-micro linkage at the nation-state level requires creating the "missing link" or "missing middle" implied by the formation of human capital of professionals and technical experts

who respond to the values and interests of civil society's small and medium producers more than to the forces of the monopoly market.[9]

6) **The reform of the educational system,** therefore, is one of the most urgent tasks, particularly the reform of the university that reproduces and buttresses the Champagne Glass Civilization. Both **the educational system and the lack of education are part of the problem of underdevelopment more than they are a constructive element for getting out of it.** [10])

The "democratization of knowledge," its insertion at the service of the necessities, values and interests in the "bottom-up globalization" are part of the new geoculture that is required as an alternative element at the end of the 20th century.

The linkage of Universities and Research and Technology Institutes in the North and the South to jointly deal with the concentration of knowledge could be a new and determining factor in the linkage of the micro-macro and meso-mega of globalization from below. Technology and knowledge apartheid is as pervasive as racial apartheid. Nonetheless, racial or technological integration without its own identity and project could be as, or even more, damaging than apartheid itself. The complementary and equitable integration of diversities is a fundamental element of the new bottom-up geoculture. Cultural rhythm, identity and unique characteristics are as fundamental for technological development as it is for artistic developement. It is also essential for the development of each state and each market. Culture is the rock base for harmonic development in which women and ecology are the most determinant factors.

7) **Promote selective insertion in the world market**, overcoming the desperate temptation to "delink," promoting in turn a "selective linking" according to the needs and stages of each area's own development path. The South cannot do without or isolate itself from the megamarkets (European Community, NAFTA, the Association of Pacific Countries). Nor can it be incorporated by subjecting itself to the agenda, priorities and rules of the game defined unilaterally by the North. The case of Mexico's "success" is an exemplary lesson. The meso-mega integration at an international level (regional integration with the blocs of megamarkets in order to "regionalize the globalization process") is one of the most difficult tasks for alternative development and one of the thorniest problems to analyze.

8) **The reform and restructuring of Bretton Woods institutions.** The WSSD ought to establish an agenda and calender for an **independent evaluation** of the Bretton Woods institutions, which permits their openness, accountability, internal democratization and organic integration under United Nations contro' to achieve complementarity instead of the current contradiction between the IFIs and the development agencies of the United Nations system.

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[9] See the reflections of P. Marchetti, S.J. for a more complete analysis of this point in Neoliberales y Pobres: el Debate Continental por la Justicia, Santa Fe de Bogota: CINEP-CRT-SIC-CRAS: junio de 1993.

[10] Gorostiaga, Xabier, "New Challenges, New Role for Universities in the South," Envío, UCA-Managua, July 1993, and Arnove, Robert F., Education as Contested Terrain, Nicaragua 1979-93, Westview Press (Colorado), 1994.

The only permanent thing in an epoch of changes, and even more in a change of epochs, is change. The most profound revolution of modern times, therefore, is the cultural revolution and the ethical revolution, in which development is the equitable, sustainable and harmonic relations among human beings. Today, this relationship is not only within the Nation-State but within the planetary citizenry of the Global Village.

The technological revolution at the end of the 20th century has permitted this communication of experiences, and has opened a new space for the first time in history for interdependent solidarity of a global citizenry. The emerging consensus we have described is a greater challenge for "savage capitalism" (John Paul II) than state socialism was.

There is, however, no perception or belief in a universal and globalizable utopia in these experiences. The experience of real socialism and of the neoliberal paradigm have demonstrated their failure through the imposition or cooptation from above and from outside of the experience itself. The new vision that undergirds alternative development is that of intregrating **multiple, cumulative, and partial utopias based on local endogenous projects.**

The triumphalism of the top 20% of the Champagne Glass has begun to change, as has the prostration of the dispossessed and the victims. Five years ago, this was not the case. I recall concluding a distressing analysis I did with little hope and perspective [11] quoting the unforgettable Pablo Neruda: "They can cut all the flowers, but they cannot stop the spring." Then, we lived on a blind hope. Today Pablo, there's a smell of spring, although we still cannot see all the flowers.

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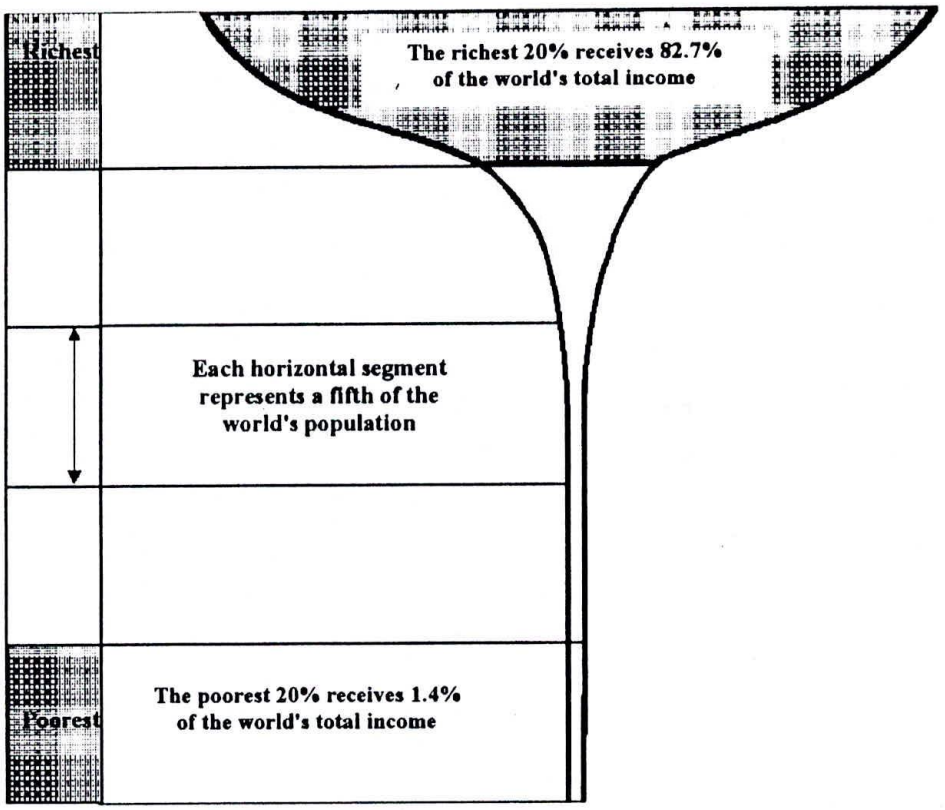
[11] Gorostiaga, Xabier, "Comenzó el siglo XXI. El Norte contra el Sur, el Capital contra el Trabajo," Congreso Latinoamericano de Sociología, La Habana, Mayo 1991. An English version in *"Global Visions: Beynd The New World Order"*. Edited by J. Brecher, J. Browny Childs and J. Cutler. South End Press. Boston, 1993.

Graphic I

Income distribution

World population, classified according to income

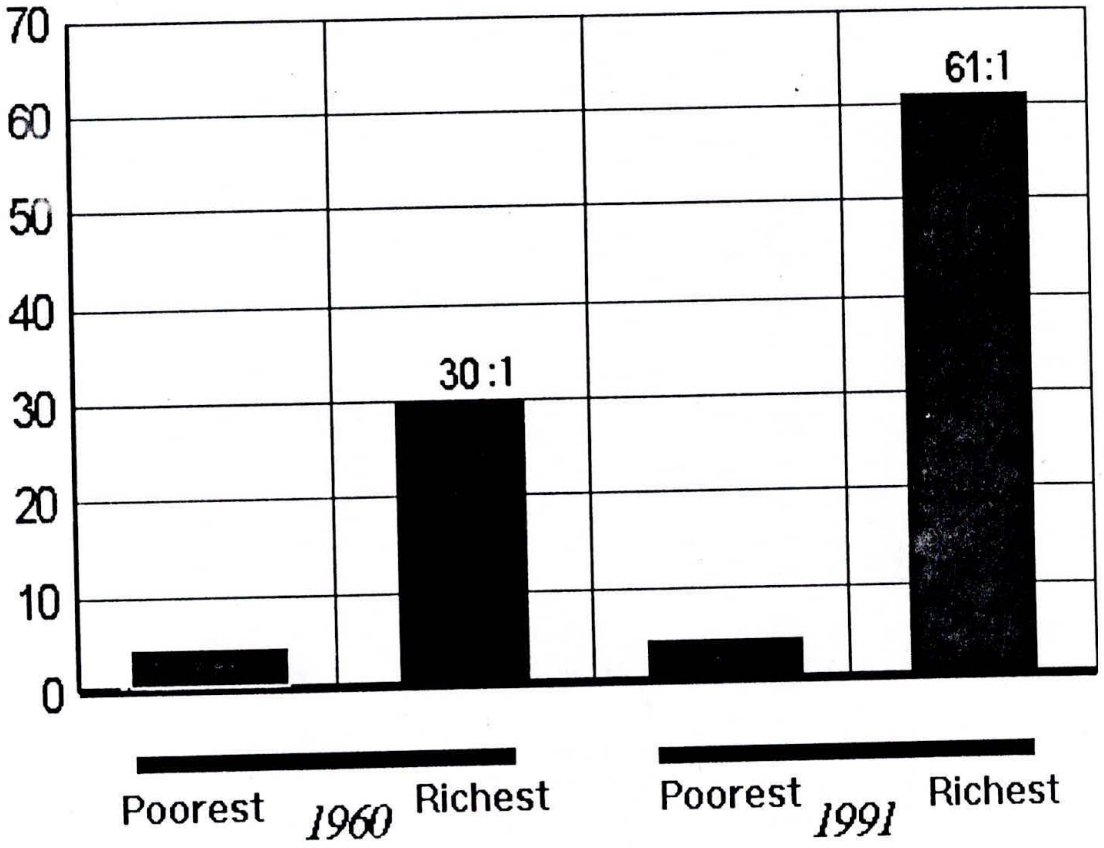


The cover design shows the income distribution. 20% of the world´s richest receives 82.7% of the world´s total income while 20% of the world´s poorest only receive 1.4%. The world´s economic growth hardly ever filters toward the bottom. The following table shows the word´s income for each segmet of population.

World population	World Income
Richest 20%	82.7%
Second 20%	11.7%
Third 20%	2.3%
Fourth 20%	1.9%
Poorest 20%	1.4%

Graphic II

The widening gap between the rich and poor



Ratio of income shares - richest 20%: poorest 20% of the world´s population

Source: **Human Development Report 1994 (UNDP)**

Table III

Billonaires in the world in 1994
(according to July 18, 1994 Forbes Magazine)

	Country	Number	Billons of US$
ASIA	Hong Kong	13	41.9
	Thailand	6	14.1
	Philippines	5	6.2
	Indonesia	4	10.0
	Singapore	3	4.9
	Malasya	4	7.5
	Taiwan	6	15.9
	Japan	36	82.5
	India	3	3.2
	Korea	3	10.3
	Australia	1	2.3
TOTAL		83	198.8
AMERICA	Mexico	24	44.1
	Brazil	6	11.0
	Colombia	3	3.5
	Argentina	4	6.7
	Venezuela	2	2.5
	Chile	3	4.7
	Canada	5	13.5
TOTAL		47	86.0
EUROPA	Italy	5	10.0
	Germany	42	107.5
	Great Britain	5	10.5
	Greece	5	10.0
	France	11	21.1
	Spain	3	4.1
	Netherlands	3	7.1
	Switzerland	8	19.7
	Scandinavia	3	12.5
TOTAL		85	202.5
MIDEAST / AFRICA	Israel	2	2.9
	Saudi Arabia	6	10.1
	Lebanon	2	3.8
	Kuwait	1	1.5
	Turkey	2	3.9
	South Africa	1	1.5
TOTAL		14	23.7
	United States	129	250.9
TOTAL		358	761.9

In 1994, 358 billionaires had accumulated the per capita income of 2.6 billion people, or 45% of the world´s population:

Number of Billionaires:

1987	**1994**
145	358

>146%

Table III a

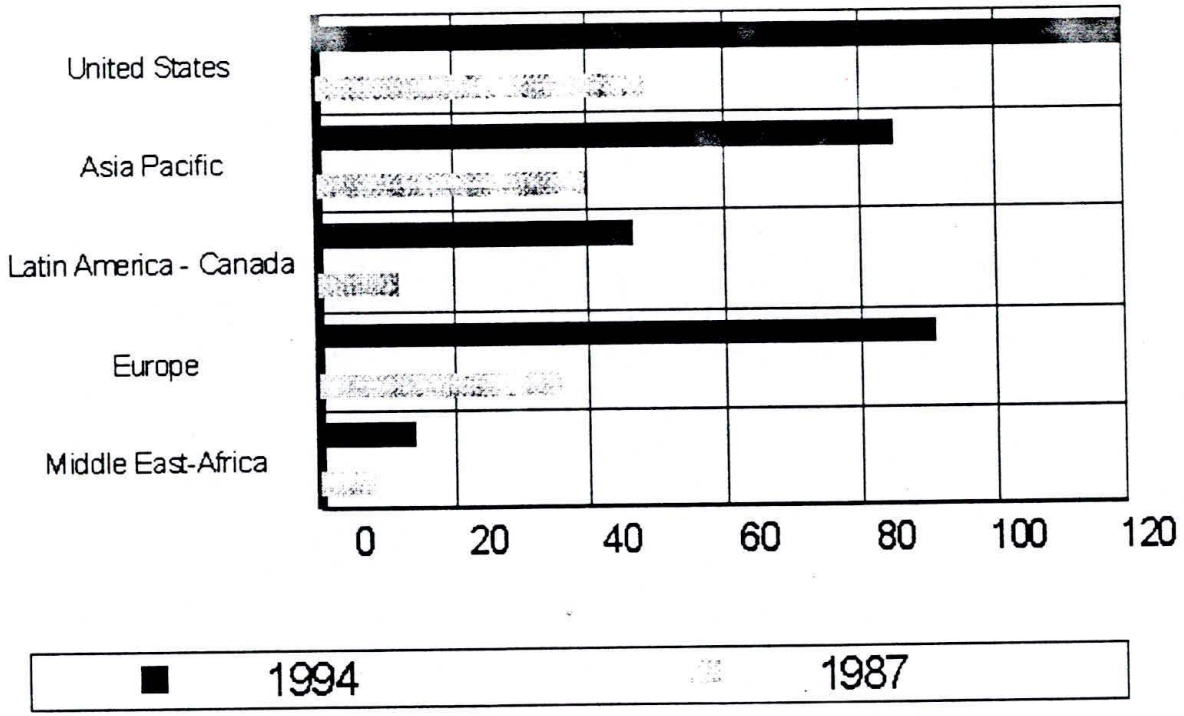
Distribution of income by regions[12]

Country	1960	1970	1980	1990
Income per inhabitant in relation to the average of the industrialized countries				
Latin America	0.41	0.38	0.40	0.29
Africa	0.17	0.14	0.14	0.11
Asia	0.25	0.26	0.31	0.35
China	0.14	0.12	0.13	0.20
Countries recently industrialized	0.31	0.40	0.59	0.83
All developing countries	0.25	0.24	0.24	0.20
	Average income growth per inhabitant in 10 years corresponds to:			
Latin America	--------	3.0	3.1	-0.8
Africa	--------	2.2	2.0	-0.3
Asia	--------	3.5	3.4	2.7
China	--------	2.2	3.5	6.9
Countries recently industrialized	--------	6.3	6.7	5.6
All developing countries	--------	2.9	2.4	-0.1

[12] Annual average weighted by country

Source: R. Summers & A. Heston "The Penn World Table (Mark 5): an Expanded Set of International Comparisons. 1950-88", Quartely Journal of Economics, 1991, pp 327-348; World Tables; IMF International Financial Statistics.

Where to find them and where their ranks are surging

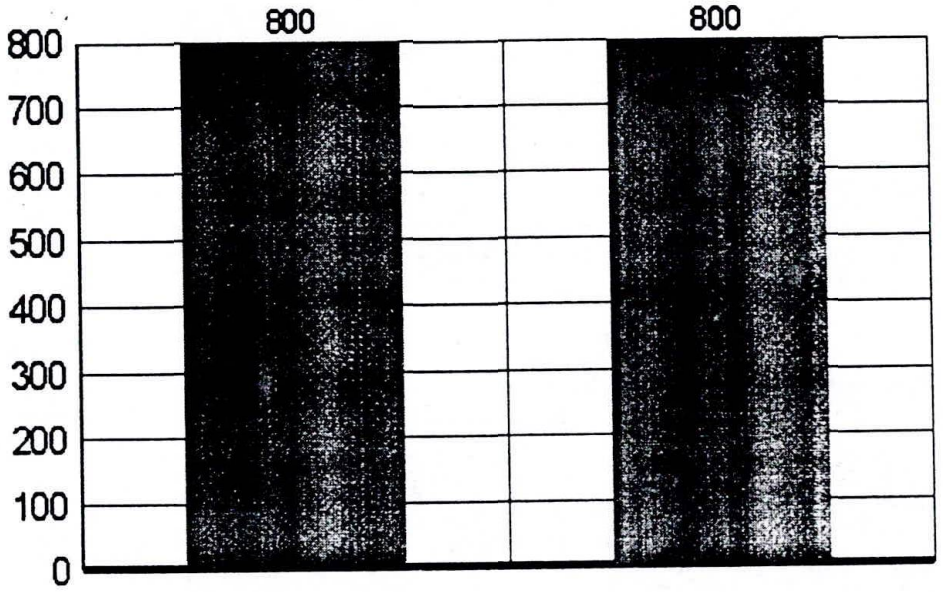


Source: **Forbes Magazine, July 18, 1994**

Graphic IV

Military spending is equal to the income of almost half the world´s population

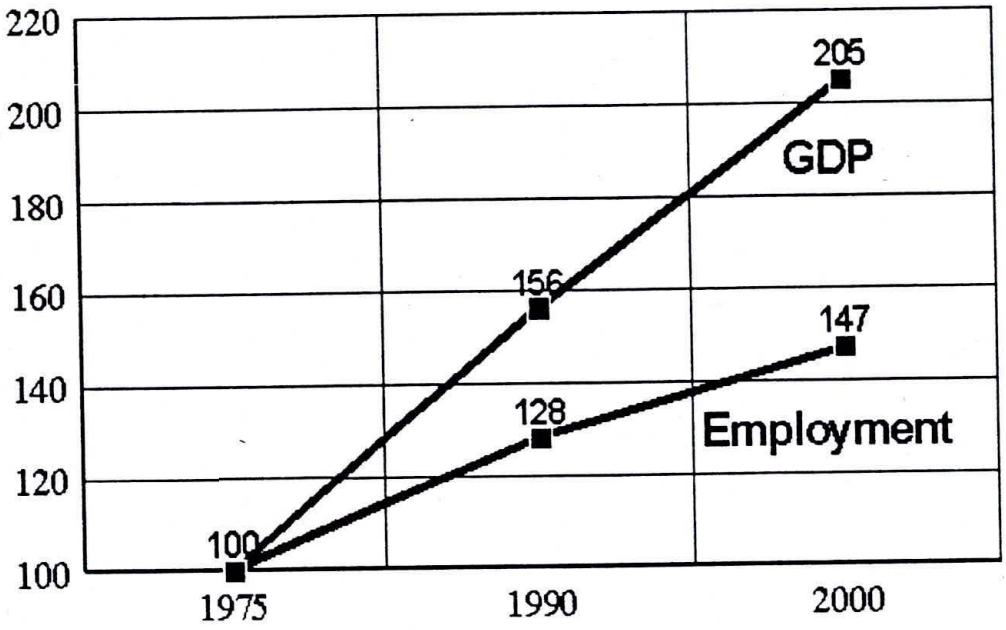
World military spending 1n 1992=$815 billon



Combined income of 49% of the world´s population= $815 billion

Source: **Human Development Report 1994**

Weighted average of regional GDP and employment growth



The cover design reflects the disturbing phenomenon of *jobless growth* in the world. The upper curve represents GDP growth (1975-1990) and it´s projected trend (1990-2000) weighted for major regions (OECD countries, Latin America, Sub-Saharan Africa, South Asia and East Asia). The lower curve represents employment growth, weighted by region. Since 1975, employment growth has consistently lagged behind output growth, and this gap is likely to widen during the 1990s.

CONTINUATION OF THE COLONIAL, POLITICAL, ECONOMIC, LEGAL AND OTHER SYSTEMS

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The arrival of Vasco da Gama on the west coast of India in 1498 ushered in a revolutionary era in the history of South Asia. It ended for ever the isolation of the region from other parts of the world, particularly the West, that had been in force for centuries due to the peculiar geographical features of the Indian Ocean. For the first time in the history of the Indian Ocean region, a direct link was established with the West and the course of events in this part of the world was to be determined by the developments in the Atlantic.

The arrival of the Portuguese also paved the way for the establishment of British colonial rule in India which lasted for about two hundred years till the emergences of Pakistan and India as two independent countries in 1947. Between 1757 when the British won the Battle of Plassy to gain the control of Bengal and 1947 when the last British Viceroy left, the British colonialists laid the foundation of a rule in India which was basically based on ruthless exploitation of human and material resources of India. For the sustenance of such a rule the British structured a political system whose economic, legal and other components strengthened its oligarchic character.

For example, despite a shift towards decentralization and devolution of powers after 1857 the British preferred to maintain a highly centralized political system under a federal arrangement which allowed only marginal authority to the constituent units. The Government of India Act 1935 symbolized this system which although provided for a scheme for the financial, administrative and legislative relations between the Centre and the provinces; yet, arming the Governor-General with vast discretionary powers and a clear priority of the former over the latter in legislative sphere. The purpose behind establishing such an order was to assure the protection of interests of the British colonialism to the exclusion of interests of the vast majority of the Indian people.

The same theme underlay the economic and legal systems developed in India under the impact of British colonialism. Before the arrival of the British, there was no concept of private property in land. Rural life in ancient India was organized around village communities who had a common ownership of land under cultivation or use for other purposes. During the Moghul period the land belonged to the crown and the state recognized no hereditary right to the *jagirs* granted by the kings to their subjects for their services to the court. The British, true to the spirit of mercantile imperialism, introduced private ownership in land, leading to the creation of hereditary feudal lords who still exercise a dominant influence in the political system of Pakistan. The British colonial rule also brought about a radical transformation of socio-economic life in India. Through a network of

rail-road communication system and building of seaports connected with hinterland, the British destroyed the self-sufficient economy of the village communities and made the countryside completely dependent upon the cities. Through their industrial and agricultural policies, the British also created a rural-urban divide which still permeates politics in Pakistan and India. Moreover, the external trade pattern, established by the British, made India a complete appendage of metropolitan economy of England. We all know that before the arrival of the European colonial powers, there was a flourishing regional trade in the Indian Ocean area. The Bay of Bengal and the Arabian Sea were great commercial highways through which India's trade with countries of Southeast Asia and, as far as, China in the east; and with the Persian Gulf and, beyond it, with the ports on the Mediterranean coast in the west; and Eastern African coast in the southwest, was carried on. The colonial powers, especially the British, destroyed this regional trade pattern and linked India with the West for trade and commercial purposes. This pattern has largely continued to-date, to the extent that intra-regional trade of South Asian countries is not more than 3 percent of their total trade. In case of Pakistan, for example, imports and exports to SAARC countries constitute 2.5 percent of its total trade during 1996-97 period; whereas, during the same period, country's exports to and imports from developed countries have been 60.3 and 49.5 percent respectively.[1] The economic system developed in India during the colonial period impoverished the countryside, created wide gap between the rich and the poor and led to heavy dependence of India on the European and developed countries' markets. These features with

all their implications for the independence and sovereignty of the South Asian countries, continue to play an important role in determining the nature and direction of national development policies of these countries.

Similarly, in order to perpetuate the interests of the colonial rule and those of the native groups coopted by the colonial administration for their collaborative role, the British designed a legal system which heavily relied upon the use of coercive force for the maintenance of socio-economic *status quo*. Like other systems, the legal system developed by the British has also become outmoded and has proven its utter futility to cope with modern problem related to terrorism. Despite the fact that there are widespread demands for change in the old legal system and a number of attempts have also been made to bring about radical changes in this system, the colonial legal system still exists with all its ramifications. Rule of law and independence of judiciary are two concepts which are counted among positive contributions made by the British colonialism in India. But it is a matter of common knowledge the both in India and Pakistan, law favours the mighty and rich. So far as the ordinary people are concerned, they have no trust in the legal system because it seldom comes to their rescue. The "judicial activism" about which we have read and heard so much recently in Pakistan turned out to be nothing but an attempt to blunt the increasing assertiveness of political forces released after long spells of suppressive Martial Law periods.

In this paper an attempt is being made to argue a case that while more than 50 years have passed since Pakistan achieved independence. Colonial legacy on the political, legal, economic and other system still persists. This legacy is the principal obstacle in the way of full realization of democratic rights and freedom of the people of Pakistan. Time and again, political forces representing the democratic aspirations of the people have clashed with the forces who represent this legacy, *i.e.* the establishment which groups civilian and military bureaucracy, judiciary and feudal lords. While arguing this case only those features of economic and legal systems would be briefly mentioned which are relevant to the nature and direction of change in the political process of Pakistan. The aim of the paper is also to arrive at the conclusion, after examining the political and constitutional process in Pakistan, that after the end of the Cold War and growing trends towards globalization, the colonial legacy is losing ground while the democratic forces bearing the banner of political supremacy of the people are advancing in a slow but sure way.

When Pakistan started its independent national life in 1947, it adopted 1935 Act with certain modifications as an Interim Constitution. Among many features of the 1935 Act retained in the Interim Constitution of Pakistan was the federal structure. The federal structure of 1935 Act was based on provincial autonomy which was the product of a long constitutional development extending from 1860 to 1919. The process of decentralization and devolution of powers started after 1857 in response to the needs for efficiency and discipline. It received

greater impetus with the start of twentieth century. With the intensification of nationalist struggle in India and demands for greater public participation, the area of provincial autonomy was further enlarged. Although 1935 Act invested the provinces for the first time with a separate legal authority, there was little change in the scope of their legislative authority. The Act distributed powers between the Centre and the provinces on the basis of three legislative lists — the federal, the provincial and the concurrent. The subjects contained in federal list fell under the jurisdiction of the Federal Legislature, while the provincial legislatures were competent to legislate on the subjects included in the provincial list; however, both were competent to deal with matters covered by the Concurrent List. The residuary powers were vested in the Governor-General. According to Section 104 of the Act, the Governor-General might, by public notification, empower either the federal legislature or a provincial legislature to enact a law with respect to any matter not enumerated in any of the lists in the Seventh Schedule to the Act, including a law imposing a tax not mentioned in any such act.

Although the number of items in the Provincial List was increased under the 1935 Act, all the important matters like military forces, defence, external affairs, currency, ports, banks, insurance, import and export, customs duties, income tax, capital levies and corporation tax were kept outside the reach of the provinces. The Act also provided for the priority of the law passed by the Federal Legislature over the law passed by a provincial legislature on an item

contained in the Concurrent List. The Federal Legislature had also the power to make laws for a province even in respect of matters in the Provincial List under a state of emergency which the Governor-General had the authority to proclaim under Section 102, in case, in his opinion, a grave emergency existed "whereby the security of India was threatened whether by war or internal disturbances." This clause, as G. W. Chaudhary observes, was a limitation on provincial autonomy.[2]

After independence, Section 102 of the original Act was successively amended by the Constituent Assembly of Pakistan in 1947, 1948 and 1950, leading to an enlargement of its scope. Thus, instead of increasing the quantum of provincial autonomy as compared to provided in the original 1935 Act, the Muslim League Government in Pakistan further restricted the area of provincial autonomy. This looked very strange and perplexing in view of the fact that the Muslim League before 1947 was all along championing the cause of the provinces by demanding greater powers for them as compared to the All India National Congress which stood for a stronger centre.

In the area of financial relations, the extent of provincial autonomy was also further limited after 1947. The original Act of 1935 had allowed the centre to retain all the major sources of revenue; but there were certain taxes the net proceeds of which were to be shared with the provinces. These taxes were: (*i*) income tax (50 percent); (*ii*) jute export duty (62½ percent); central excise, salt duty and a few other items. After 1947, this arrangement was changed further in favour of the Centre, by suspending the policy of sharing the proceeds

of some taxes with the provinces and abandoning the sharing of net proceeds of the income tax. Sales tax which was in the provincial list was taken away by the central government. This situation continued till 1952. When the financial position of the country improved, Pakistan began to conform more closely in respect of division of revenues between the Centre and the provinces to the general scheme imposed in the Government of India Act, 1935. But Centre's control over all the major sources of revenue and suspension of sharing the net proceeds of some of the taxes, like income tax and sales tax, led to dissatisfaction in the provinces. In East Pakistan, this dissatisfaction took the form of a province-wide agitation for extreme autonomy in legislative, administrative and financial spheres. It was largely this agitation which forced the central government to revert back to the policy of sharing the net proceeds of income tax and handing over the sales tax to the provinces.[3]

The centralized character of the political system developed in India by the British was symbolized by almost unlimited powers of the Governor-General. This is why both Congress and the Muslim League targeted the Governor-General as a symbol of colonial authoritarianism. Under the original 1935 Act, the Governor-General, as the representative of British Crown in India, was invested with the final political authority, armed with discretionary powers and special responsibilities. The British had given vast powers to the Governor-General because they believed that a strong executive was necessary for the protection of their colonial interests in India. However, those

discretionary powers and the special responsibilities were amended in the Indian Independence Act of 1947. Under Section 8(*c*) of the Independence Act of 1947, the powers of the Governor-General or any governor to act in his discretion or to exercise his individual judgement lapsed from August 15, 1947. The Governor-General was presumed to act on the advice of his Ministers. But yet under the Government of India Act, 1935, as adopted in Pakistan, the Governor-General continued to enjoy wide and substantial powers. According to Section 7 of the Act, as adopted by the Pakistan (Provisional Constitution) Order, 1947, as amended upto April 1955, the executive authority of the Federation of Pakistan was to be exercised by the Governor-General, either directly or through officers subordinate to him. The Governor-General was to choose his own ministers and they were to hold their office during his pleasure (Section 10). The Council of Ministers was to aid and advise the Governor-General in the exercise of his functions, but such an advice was not binding on the Governor-General (Section 9).

Since the Governor-General was not bound by the advice of the Council of Ministers and the ministers were to hold office during the pleasure of the Governor-General, the role of the Governor-General was, as G. W. Chaudhary observes, "unlike that of a constitutional head". Pakistan, thus, even after attaining independence continued to be run under a vice-regal system. In addition to the powers relating to the appointment of Prime Minister and ministers, the Governor-General also retained the emergency powers provided in the original

Government of India Act, 1935. Under these emergency powers, the Centre could take up the functions of the provincial governments (Section 102). Similarly Section 92-A which was inserted by the Governor-General Order in 1947, empowered the Governor-General to suspend a provincial government and direct the "Governor of a province to assume on behalf of the Governor-General all or any of the powers vested in or exercisable by any provincial body or authority."

Thus, even after the removal of discretionary powers of the Governor-General and omission of the Ninth Schedule, the position of the Governor-General under the Provisional Constitution of Pakistan remained powerful.[4] Quaid-i-Azam Mohammad Ali Jinnah became the first Governor-General and, as G. W. Chaudhary has remarked, his acceptance of this position had great impact on the relationship between the Governor-General and the cabinet as well as with the legislature in the first year of Pakistan's political career.[5] During this period Jinnah dominated the decision making and policy formulation process of the government — a function which is normally the responsibility of prime minister under parliamentary form of government. In view of Jinnah's contribution for the success of movement for Pakistan and his personality, neither the cabinet, nor the legislature nor the people of Pakistan challenged Jinnah's conception of the Governor-Generalship; on the contrary it was greatly hailed and welcomed. Pakistan, as Allen MacGrath writes, had a political Governor-General who controlled the Executive, the Cabinet and the Assembly.[6]

Although Jinnah was justified in exercising such an authority due to the exceptional circumstances in which Pakistan was placed immediately after independence, the expansion of political and constitutional role of the Governor-General had serious implications for the development of parliamentary democracy in Pakistan. Ambitious persons like Ghulam Mohammad were tempted to occupy the office of the Governor-General to wield almost unlimited powers. When Liaqat Ali Khan who served as prime minister under Jinnah and Khawaja Nazamuddin, was assassinated in October 1951, Ghulam Mohammad became the Governor-General after persuading Khawaja Nazamuddin to vacate the office, because he (Ghulam Mohammad) realized that it was an office which could fulfil his ambition. The game did not stop at Ghulam Mohammad who used the powerful office of the Governor-General to dismiss prime minister Khawaja Nazamuddin in 1953 and dissolved unconstitutionally the Constituent Assembly in the following year, it has been carried on through Iskinder Mirza, Zia-ul-Haque, Ghulam Ishaq Khan to Farooq Leghari who used his discretionary powers and dismissed an elected prime minister Benazir Bhutto in November 1996 under Article 58-2(*b*) inserted by Zia-ul-Haque in the present (1973) Constitution of Pakistan.

The Constitution of 1956 had deprived the Head of the State — President, many of the powers he enjoyed as Governor-General under the Provisional Constitution. The Constitution required the President to act in accordance with the advice of the Cabinet. But still the President had a number of discretionary powers, the most important of which

was to appoint from among the members of National Assembly a Prime Minister who in his opinion was most likely to command the confidence of the majority of the members of Assembly. In a situation where political parties are weak such discretionary power assumes great significance and becomes liable to be misused. During the debates on the draft constitution in the Second Constituent Assembly a suggestion was made that Prime Minister should be elected by the National Assembly so that the discretionary power assigned to the President was not misused. While making this suggestion an allusion was made to the fact that under Interim Constitution a Head of the State appointed somebody as Prime Minister who was not even a member of Parliament and who was flown Washington without having any footing on the soil and planted "as our prime minister".[7] The suggestion, however, was not accepted. However, President Iskinder Mirza who enjoyed strong support from the army and bureaucracy was strongly criticized for misusing this discretionary power in choosing and sending home at his will the prime ministers of Pakistan during the period from March 1956 to October 1958. It was largely in view of the misuse of this discretionary power that the original 1973 Constitution provided for the election of the Prime Minister by the National Assembly. In yet another attempt to make the office of the Head of State more powerful once again, Pakistan's last Chief Martial Law Administrator (1977-1985) reverted to the 1956 constitutional position and assigned to himself, on lifting Martial Law in 1985, the power to appoint Prime Minister from among the members of National Assembly till March 1990. It was under this provision that Benazir

Bhutto during her first term (1988-90) was nominated as Prime Minister by President Ghulam Ishaq Khan (1988-1993). However, after 1990 all the Prime Ministers, including Benazir Bhutto who became Prime Minister for the second time (1993-1996), were elected by the National Assembly.

The concentration of powers in the office of the Head of State reached maximum level under the Presidential Government of Ayub Khan (1958-1969). Ayub Khan abrogated the 1956 Constitution and imposed Martial Law in October 1958. He continued to exercise dictatorial powers as Chief Martial Law Administrator till June 1962 when he enforced a constitution based on the presidential form of government. The unique feature of this constitution was that it vested the executive authority of the Republic in the President who was indirectly elected by a limited electorate of 80,000 members of Basic Democracies (Local Council Bodies). The provision of investing executive authority in President according to Article 31 of the 1962 Constitution clothed the President, as observed by Mr. Munir, a former Chief Justice of Pakistan, with a legally absolute power.[8] Although 1962 Constitution, like the previous constitutions, declared Pakistan a federation, all the powers were concentrated in the centre. In Part VI of the Constitution, powers between the Centre and the provinces were distributed. Unlike the 1935 Act and the Constitution of 1956, the distribution of legislative powers between the Central Legislature and the Provincial Legislatures was based on the principle of only one, *i.e.* Federal List enumerating the items over which the Central Legislature

had the exclusive authority to enact laws, while Provincial Legislatures had the authority to legislate in respect of all other matters. But the distribution of powers, remarks Justice Munir, was qualified in favour of the Centre in so many respects that as a matter of constitutional law and political science it was impossible to describe the Constitution (of 1962) as federal.[9]

The popular mass movement which started in 1968 against Ayub Khan's autocratic system rejected his Presidential Constitution and put forward demands for restoring parliamentary form of government and enlarged area of provincial autonomy. These demands were incorporated in the 1973 Constitution which made the Prime Minister the Chief Executive of the Federation (Article 90). Under clause (3) of the same Article, the Prime Minister and the Federal Ministers were made collectively responsible to the National Assembly, thus, establishing political supremacy of the people through a directly elected Assembly. The Constitution also enlarged the area of provincial autonomy by inserting Special Provisions on Council of Common Interests and Article 161 which entitled the provinces to receive net proceeds of the federal duty of Excise and royalty on natural gas (clause 1) and net profits earned by the Federal Government from the bulk generation of power at a hydro-electric station situated in that province (clause 2). This system based on the supremacy of the people and genuine federalism was subverted by the authoritarian forces of Martial Law in 1977. The Martial Law period (1977-85) not only ended parliamentary democracy, it also set up, practically, a Unitarian

system in which Chief Martial Law Administrator wielded all the powers.

A survey of the last 50 years of Pakistan's political history would reveal that there has been a constant struggle between the forces representing colonial legacy and popular forces championing the cause of democracy and decentralization. The forces representing the colonial legacy, *i.e.* bureaucracy have always tried to concentrate all the powers in the hands of the Centre, particularly head of the state be he a Governor-General or President, and curtail the limits of provincial autonomy. A centralized political system best serves the interests of bureaucracy and negates the principles of democracy. This is why the bureaucratic elements have always been comfortable with authoritarian regimes like that of Ayub Khan and General Zia-ul-Haque.

The centralized political system has not only caused a setback to democracy in Pakistan, it has also damaged federation and was, therefore, ultimately responsible for the break up of the country in 1971. The political history of Pakistan shows that the parliamentary democracy and genuine federalism are inextricably linked with each other. During the debates on the future constitution of Pakistan in the First Constituent Assembly a few members belonging to the ruling Muslim League party had recommended unitary form of the state and a presidential (*Khilafat*) form of government for Pakistan, on the plea that these systems were nearer to Islam. Their views were opposed by those elements who believed that only parliamentary democracy could guarantee genuine federalism and liberal democratic culture. Thus, the

1956 Constitution which provided more provincial autonomy as compared to the Government of India Act, 1935, was also a parliamentary Constitution. Despite the fact that Objectives Resolution was made a preamble, the 1956 Constitution guaranteed the supremacy of the Parliament and rejected Ulema's demand for establishing the supremacy of the *Shariat*.

Under the 1962 Constitution, Pakistan ceased to be a federal state because it replaced parliamentary form of government with a presidential form of government. Ayub Khan set up a highly centralized political system which made the provinces completely dependent upon the Centre. The control of the centre over the provinces could only be ensured through a system based on a presidential form of government. The opposition political parties who had supported the sister of the Quaid-i-Azam, Mohtrama Fatima Jinnah, had originally demanded the restoration of 1956 Constitution which provided for parliamentary form of government. They had also opposed Ayub Khan's system of Basic Democracies and indirect elections. But they had not included the enlargement of provincial autonomy as one of their demands while launching movement against Ayub Khan under Combined Opposition Parties (COP) and Democratic Action Committee (DAC). But the mass movement of 1969-70 which was joined by industrial workers, students, professional groups like lawyers, teachers, other government employees and shopkeepers made the increase in the quantum of provincial autonomy as the principal demand of their protest movement. It clearly shows that whenever

masses had a chance to express their feelings, they have given their verdict in favour of parliamentary democracy and greater provincial autonomy. Similar were the demands of Movement for Restoration of Democracy (MRD) which was launched in 1981 against the Martial Law of General Zia-ul-Haque. The MRD grouped all the major political parties of Pakistan including Pakistan Peoples Party who demanded restoration of 1973 Constitution, end to Martial Law and election within 90 days. It also issued a charter of demands for greater provincial autonomy, suggesting that the Centre should retain only four subjects, namely defence, foreign affairs, currency and communication, while other subjects should be handed over to the provinces.

MRD could not mount a country-wide agitation against General Zia-ul-Haque, but in Sind the Movement created quite an important impact. It could not force General Zia to accede to its demands, but it definitely contributed towards finally ending the Martial Law and civilization of Zia regime in 1985.

A combination of domestic and external factors forced General Zia to lift Martial Law in 1985 and allow elections on non-party basis for the National Assembly. But before formally ending the Martial Law, General Zia got the Assembly approve a package of amendments, popularly known as Eighth Amendment which put serious limitations on Assembly's ability to function as a sovereign body. The most important of the provisions added to the original Constitution through Eighth Amendment was Article 58-2(*b*) which gave the President power to dissolve the assemblies in his own discretion. There were

other matters as well in respect of which President's discretionary powers were increased. Zia-ul-Haque, thus, revived the concept of a powerful head of the state to act, in continuation of the colonial tradition, as bulwark against popular political forces. Behind this bulwark the entrenched powers of civil and military bureaucracy further consolidated their position to prevent the democratic process from reaching its logical conclusion, the political supremacy of the people.

It is not only in the political arena that colonial legacy vie with democratic forces for supremacy, in the economic realm the struggle is even more intense and visible. The British had kept India as a source of cheap raw materials and paid scant attention to industrialization; but Pakistan was even less industrialized than India. The post-independence political leadership did not pay sufficient attention to the tasks of economic development. The First Five Year Plan was commissioned in 1955. The Plan did not receive formal approval of the Government till 1957. The country which enjoyed surplus in food as late as 1952, moved to suffer a continuous and critical food shortage in almost every subsequent year.[10] Writing about Pakistan's economic performance in early years, Gunar Myrdal observes:

> "Towards the end of first decade of independence there was an all round decline in food production. The rate of growth of industrial production was slowing down, not least because of inadequate supplies of spare parts or raw materials. At about the same time, Pakistan experienced its

> largest balance of payments deficit. These symptoms of creeping economic paralysis, together with disaffection in the east wing, failure to initiate any effective land reforms in the west wing, pressure of inflation, distrust of the new industrial class, and rampant corruption, produced a general demoralization in public affairs, and an even deeper mistrust of the professional politicians. It was in these conditions that the army and General Ayub Khan took over in October 1958 and imposed Martial Law."[11]

The situation has not changed much after four decades. Despite impressive achievements in the industrial and agricultural sectors, the economy of Pakistan is still in precarious condition. Pakistan's economy is still heavily dependent upon agriculture which, according to *Pakistan Economic Survey*: 1996-97, constitutes 24 percent of Gross Domestic Product, accounts for half of employed labour force and is the largest source of foreign exchange earnings.[12] In spite of the larger sphere of the agriculture, gross disparities in income and social indicators exist between the rural and urban areas, Pakistan's Economic Survey admits lower standard of living for rural population compared to its urban counterpart. This fact is attributed to its poor possession of productive assets, high under-employment and lack of socio-physical infrastructure.[13] In education, especially in female education, with literacy rate of 38.9 percent (50 percent male and 27 percent female), Pakistan still lags behind many countries of the world.

In the area of trade Pakistan has been suffering from an imbalance for most of the years. We have been having a trade deficit in almost all years except for the three years, *i.e.* 1947-48, 1950-51 and 1972-73.

The most serious problem is presented by external debt liability. According to *Pakistan Economic Survey*: 1996-97, the disbursed and outstanding debts (medium and long-term) in the year (1956-97) was estimated at $ 23,016 million compared with $ 22,275 million of 1995-96 which indicated a growth of 3.3 percent. As a percent of GDP it rose from 34.44 percent in 1995-96 to 35.85 percent in 1996-97. Likewise the debt service payments in 1996-97 were projected to increase by 8.10 percent to $ 2,309 million against $ 2,136 million in 1995-96. It may be around 3.60 percent of GDP in 1996-97 against 3.30 percent in 1995-96. Liability to disbursed and outstanding debt during 1990-91 to 1996-97 grew at an average annual rate of 6.28 percent and payments on debt servicing at an average annual rate of 9.47 percent.[14]

From growing trade deficit and mounting debt burden it can very easily be inferred that Pakistan like other developing countries is still a victim of old system of colonial relationships. Colonialism in the old form has been replaced by a new set of relationships which bind the poor with the rich countries based on loans with high interest rates and trade with extremely unfavourable terms for the former. On national level, the vast majority of the people continue to be without basic needs like health, education, sanitation and clean drinking water. Despite the

substantial economic growth that has taken place during the last four decades, poverty remains widespread. According to Dr. Mahbub-ul-Haque, this is the result of "powerful inter-locking of feudal-industrial interests, which pre-empt most of the gains of development."[15] Take, for example, the countries of South Asia. The region has 22 percent of world's population yet its share of global real income is meagre 6 percent. The region has a massive share of the world's total illiterate population (46%) — over twice as high as its share of the world's total population. Pakistan's position in terms of gap between economic performance and human development is one of the most unfavourable among a large number of countries. As Dr. Mahbub-ul-Haque observes:

> "There are few countries in the world which show a larger gap between their performance on economic growth and human development than does Pakistan. In economic terms, Pakistan's real per capita income is about 75 percent higher than India's. Yet Pakistan lags behind India in adult literacy and most other social indicators. The comparison is even more stark with Sri Lanka which is comparable to Pakistan in terms of per capita income. Pakistan's adult literacy rate is 36 percent compared to 90 percent in Sri Lanka, and its average life expectancy is ten years lower than Sri Lanka on the Human Development Index (according to the ranking in the *Human Development Report* 1996), even though the difference in their per

> capita income ranks in only 22. In other words, the difference between the human development ranks of Pakistan and Sri Lanka is twice as high as the difference in their income ranks, showing how poorly Pakistan has translated its income into an improvement in the lives of its people. Overall, Pakistan's real income per capita increased by 231 percent during the period 1970 to 1993, which was by far the highest rate of growth in South Asia. Unfortunately, Pakistan's social progress during this period does not correspond to such an increase in economic prosperity."[16]

Dr. Mahbub-ul-Haque attributes this state of affairs to a number of factors: prominent among them, according to him, are: a very skewed income distribution; the absence of any meaningful land reforms; non-existence of income tax on agricultural incomes; an overwhelming reliance of fiscal policy on indirect rather than direct taxes; the heavy burden of defence and debt servicing on limited budgetary resources, political domination by a rentier class that pre-empts the patronage of the state in its own favour and a very corrupt ruling elite.[17] All these factors are the product of the pattern of socio-economic relations which colonialism during its long rule fostered to serve its own interests and those of few who were coopted for their collaborationist role in keeping the people of their region suppressed.

The leading group in this regard is that of feudal lords who even after 50 years and a series of half-hearted, land reforms in 1959, 1972

and 1977, continue to dominate political process to the detriment of interests of the vast majority of the people. The successive land reforms have failed to break big land-holdings. According to the Federal Land Commission of Pakistan, only 1.8 million hectares (or less than 8 percent of the country's cultivated area) has been resumed so far, of which 1.4 million hectares have been distributed to 288,000 beneficiaries. Many large land-owners managed to keep their holdings within an extended joint family framework and have given up only some marginal, least productive and swampy lands. The fatal flaw in these land reforms has been that the ruling class itself owned most of the land and it was not prepared to commit *hara kiri* by implementing any effective land reforms. Land ownerships still remain highly concentrated; over half of the total farm land is in the form of 50 acres or more.

The owners of these large land farms wield considerable influence in politics and dominate Pakistan's political culture. Their influence in electoral politics is especially decisive. For example, when during the first term (1990-1993) the government of Prime Minister Mian Nawaz Sharif made an attempt to impose an agricultural income tax through legislation in the provincial assemblies, he was frustrated by strong opposition from the provincial legislators, particularly Punjab where MPAs from feudal dominated southern part constituted the majority. In 1993 elections which were held after Nawaz Sharif was forced to quit over a row with President Ghulam Ishaq Khan, southern Punjab's swing to Pakistan Peoples Party enabled Benazir Bhutto to

become prime minister for the second time (1993-96) and capture Punjab — the largest province of the country — in alliance with a break-away faction of Pakistan Muslim League. After regaining power in February 1997 elections, the government of Prime Minister Nawaz Sharif imposed Agricultural Income Tax, but its rate has been kept so low that it constitutes a very small portion of revenue collection.

CONCLUSION

Even after 50 years of its independent political life Pakistan's political, economic, legal, social and other systems are overshadowed by colonial legacy. The main reason responsible for lingering colonial legacy are: weak political forces and institutional instability caused by frequent breakdowns of the democratic political process and imposition of Martial Laws. Under the impact of colonial legacy, Pakistan's political system exhibits a strong tendency towards centralization and concentration of authority in few hands. Despite the fact that there has been a progressive enlargement of the area of provincial autonomy from 1947 to 1973, legislative, administrative and financial relations between the Centre and the provinces show heavy bias in favour of the former. The frequent Martial Laws have led to the strengthening of those forces whose interests are linked with strong Centre and limited area of provincial autonomy. These forces have not allowed a fair distribution of resources among all the four federating units and even prevent implementation of the provisions on provincial autonomy. This is evident from the persistent complaints from the smaller provinces that Centre has not released their share of funds, causing financial

crisis in these provinces. Under the Constitution, the Province of Balochistan has been given a share in the proceeds from income from gas; while NWFP is entitled to get income from hydro-electric generation. Both these provinces, however, have serious complaints against the Centre for denying them their share of income from gas and electricity. The arbitrary and repeated dismissal of assemblies under (now omitted) Article 58-2(*b*) of the constitution also demonstrated the authoritarian trends of the political system of Pakistan. This lethal provision of the constitution was used four times (1988, 1990, 1993 and 1996) in eight years against the elected representative institutions. Each time, not only the National Assembly and the Federal Government but all the four provincial legislatures and provincial governments were also dismissed. These undemocratic actions seriously undermined provincial autonomy and weakened federal structure.

However, democratic transition and growing trends towards globalization hold bright prospects for greater decentralization and devolution of power which will ultimately dismantle the vestiges of colonialism. Pakistan's political history of the last 50 years shows that the main thrust of democratization process has been in the direction of decentralization and greater provincial autonomy. In fact democracy in Pakistan has been suppressed through frequent military interventions also to thwart the movement towards decentralization and provincial autonomy. This is why whenever there has been a movement for the restoration of democracy, it has invariably and inevitably been linked

with demands for decentralization and greater provincial autonomy. As the process of democratization surges ahead, the political system of Pakistan will become more decentralized and the area of provincial autonomy would be further enlarged.

The growing trends towards globalization is also bringing about a radical transformation in the outlook of power elite on all the major domestic and foreign policy issues, and causing re-adjustment of relationship between various components of Pakistan's political system. The end of the Cold War, disintegration of the former Soviet Union and globalization has forced the nations to re-define their national priorities and put greater emphasis on economic development and trade expansion than on the military build up. These changes have strengthened the process of democratic transition, which though may be faced with many hurdles and in some cases has suffered setbacks, has become irreversible. In Pakistan's case, the success of parliamentary democracy against the onslaught of authoritarian forces who wanted to re-assert the primacy of head of the state over an elected and representative parliament, is a clear illustration of strength and confidence of popular democratic forces in the back drop of democratization and globalization.

NOTES

[1]Government of Pakistan, Finance Division, Economic Adviser's Wing, *Pakistan Economic Survey* 1996-97 (Islamabad, 1997) p. 179.

[2]Chaudhary, G. W., *Constitutional Development in Pakistan* (London, Longman) p. 26.

[3]In November, 1950, all the major political parties held a Convention in Dacca (Dhaka). The Convention was held to protest against the constitutional proposals contained in the First Report of the Basic Principles Committee of Pakistan's Constituent Assembly. The proposals had drastically curtailed the area of provincial autonomy. While rejecting these proposals, the Convention had demanded that only foreign affairs, currency and defence should be given to the centre. (G. W. Chaudhary, *Ibid*) p. 72.

[4]The Government of India Act, 1935 (with Indian Independence Act, 1947, as adopted in Pakistan by Constitutional Order, 1947, and amended upto April 1955 (Lahore, The All Pakistan Legal Decisions, 1955).

[5]Chaudhary, *op. cit.*, p. 31.

[6]MacGrath, Allen, *The Destruction of Pakistan's Democracy* (New York, Oxford University Press, 1996) p. 41.

[7]Chaudhary, *op. cit.*, p. 119.

[8]Munir, M., *Constitution of the Islamic Republic of Pakistan* (Lahore, All Pakistan Legal Decisions, 1965) p. 250.

[9]*Ibid*, p. 448. Commenting on the federal character of the 1962 Constitution, Justice Munir opines that the system set up under the 1962 Constitution "was not a form of Federation but a decentralized Unitarian Government." *Ibid*, p. 70.

[10]Myrdal, Gunar, *Asian Drama: An Inquiry into the Poverty of Nations*, Volume I (Penguin Books, 1968) p. 322.

[11]*Ibid*, p. 323.

[12]Pakistan Economic Survey, *op. cit.*, p. 9.

[13]*Ibid*, p. 7.

[14]*Ibid*, p. 87.

[15]Mahbub-ul-Haque, *Human Development in South Asia* (Karachi, Oxford University Press, 1997) p. 37.

[16]*Ibid*, pp. 37, 38.

[17]*Ibid*, p. 38.

INTERNATIONAL CONFERENCE

on

COLONIALISM and GLOBALIZATION

Five Centuries after Vasco da Gama
February 2-6, 1998
New Delhi, India

GLOBALIZATION: THE THIRD WORLD

by

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Globalization: The Third Wave

By

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Our common colonial experience

We are all familiar with colonialism. The dates may have varied; the colonizing country may have been different; but the main features of our common colonial experience were basically the same:

- Using superior military technology, the colonizing power forcibly imposed its rule over our peoples, at great cost to us in terms of human lives and suffering and in terms of human and natural ecology.

- Military conquest was very often preceded -- and most certainly followed -- by the imposition of new religions and cultures, which facilitated subjugation by dulling the impulse to resist or diluting the desire to free ourselves from colonial clutches. The effects of such cultural implantation on our minds have lingered and continued to do their damage, keeping us in mental bondage long after the last colonizing soldier has left our soil. Soon, the colonial mind started to take for real the masks worn by the colonizers and the words they used to deceive their victims, such as "we bring you Christianity"; "we bring you civilization"; "we will teach you democracy"; etc. - As soon as resistance was quelled, the colonizing power set up a colonial administration, run at lower levels by people culled from local elites, many of whom decided to work hand-in-hand with their colonial masters to preserve their wealth and privileges.

- As the colonial bureaucracy was put in place, the process of drawing out our wealth then began. Over the centuries, the colonizing powers enriched themselves immeasurably by drawing human and natural resources from our lands -- human slaves, indentured labor, tributes, precious metals and other minerals, logs and lumber, colonial crops cultivated on seized indigenous lands, and so on. At the very foundations of the richest countries of today, are the broken remains of our own ancestors and the wealth plundered from their communities.

- The colonizers brought with them the practices of plantation agriculture, large-scale logging, large-scale mining, and other unsustainable technologies, which were meant for plunder and for maximizing exploitation and profits. These unsustainable practices replaced the sustainable indigenous practices our pre-colonial peoples had relied on for centuries.

- The impact on the people and their communities was grievous. We lost our right to self-determination and our freedoms. We lost our wealth through colonial plunder. Our best lands were seized for colonial tillage. Indigenous communities lost their rights to their lands. The impact on nature was equally disastrous. Colonial occupation was invariably marked with plunder of our natural resources and the introduction of monoculture in direct contrast to the much more sustainable and ecological practices of our pre-colonial past.

- During this period, the colonial powers that took over the globe were mercantilist and, later, early industrial powers. Often operating their own State monopoly corporations, they scoured the globe in search of slaves, tradeable goods or raw materials, and bases for their colonial operations.

This period of colonialism may be called the first wave of globalization.

A range of anti-colonial responses

The independence struggles waged by our peoples in response to this wave of globalization are also familiar to all students of history. Many of these independence struggles were eventually resolved through successful armed revolutions. We in the Philippines, for instance, commemorated in 1996 the centennial of our own revolution against Spain -- one of the first of the national independence movements that eventually emerged in this part of the globe.

In other countries, a peaceful withdrawal of occupation forces and turnover of formal political power to the local elites was effected, very often retaining the same colonial set of laws, bureaucracy and armed forces that had served the foreign masters. Again recalling our own experience, the newly-born Philippine republic that emerged out of our 1896 revolution was aborted, and our painful colonial experience extended for another half a century, as the United States (U.S.) used superior military power to wage a genocidal war against the newly-independent Filipinos, imposing an equally plunderous colonial regime on our lands and peoples. In 1946, the Americans peacefully turned over formal political rule to the local elites, after first making sure that the 'newly-independent' Republic of the Philippines was bound by economic and military treaties that belied claims of genuine sovereignty.

Where independence was won by arms -- in China, for example -- the colonial economic and political interests had to beat a full retreat. They lost their territorial rights and their businesses, their properties confiscated and nationalized. Where independence was 'granted' to a local elite which had been trained by their colonial masters, the latter still had to put up with some nationalist efforts by locals to regain control of their economy. These took the form of foreign ownership limits, profit remittances restrictions, local content requirements, export quotas, and other attempts to regulate foreign businesses. In the Philippines, for instance, foreigners were allowed a maximum of 40% ownership in corporations, and were excluded from specific areas like media and

communications, natural resources exploitation, the professions, and retail trade. The latter restriction, by the way, exempted Americans by virtue of a post-war agreement the Philippines was forced to enter into, under threat by the U.S. to withhold any post-war aid if several treaties it wanted were not ratified.

The corporate counter-response

During this post-colonial period, the role of global capital expanded, partly due to internal developments in their home countries, and partly as a counter-response to independence movements and economic nationalism. Having lost direct control over their colonies, global capital sought and became better at indirect control; military aggression was replaced by culture-aggression and economic control. By this time, internal developments within the colonizing powers themselves had prepared their economies for this shift: many of them had reached the late industrial stage of development. Huge private corporations in partnership with governments had accumulated vast amounts of financial wealth, turning money itself into a major commodity. These corporations needed new markets and investment areas, rather than colonial territories that were becoming more and more difficult and costly to retain politically and militarily.

We are also familiar with these post-colonial developments.

- Again, they masked their real intention of drawing wealth from our lands and communities with such pretexts as: "we bring jobs"; "we bring technology"; "we will lend you money for development"; "we will protect you from communism"; and so on.

- Instead of relying on military conquest, these global corporations worked closely with elite- led governments, particularly those local classes whose economic interests coincided closely with their former masters. Often, the local police and armed forces were flooded with aid, to win their loyalty and service.

- The post-colonial bottom line was no different: the extraction of wealth. This occurred through: unequal trade (depressed prices for our agricultural commodities, monopolistic prices for their industrial manufactures); high interest rates on foreign loans; using loan conditionalities to exact further concessions; quick and massive profit repatriation; and low wages. By retaining post-colonial dominance and control in the economic and cultural spheres, post-colonial wealth extraction could proceed unabated.

- Chemical agriculture was introduced to intensify the production of export crops, causing widespread poisoning and damage in the countryside. Exploitation of our natural resources intensified, and energy generation projects such as huge dams, coal and oil plants, and nuclear plants in some cases ravaged the countryside.

- The development of a nationwide mass media infrastructure served to further strengthen the colonial hold on local minds, to create and expand markets, and to ensure a friendly environment for foreign investments and foreign products.

The second wave of globalization

This post-colonial wave may be called the second wave of globalization, where industrial countries and global corporations would range across the globe for investment areas, industrial markets, trading partners, and sources of cheap labor and raw materials.

This wave has gone through several phases, reflecting the progress of an unequal contest between powerful countries strengthened by the immense wealth they had drawn from colonial victims on the one hand, and the newly-independent nations weakened by centuries of plunder and exploitation on the other hand.

The early-independence phase was often marked by intense economic nationalism, as local economic interests tried to mobilize their government to enhance their economic sovereignty while global corporate interests fought to retain their colonial privileges.This phase saw the adoption of economic protectionist measures meant to strengthen local capital vis-a-vis foreign capital.

The second phase saw a succession of crises that included the oil shocks of the 70's, the debt crises of the 80's, the socialist crisis of the early 90's, and the financial crisis of the late 90's, which is still going on. Socialism had earlier provided a counter-balance to global corporations and their governments, as well as a possible alternative path for independence movements. These crises weakened the capacity, the will, and the overall position of the former colonies and enabled global corporations to launch major counterattacks in order to regain much of the colonial power and privileges they had lost during the economic-nationalist phase.

The post-colonial counterattacks by global corporations mark the third phase of this second wave. Many countries, despite having freed themselves from centuries of colonial rule, then lost much of their economic sovereignty to corporate-controlled international institutions such as the International Monetary Fund (IMF), the World Bank (WB) and the World Trade Organization (WTO). Through loan conditionalities, structural adjustment programs, and other means, many nationalist laws and provisions gained by earlier anti-colonial independence movements were undermined and dismantled. Some authors -- Chakravarty Raghavan, for example -- have called this phase a process of "recolonization", a return of colonial privileges for global corporations.

The impacts of this wave of globalization are no less destructive than the colonialism that preceded it. Our agricultural products consistently suffer from low prices; our workers from low wages. We are losing much of our capital due to profit repatriation and the debt crisis; chemical farming is taking away our food security and putting it in the hands of global chemical and seed conglomerates. We enjoy national sovereignty in name only. We are suffering from widespread ecological disasters, triggered by intensive resource extraction, disruptive energy projects, and toxic pollution. Our forests, mines and quarries are being quickly depleted; our air, water and soil heavily contaminated; and pervasive monoculture is seriously threatening our biodiversity.

This part of our history and current events should also be familiar to most of us.

Alert: the third wave is coming

We are still in the midst of the second wave of globalizaation, yet a third one has already emerged. The third wave of globalization began to be felt worldwide in the last half of the 1990's and will probably express its overwhelming presence in full force at the dawn of the 21st century. This looming third wave is the global information economy.

Like the first two waves, the third globalization wave arose from internal developments within the hearts of the global powers. It is important to look at these internal developments, because they will, as in the past, eventually impinge on the rest of the world -- including our own -- often shaping our destinies and steering our development in directions we never wanted to take.

The colonial powers were mercantilist and, later, industrial countries in their early expansionist stages. The post-colonial powers were industrial countries in their late stages, when capitalism had developed further, combining industrial and finance capital into huge monopolistic conglomerates in continual search for new acquisitions, sources of cheap raw materials and labor, and markets. The third wave of globalization is marked by the emergence and eventual dominance, within the most advanced industrial countries, of the information sector -- the sector that produces, manipulates, processes, distributes and markets information products.

There is enough literature that describes the dominance of the information sector in the U.S. One of the earliest is a landmark study by Marc Porat, who analyzed some 201 industries in the United States in 1967. Here's an account of Porat's study (Megatrends by John Naisbitt, 1982):

"Porat sorted through some 440 occupations in 201 industries, identified the information jobs, and compiled their contribution to the GNP. Questionable jobs were excluded so that the study's conclusions err on the conservative side. "Porat's study is incredibly detailed. He begins with the obvious sorting-out and tallying-up of the economic value of easily identifiable information jobs such as clerks, librarians, systems analysts, calling this first group the Primary Information Sector. According to Porat's calculations for the year 1967, 25.1 percent of the U.S. GNP was produced in the Primary Information Sector, that is, the part of the economy that produces, processes, and distributes information goods and services. Included here are computer manufacturing, telecommunications, printing, mass media, advertising, accounting and education, as well as risk-management industries, including parts of the finance and insurance businesses. "But Porat's study goes on to deal with the more difficult questions that have overwhelmed other researchers. How does one categorize those individuals holding information jobs with manufacturers and other noninformation firms? To answer this question required 'tearing firms apart in an accounting sense into information and non-information parts. "Porat creates a new information grouping called the Secondary Information Sector. It quantifies the economic contribution of information workers employed in noninformation firms. "These workers produce information goods and services for internal consumption within goods-producing and ohter companies. In effect their information products are sold on a fictitious account to the goods-producing side of the company. The Secondary Information Sector generated an additional 21.1 percent of the GNP. "Porat's study concludes, then, that the information economy accounted for some 46 percent of the GNP and more than 53 percent of the income earned. This was in 1967." This was also before the widespread use of satellite communications, fax machines, cell phones,

cable television, personal computers and, of course, the Internet. Today, there is no doubt that the information sector is the dominant sector of the U.S. economy, making the U.S. the leading information economy in the world.

A global information economy

The increasing dominance of the information sector in what had been industrial economies is turning them into information economies. These emerging information economies -- principally the U.S. and to a lesser extent some countries of Europe -- are at the core of the third wave of globalization. Because of the way these economies are so closely interconnected, they are better seen as a single emerging global information economy. The Internet is perhaps the most visible portion of this economy -- and certainly the one which has received the most media attention. This emerging global information economy includes the global infrastructure for telecommunications, data exchange, media and entertainment; the knowledge industries; the publishing industries; the computer hardware and software industries; the emerging financial systems that will support online transactions; the emerging global legal infrastructure based on the WTO, including the GATT and the agreements in information technology, telecommunications and financial services; and the biotechnology and genetic engineering industries.

Unlike the first two waves, the implications and consequences of the global information economy are an unfamiliar phenomenon to most of us. There are so many new things, so many new possibilities, that it is quite difficult to separate the chaff from the grain, the hype from the substance.

This is what this final portion of my paper will try to do.

Information: a closer look

Let us look closely at the archetypal information product: information stored in a magnetic medium. It can be software on a diskette, databases on hard disks, an audio casette, or a video casette. Remember that the product is not the medium but the message; it is neither the disk nor the tape, but their contents. The same medium with a different message is a different product; the same message on a different medium is the same product. Other forms of information, like books and other printed publication, live audio and video information, drawings and designs, and genetic information may now be easily transformed into their archetypal equivalent.

The distinctive feature of an information product is that it can be copied at little cost. The cost of copying books is still on the high side, but the cost of copying electronic data is nearly zero. Furthermore, we can give copies away without losing our own copy. This is true of software, databases, songs, videos, designs, and most other information goods -- including genetic information.

In short, the cost of reproducing information -- what the economist calls its marginal cost -- is very low and oftentimes approaches zero.

In the last analysis, this feature is due to the very essence of information itself. Information is non-material in its essence -- a numeric measure of the uncertainty which it resolves. The non-materiality of information is the basis of its low reproduction cost, which may be driven lower and lower by adopting representations that can be manipulated at lower cost. With today's digital representations, the costs of reproducing and distributing information have reached historic lows -- as low as the cost of copying a diskette or downloading a file from an online server.

Low marginal cost leads to sharing

The low marginal cost of information has two major implications: one for those who use it, and another for those who sell it.

For users, it encourages sharing. Many cultures, in fact, see knowledge as social wealth -- a collective asset that is meant to be shared. These cultures -- including most Third World and indigenous cultures -- are therefore in close harmony with the very nature of information. When we share software, for example, we are only being true to the nature of information and to our own cultures.

But there are other cultures, where private property concepts have become more absolute and where almost everything may be commodified. In these cultures -- often with capitalism at their core -- information has become an object of commodification and privatization. Culture itself has become commodified, together with knowledge and life. They have become vehicles for profit-making.

Profit-making mechanism: the monopoly

Let us look more closely at the mechanism of profit-making through information. First, the seller turns information from a collective asset into private property. Then, copies are sold on the market, at prices set by the "owner"/seller. The near-zero marginal cost of reproducing information now makes its selling price nearly pure profit. A diskette of software that may be copied for cents is sold for fifty dollars. A CDROM that may be reproduced for three dollars is sold for three hundred.

To realize these extremely high profit margins made possible by the low marginal cost of information products, however, the seller must create an artifical scarcity of the product. We have seen that information can now be easily copied by users themselves at practically no cost, creating a natural abundance which drives prices down. To keep prices and profit margins high, this natural abundance that proceeds from the essence of information itself must be prevented. The seller does it by essentially prohibiting sharing among users and acquiring from the State a monopoly in using and making copies of the information product. This creates the artificial scarcity that drives prices up and realizes for the seller the potential profits from high margins.

It is monopoly that creates the scarcity. Such monopolies are euphemistically known as "intellectual property rights (IPR), the main form of ownership in an information economy. They are the mechanism for maintaining the high profit margins of those who control and sell information products. IPRs have two major forms: copyrights (historically, limited monopolies covering literary materials), and patents (historically, limited monopolies covering inventions). In

recent years, as the information sector gained dominance and the propertied classes of this sector increased their political and economic power, IPRs have been strengthened and extended to new areas.

IPRs are, in reality, statutory monopolies. They are monopolies over information granted through statutes, by the State. Those who control information through IPR are basically rentiers: they make money by charging monopoly rents from users, who are threatened by State action should they continue to practice information sharing. In the Philippines, monopolies represented by the Business Software Alliance (BSA), in collaboration with the Philippine government, have actually raided educational institutions and commercial shops to enforce their information monopolies.

Conflicts within the information economy

Still, enforcing information monopolies is not simple. After all, information monopolies are incompatible with the social nature of information. The deeply-ingrained cultural habits of information sharing and exchange continue to assert themselves, regardless of the will of monopolists and their State protectors.

This is the dilemma within the emerging global information economy. On the one hand, information itself is a highly social good; on the other hand, the forms of ownership are highly monopolistic. On the one hand, users tend to share information goods; on the other hand, IPR holders insist on their monopolies. On the one hand, developing countries need the widest access to various technology options at the least cost; on the other hand, rich and powerful information economies control almost 90% of all the IPRs in the world today, and want to increase their control further.

The basic conflict within the information sector is the incompatibility between the highly monopolistic forms of information ownership and the social nature of information. This conflict is also expressed between users who want to share information freely and monopoly claimants who want to prevent free sharing of information. It is further reflected in the conflict between developing countries who need low-cost access to major bodies of information and information economies which have established virtual monopolies over information. Historically, these information economies are basically the same colonial powers that have exploited developing countries over the centuries.

The socializing tendency emanates from the nature of information itself, and can therefore never be suppressed. The monopolizing tendency emanates from the potentially high profit margins in selling information and the economic and political power concentrated in information monopolies. The conflicts arising from these two opposing tendencies will drive the historical development of the third wave of globalization.

The richest man in the world, as well as several others among the ten richest, is a cyberlord. The economic powers of cyberlords are immense, and these powers are increasingly being felt in the political and diplomatic arena. Among U.S. negotiators, for instance, IPR -- the mechanism which gives software cyberlords their power -- is invariably a non-negotiable item in their agenda. It is the partnership between information cyberlords, industrial cyberlords, and finance capitalists which is the at the core of the third wave of globalization.

To sum up: an information economy is one whose information sector has become the main source of wealth, eclipsing its industrial and agricultural sectors. The products of industrial and agricultural economies are material goods; the products of an information economy, however, are non-material goods. The reproduction cost of information goods is very low. This has led to the widespread social practice of freely sharing and exchanging information. On the other hand, it also promises extremely high profit margins, if the seller can monopolize information. Information monopolies have become the main form of ownership in the information sector. The high profit margins that they realize have led to a continuous movement of investment capital towards the information sector, eventually making it the dominant sector of the economy and transforming the economy into an information economy. The products of this information economy spread worldwide, as people freely share and exchange information goods. Thus an information economy needs a global system for enforcing its monopolies as well as for gathering information materials, tapping intellectuals and of course collecting payments worldwide. This leads to the globalization of the information economy and is the engine of the third wave of globalization. The main propertied classes within the information economy are information cyberlords, who control information content, industrial cyberlords, who control information infrastructures, and finance capitalists, who control investment funds.

First to third waves: a comparison

Let us compare the emergence of the global information economy with the two previous waves of globalization:

- The first wave was after slaves, previous metals and lands for raising export crops; the second wave was after new investment acquisitions, sources of raw materials and labor, and industrial markets. The third wave is after sources of mental labor, sources of information raw materials, and markets for information products. This is why the WTO pushed very hard to conclude as soon as possible the agreements on information technology, telecommunications and financial services.

- The third wave requires freer movement of information across national boundaries. This has helped erode further the power of the State. While the State itself operated corporate monopolies during the first wave, and continued to be dominant over corporations during the second wave, it is finding itself less powerful during the third wave. Global corporations are now assuming the dominant role in the State-corporate partnership, in close collaboration with supra-national institutions like the International Monetary Fund (IMF), the World Bank (WB) and the WTO.

Internal engine

Within the U.S., the high profit margins in the information sector is attracting more investment capital towards this sector, away from the agricultural and industrial sectors. This is the internal engine that is slowly transforming the U.S. economy into an information economy.

Within the emerging global information economy itself, monopoly concepts are already well-established and are even expanding their coverage. One item, for instance, is always non-negotiable in the U.S. diplomatic agenda: intellectual property rights (IPR). These concepts are increasingly dominating international legal systems through bilateral negotiations with the U.S. and through the World Trade Organization (WTO). Thus, worldwide, pressure is increasing on countries with non-monopolistic attitudes towards information to adopt the same U.S. legal system that strictly protects IPRs.

However, the social nature of information continually asserts itself. Information abundance created through user sharing and exchange keeps breaking through the artificial scarcity created by information monopolies. The latest releases of popular software, songs or video immediately find themselves being copied in every corner of the globe. In effect, information automatically globalizes itself regardless of the will of those who insist in monopolizing them. Ironically, information monopolists find their products better distributed in those parts of the globe where they could not enforce their monopoly. They therefore insist on imposing monopolistic legal systems upon the rest of the globe, so they can realize the same profit margins they enjoy in their monopoly areas. Even one country that refuses to be part of this global legal system will pose a threat to their global monopoly, thus they will exert every effort to bring it in. These monopolists will never leave any country -- or any community -- alone.

They are the real engines of globalization's third wave.

This is also what makes the information sector qualitatively different from the industrial and agricultural sectors. It justifies why the emergence of the global information economy must be considered a distinct wave in itself, instead of simply a part of the second wave of globalization.

Cyberlords

Information monopolies may be established not only by staking monopoly claims over information content through IPR, but also by controlling the hardware infrastructure for manipulating or distributing information. This infrastructure includes computer centers, voice and data switching centers, communication lines, television and radio stations, satellite networks, cable networks, cellular networks, printing presses, moviehouses, etc. Like their software counterparts, the owners of the hardware infrastructure make money through monopoly rents, in the form of subscription fees or per-use charges.

Because they earn their incomes from monopoly rents, the propertied classes of the information sectors are rentier classes. They are the landlords of cyberspace, or cyberlords. The content monopolies are owned by information cyberlords, and the infrastructure monopolies are owned by industrial cyberlords.

- As in the first two waves, the extraction of wealth from the rest of the world is likewise done under a mask that hides real intentions. The third wave hides behind such phrases as "information at your finger tips", "world without borders", "global village", instant access to the world's libraries", "free flow of information", or "TV with a million channels." - In reality, the global information economy imposes its own global rule to facilitate the wealth transfer. The role of the nation-state shrinks, many of its functions taken over by private corporation. National sovereignty is curtailed by supra-national institutions. Global corporations continue to strengthen their political voice and clout, and directly enter into partnerships with local elites and local governments, often bypassing the host government as well as their own government. Corporate control of information, communications, and media infrastructures is strengthened through privatization and deregulation.

- In addition to the earlier forms of wealth extraction practised during the first and second waves, new forms emerge or old forms acquire new importance. Monopoly rents become the main form of wealth extraction. Because of the huge disparity in costs, trade between information economies and other economies become even more unequal. Compare, for instance, a CDROM which might sell for three hundred dollars, but whose production cost is around three dollars, to a typical Philippine product like sugar, which might sell for fifteen cents per pound. Much of the three hundred dollars in the price of 2,000 pounds of sugar would barely cover the cost of production, while much of the three hundred dollars in the price of a CDROM would be profit. Royalties from intellectual property rights (IPRs) and other income from information rents assume major significance; technology makes possible high-speed, finely-tuned financial speculation. As the importance of the nation-state recedes, corporations are able to purchase State assets and public properties at bargain prices.

- New technologies of exploitation are introduced. First wave technologies were designed for the immediate plunder of our natural resources and human communities. Second wave technologies were based on material exploitation and intensive energy utilization. Third wave technologies are invariably information-based, centered on extracting the highest monopoly rents from the control of information infrastructure or information content. The best example of a technology that is at the leading edge of the third wave of globalization is the Internet. Advanced information and communications technologies make possible the convergence of media, entertainment, data, and communications. The application of information technology to genetic engineering and biotechnologies has transformed these fields and made them fertile areas for information monopolies, best illustrated by the patenting of life forms.

- We are already starting to feel the impact of the third wave. Strengthening information monopoly mechanisms will increase the cost and make more difficult access to new technologies. As the global information infrastructure now being constructed reach the remotest corners of our countries, we will be further flooded with all kinds of junk culture, easily accessible with a few keystrokes, and the homogeneization of our cultures will reach new levels. The reckless experimentation with new life forms in the race to introduce new commercial biotechnology products and services will lead to biological pollution from genetically-modified organisms. Their potential for damage will be infinitely greater than chemical pollutants because these organisms can reproduce by themselves, mutate and evolve.

Driven by the logic of profit-making and rent-seeking, biotechnology will pose the greatest threat to human health and survival.

Super-exploitation

The global information economy will also enable those with vast resources to concentrate wealth further into their hands. To illustrate this capacity for super-exploitation unleashed by third wave technologies: imagine a corporation which can afford to automate its international financial transactions so that its computers could do a round-the-clock, unattended scan of the global financial markets for opportunities, make decisions automatically, and conclude a financial transaction within three seconds or a buy-then-sell transaction pair within six seconds. Such a facility, backed up by vast financial resources, executing financial transactions and profitting from them every 6 seconds, 24 hours a day, 365 days a year, would be able to double its owners' investment funds, based on the following table:

Profit Margin for every buy-then-sell transaction	Period it takes for investment to double
1%	7 minutes
0.1%	69 minutes
0.01%	11.6 hours
0.001%	4.8 days
0.0001%	1.6 months
0.00001%	1.3 years

Who but the largest financial conglomerates would have the resources to set up and maintain such automated, round-the-clock facilities with a global reach? We had better think again, those among us who believe that the Third World can leap-frog second wave economies and ride the third wave by surfing the Web or by selling our agricultural and manufacturing commodities and our cheaper labor over the Internet. What we face here is really a new personification of greed, one that has freed itself of distracting human feelings like love, compassion, charity, guild, fear and other emotions, leaving only pure greed, unencumbered and free to pursue singlemindedly the one and only thing that motivates it: profit. It is the search for profit by global corporations that is powering the whole process.

These corporations have even acquired their own rights, which are often more favorably recognized than the rights of real persons. They have learned to nourish themselves and to grow by feeding on nature, people, and information. They have become increasingly aggressive in asserting their freedoms ("liberalization"), overcoming government controls ("deregulation") and in taking over government activities ("privatization").

Corporations had earlier shared global rule with governments. Now, they want to rule it by themselves ("globalization").

The colonization of our countries that began in the 16th century hasn't really stopped. It has just changed forms, coming in waves of globalization that intrude into our communities, impose their unwanted rule, and squeeze the wealth out of our people and environment. With each

improvement in technology, with each transformation of capital, a new way of extracting wealth from our shores is employed, continually enriching those who control the technology and our economy while impoverishing us, destroying local livelihoods, ravaging our natural resources, and poisoning our environment. The first wave has ebbed, but we are still deep within the second wave, and the third wave has already started lapping our shores.

Responding to the third globalization wave

How do we respond to globalization? To the first wave, we responded with independence struggles, ranging from armed revolutions to peaceful lobbies for independence. Economically, our responses ranged from outright confiscation and nationalization of foreign property, to negotiated purchases of foreign corporations at full commercial prices. Thus, historically, we can identify a period of economic nationalism worldwide, when newly-independent countries in Asia, Africa and Latin America tried to regain control of their economies through a range of policies favoring local economic interests and institutions.

Then came the post-colonial second wave of globalization, both in response to our independence struggles and as a consequence of internal developments within the economies of powerful countries themselves. Responses to this second wave have ranged from communist-led armed struggles, to elite-led protectionist regimes. Many of these responses have floundered as crises upon crises beset our countries, enabling former colonial masters to recover much of their early privileges. In general, the second wave of globalization remains dominant over our national and community life, having managed so far to counter all the various responses that have confronted it.

We're still under the second wave, and now comes the third wave. How do we respond to this new wave, and how should our response be related to our continuing efforts to confront the second wave of globalization?

A Green response

We can learn from some of the responses of social movements which have confronted specific issues involving the information economy. An illustrative set of responses can be seen in the program of the Philippine Greens for a non-monopolistic information sector. The following are the major elements of this program (Society, Ecology and Transformation by the Philippine Greens, 1997):

"1. The right to know. It is the government's duty to inform its citizens about matters that directly affect them, their families or their communities. Citizens have the right to access these information. The State may not use 'national security', 'confidentiality of commercial transactions', or 'trade secret' reasons to curtail this right.

"2. The right to privacy. The government will refrain from probing the private life of its citizens. Citizens have the right to access information about themselves which have been collected by government agencies. The government may not centralize these separate databases by building

a central database or by adopting a unified access key to the separate databases. Nobody will be forced against their will to reveal any information they do not want to make public.

"3. No patenting of life forms. The following, whether or not modified by human intervention, may not be patented: life forms, biological and microbiological materials, biological and microbiological processes." Life form patenting has become a major global issue, as biotechnology corporations move towards the direct manipulation and commercialization of human genetic material. Biotech firms are engaged in a frantic race to patent DNA sequences, microorganisms, plants, animal, human genetic matter and all other kinds of biological material, as well as in all kinds of genetic modification experiments to explore commercial possibilities. We much launch strong national and international movements to block these monopolistic moves and experiments, and to exclude life forms and other biological material from our patent systems.

"4. The moral rights of intellectuals. Those who actually created an intellectual work or originated an idea have the right to be recognized that they did so. Nobody may claim authorship of works or ideas they did not originate. No one can be forced to release or modify a work or idea if he/she is not willing to do so. These and other moral rights of intellectuals will be respected and protected.

"5. The freedom to share. The freedom to share and exchange information and knowledge will be recognized and protected. This freedom will take precedence over the information monopolies such as intellectual property rights (IPR) that the State grants to intellectuals." A specific expression of the freedom to share is the "fair-use" policy. This policy reflects a historical struggle waged by librarians who see themselves as guardians of the world's storehouse of knowledge, which they want to be freely accessible to the public. Librarians and educators have fought long battles and firmly held their ground on the issue of fair-use, which allows students and researchers access to copyrighted or patented materials without paying IPR rents. They have recently been losing ground due to the increasing political power of cyberlords.

"6. Universal access. The government will facilitate universal access by its citizens to the world's storehouse of knowledge. Every community will be enabled to have access to books, cassettes, videos, tapes, software, radio and TV programs, etc. The government will set up a wide range of training and educational facilities to enable community members to continually expand their knowhow and knowledge.

"7. Compulsory licensing. Universal access to information content is best implemented through compulsory licensing. Under this internationally-practiced mechanism, the government itself licenses others to copy patented or copyrighted material for sale to the public, but compels the licensees to pay the patent or copyright holder a government-set royalty fee. This mechanism is a transition step towards non-monopolistic payments for intellectual activity." Many countries in the world have used and continue to use this mechanism for important products like pharmaceuticals and books. Compulsory licensing is an internationally-recognized mechanism specifically meant to benefit poorer countries who want to access technologies but cannot afford the price set by IPR holders, but even the U.S. and many European countries use it.

"8. Public stations. Universal access to information infrastructure is best implemented through public access stations, charging at subsidized rates. These can include well-stocked public libraries; public telephone booths; community facilities for listening to or viewing training videos, documentaries, and the classics; public facilities for telegraph and electronic mail; educational radio and TV programs; and public access stations to computer networks." Information infrastructures are very expensive. Building national networks from scratch may take several billion dollars. Providing a personal computer to each family may take a few more billion dollars. Yet, much of these hardware will become obsolete within a few years of use, after which we will again be forced to update the entire hardware infrastructure for several billion dollars more. The act of participation seems to entrap us at once into becoming captive markets of information economies. How do we ensure access at a much lower cost? The answer is in universally-accessible public facilities. In the same way that the problem of Third World transport is solved by public transportation and not by a "one-family/one-car" policy, the problem of universal access in the information sector can be solved by public work/access stations and not by a "one-family/one-computer" policy.

Another approach in building public domain information tools is to support non-monopolistic mechanisms for rewarding intellectual creativity. Various concepts in software development and/or distribution have recently emerged, less monopolistic than IPRs. These include shareware, freeware, "copyleft" and the GNU General Public License (GPL). The latter is the most developed concept so far, and has managed to bridge the transition from monopoly to freedom in the information sector. In the personal computer arena, for example,the most significant challenger to the absolute monopoly of Microsoft Windows is the freely-available Linux operating system, which is covered by the GPL.

The first step in breaking up monopolies may be competition. But competition eventually leads to domination by the strong and those who can compete best, leading us back to monopolies. Isn't it better to transcend competition and move further towards cooperation? This means a stronger public sector and sharing meager resources to be able to afford expensive but necessary facilities. In the information sector, this means building information infrastructures, tools and contents which are in the public domain.

"9. The best lessons of our era. While all knowledge and culture should be preserved and stored for posterity, we need to distill the best lessons of our era, to be taught -- not sold -to the next generations. This should be a conscious, socially-guided selection process, undertaken with the greatest sensitivity and wisdom. It is not something that can be left to profit-oriented educational system, circulation-driven media, or consumption-pushing advertising". These responses must also be linked with ongoing struggles against the second wave of globalization. By doing so, we can bring together the widest range of people, whose unity and joint action can bring about a political structure that can comprehensively address the challenges of globalization.

As the Philippine Green program indicates, one of the tasks of such struggles is to develop a non-monopolistic information sector, where intellectual activity is rewarded through non-monopolistic mechanisms which are more consistent with the social nature of information. This will involve a radical rethinking of property concepts in the information sector, reinforcing similar demands for property restructuring in the industrial and agriculture sectors.

Eventually, enough social forces should be mustered to confront squarely the powerful forces of globalization. We can expect this historic confrontation to demand from us the same kind of courage, sacrifice and heroism which the earlier anti-colonial struggles demanded from our national heroes.

How we rise up to this challenge will determine whether our children and grandchildren will live as neo-slaves under a global system as cruel and heartless as the colonial system of old, or as free citizens living in communities where knowledge and culture are again freely-shared social assets, where industrial machinery is appropriately designed to serve and not to enslave human labor, and where ecology is the organizing principle in agriculture.

Final lesson

There is one final lesson, among so many, that our own colonial past teaches us. The first Spanish colony was set up in the Philippines in 1565. Over the next three centuries, colonization would encroach on most of the archipelago, except the Muslims of Mindanao and the upland indigenous tribes. Isolated rebellions would occur but could not shake Spanish rule. In 1864, a public manifesto by a Filipino priest began a Propaganda Movement, which eventually awakened our people's anti-colonial consciousness. In 1896, a full-scale revolution broke out. By 1898, the revolution had for all intents and purposes defeated Spanish colonialism.

It took some three hundred years before we Filipinos shook off the colonial mentality that immobilized most of our people and made them vulnerable to Spanish rule. The campaign for the Filipino mind took another thirty years to win. Within three years of anti-colonial armed struggle against Spain, victory was in sight.

The struggle to unmask the colonial monster was ten to a hundred times more difficult than the struggle to bring it down.

Let us keep this lesson in mind today, when we are yet at the early stages of unmasking the monster of globalization. Let not the seeming immensity of this task cloud our vision of the future, when our communities and nations shall at last be free to chart their own destinies guided by the principles of ecology, social justice and self-determination.

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INTELLECTUAL PROPERTY RIGHTS AND COMMUNITY RIGHTS

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In order to understand the frame work within which the new demand for IPRs on biological materials has arisen, one will have to understand the recent developments and global trends in the newest, most dominant technology of our times, biotechnology. Biotechnology which was till now confined to the laboratory, has entered the market. Its handlers are not the universities and scientific institutions anymore but increasingly the corporate sector. The raw materials of biotechnology are genes and cells and living organisms like bacteria, plants and animals, its tools are genetic engineering. That is the reason why genetic resources like genes and cells are now on the centre stage of international trade.

In today's market language, biotechnology spells mega- bucks. It is the most dominant technology of this time. According to the projections of several reputed institutions, biotechnology is slated to account for almost 60 to 70 percent of the global economy for atleast the next two to three decades. What is of special relevance is that biotechnology covers a span of economic sectors which is unprecedented. It will play a role in fields as diverse as mining, feedstock chemicals, energy, pharmaceuticals, enzyme mediated processes and of course, agriculture which is the best developed branch of biotechnology and also its most lucrative prize.

Although biotechnology has been used by human civilisations since long its impact on the global economy is more recent. In agriculture, biotechnology has made possible that genes conferring advantageous traits can be brought into food and cash crops from any source. In conventional plant breeding, genes (traits) could only be transferred within related species. It was not possible for example, to take the disease resistance gene from tomato and put it into wheat. With biotechnology this is possible, and being done. This approach can be used with effect in breeding new varieties. This new technology is used to great advantage in the pharmaceutical industry where drug production has been revolutionised for those drugs that were originally obtained from animal and human tissues like insulin. So is the case with drugs like antibiotics derived from micro organisms.

The latest in this area of biotechnology is the news that vaccines can be produced in plants because it is possible to introduce antibody producing genes into potatoes and peaches. It seems entirely likely that soon it will be possible to harvest antibodies for vaccines from a field. The implications are enormous for lowering the price of vaccines and opening new vistas in medical care. The profits to be earned are mind boggling.The growing influence of biotechnology can be seen in almost all sectors that relied on chemical processes to produce products. Instead of a chemical reaction that brings molecules together from two sources to "synthesise" a new product, in biotechnology, the gene synthesises the product directly. The result is there are no toxic chemical wastes and biotechnology is much kinder on the environment than the chemical industry.

In the field of mining, a strongly polluting industry creating acid lakes that are hard to clean up, new bacterial strains are being discovered for BIO-MINING. Bacterial strains are already being tried for gold, copper and iron, and they are being discovered for other metals. These bacteria break down the ore to release the metal by "feeding" on the ore. In bio- mining large volumes of bacteria in a culture solution are simply poured over the ore. After some time, the released metal can be collected and the digested material washed away. Suddenly with biotechnology it has become possible to exploit low grade ores which were not economically feasible with existing methods. This is of special importance to mineral rich developing countries like India. These countries do not have efficient state of the art technologies to exploit low grade ores and are therefore unable to exploit them.

Unconventional applications in various economic sectors have made biotechnology a formidable money spinner. It is the control over this technology that is being sought by the corporate giants of the world. The issue of gene and seed patents has exploded on the scene simply because the battle for the political and economic control of the genetic resources of the world has begun. This battle cannot be fought in laboratories, between scientists. Therefore it has been brought out onto trade fora where corporate gladiators can set the rules. Where trade sanctions can be used to force nations to grant access. Where a country's exports can be blocked till it agrees to the conditions demanded by western nations with respect to its biological wealth.

This battle has been joined between the developed and developing countries quite simply because the genetic wealth of the world is concentrated almost exclusively in the tropical countries, that is in today's developing countries. The biodiversity of this planet is found in the tropical rain forests, in the thousands of crop varieties in the fields of farmers of all tropical countries and in regions as disparate as the Andean mountains of South America, the jungles of Borneo and Costa Rica and the fields and forests of India and Nepal. The developed world has the technological tools needed to convert genes to products and then to money. It does not have the raw materials . Its forests are large monocultural tracts and the diversity in its fields and forests is limited. Its agriculture is based on the germplasm of the South. So conscious is the North of the limitations of its access to genetic resources, that it has been a subject of strategy planning for a long time.

JP Kendrick of the university of California at Davis which is the Mecca of agricultural research in the USA, had warned many years ago that all If we had only to rely on the genetic resources now available in the US for the genes and recombinants needed to minimise genetic vulnerability of all crops into the future, we would soon experience losses equal to or greater than those caused by the Southern Leaf Blight several years ago ... at a rapidly accelerating rate across the entire crop spectrum." In order to overcome its limitations of raw material and to emerge as leaders of the commercial exploitation of genetic material, the corporate interests of the North need guaranteed and continued access to the genetic wealth located in the countries of the South. In order to achieve this, the governments of the developed countries have dreamed up stratagems like GATT/ TRIPS and the Biodiversity Convention. Undoubtedly others are being thought up to coerce the countries of the South by using their economic vulnerability as a lever against them.

The position then is that on the one hand there are the developed countries which have the cutting edge technology in the field of genetics and genetic engineering but have little or no

germplasm. On the other hand are the developing countries which are the repositories of the genetic wealth of this world. In addition to this they are also the repositories of indigenous knowledge about how to use this wealth. In almost all cases the technological strength of germplasm owning countries is weak but there are a few exceptions of which India is perhaps the most outstanding. India is one of those germplasm owning countries that also have a good indigenous technology stand. This is because the enormous investments made in agricultural research specially during the days of the Green Revolution created a strong scientific cadre from scientist to technical assistant. The combination of technology with germplasm, both its own, puts India in a unique position to take advantage of the field of biotechnology and emerge as a global player in this field.

There are obvious reasons for this.

i. India is a germplasm owning country and in South -South collaborations with other germplasm owning countries, it has access to a large range of genetic resources.

ii. It has a high technology stand available within the country.

iii. Most of all it has a large repertoire of skilled manpower which makes available comparative skills at half the cost. A technician in India getting Rs. 4000 per month is about 15 times cheaper than a technician in Germany who would get at DM 2500 per month, the equivalent of 62,500 rupees.

iv. The great thing about biotechnology from India's point of view is the cost of the technology itself. Biotechnology unlike every other major technology to have developed in recent times, is not capital but labour intensive. This is a tailor-made situation for a country strapped for cash but rich in manpower.

This combination of fortuitous circumstances is the reason why GENE CAMPAIGN fights for the protection of the country's genetic resources. The Campaign's sustained position continues to be against patents and privatisation in this field. This is one modern technology where we can be highly competitive and should not allow ourselves to be tied up by patent laws that are not of our own chosing. For the first time since independence, India is in a position to be not just the consumer of a new technology but one of its important producers.

AREAS OF CONCERN IN GATT/ TRIPS. WHAT POSITION SHOULD INDIA TAKE.

There are 3 areas of concern pertaining to the section on Intellectual Property Rights as is relevant to biological materials, which is the crux of the IPR question for India.

1. **Geographical indication.**

The protection based on Geographical Indication is to be found in Section 3 of TRIPS . Article 22 as also 23 and 14 deal with the protection of goods that are geographically indicated.

Basmati rice which is one of our specially export products needs to be protected in the international market both for its "brand name", as also for its genes. It is possible to do this

under one of the clauses of the Intellectual Property Rights section that has so far not received any attention in the public debates on GATT/ WTO.

This clause called "Geographical Indication" is of almost as much importance to our agriculture as patents on seeds. Its ramifications should be understood clearly by our government as also by our rice exporters. They should exploit this clause and use it to monopolise select sections of the agriculture commodities market.

The need to protect the Basmati name and the Basmati germplasm is highlighted by the fact that this specially rice variety has been hijacked by the Americans. The Americans have recently begun to market a new product called Texbasmati or Texmati. This long grain, fragrant rice is the basmati rice that is grown in Texas and other American states. TexBasmati is an infringement of the geographically indicated rights of India and Pakistan, the two traditional Basmati growers and owners of Basmati germplasm.

Basmati rice is associated with India and Pakistan as a product special to that region. It is the same kind of association that France has with Champagne wine and Scotland with Scotch whisky. The Intellectual Property regime in GATT/ WTO acknowledges the claim of a region over products that are associated in a special and specific way only with that region.

The TRIPs chapter in a clause named "Geographical Indication" offers proprietary rights to a specific geographical area over the products associated with it. Americans growing and selling Basmati violate the Geographical Indication of Basmati, just as they would violate the indicated rights of France and Scotland if they were to sell American wine and whisky as "Champagne" and "Scotch".

Actually there are two important points that arise with respect to the Americans growing Basmati rice and marketing it as such. The first is the fact that by growing and selling Basmati rice without an agreement with India and Pakistan, the Americans are violating the Convention on Biological Diversity which grants countries ownership rights over the germplasm found in their territories.

The other matter with respect to TexBasmati is that of Geographical Indication. We should be vigilant on this score since we grow and market specially products which are associated with our region like basmati rice and Darjeeling tea. Other products could be Alfonso and Dasheri mangoes or the Shahi Leechi.

What to do

i. India and Pakistan must join together and take the Basmati case to the Dispute Settlement body constituted in GATT/ WTO. This is the body where Mexico took its Dolphin-Tuna case against the Americans.

ii. In addition to the WTO, India and Pakistan must also approach the Convention on Biological Diversity. Here they must establish their ownership rights over Basmati germplasm and claim compensation for the unauthorised use of Basmati varieties by the Americans.

3. Sui generis system for plant varieties

The GATT/ WTO requires every member country to provide either a patent or an effective sui generis system to protect newly developed plant varieties. Nowhere does it state that WTO members have to follow the UPOV model. The UPOV model is not in India's interest for the following reasons.

The UPOV system is far too expensive. Calculating at today's exchange rates, the costs of testing, approval and acquiring an UPOV authorised Breeders Right certificate will amount to something like Rs. 2 to 3 lakhs atleast. This could go upto 8 to 10 lakhs. These rates will effectively preclude the participation of all but the largest seed companies. There certainly will be no space in such a system for small companies, farmers co-operatives or farmer/breeders.

Farmers play a significant role as breeders of new varieties. They often release very successful varieties by crossing and selection from their fields. These varieties are released for use as such. In addition, in almost all cases, these varieties are taken up by agriculture universities as breeding material for producing other varieties. Such farmer/breeders would not be able to participate in an expensive system like UPOV.

Their material along with their labour and innovation would be misappropriated by those with the money to translate such valuable germplasm into money-spinning varieties registered in UPOV. Poor farmers unable to pay the costs of getting an UPOV certificate, would tend to sell their varieties for small sums to larger seed companies. This will be the ultimate irony, creating an institution that will snatch away from the farmer his material and his opportunities.

ii. once we are in the system, we shall be forced to go in the direction that UPOV goes. If not today, then tomorrow. The writing on the wall in UPOV is clear. It is a system headed towards outright patents. Starting with its first amendment in 1978 when limited restrictions were placed on protected seed, the 1991 amendment brought in very strong protection for the plant breeder. In this version, breeders are not exempt from royalty payments for breeding work and the exemption for farmers to save seed has become provisional.

UPOV now also permits dual protection of varieties, that means in the UPOV system, the same variety can be protected by Plant Breeders Right (PBR) and patents. It would seem obvious that UPOV is ultimately headed towards patent protection for plant varieties. It would be wise for India to stay out of a system which has plant patents as its goal since that is neither our goal nor our interest.

iii. The UPOV system is wrong for us because it embodies the philosophy of the industrialised nations where it was developed and where the primary goal is to protect the interests of powerful seed companies who are the breeders. In the UPOV system, rights are granted only to the breeder, there is nothing for the farmer. In India the position is very different. We do not have big seed companies in essential seed sectors and our major seed producers are farmers and farmers cooperatives. Logically, our law will have to

2. Patents on micro organisms

Patents on microrganisms like bacteria, algae, fungus and virus will have far reaching consequences for us. Agriculture will be affected if our ability to develop biofertilisers and biopesticides, both based on micro organisms, are hindered by foreign patents.

Bacterial strains like those which act on soil phosphates can make a tremendous difference to our agriculture. These bacteria break down inert soil phosphates to a form that plants can use as nutrients. Such bacterial use could potentially slash our phosphate fertiliser imports dramatically. We need to keep our avenues of research open.

Similarly strains of nitrogen fixing bacteria could significantly improve nitrogen uptake of plants and improve the protein content of our foods. This can be of immense significance in enhancing the quality of nutrition for poorer sections of society.

The role of micro organisms in other areas like pharmaceuticals, mining, energy etc. is already explained above.

What to do

i. India should get out of the patent on micro organisms already accepted by the previous government by invoking the clauses of ODRE PUBLIC and offence to prevailing norms of MORALITY. The GATT/ TRIPs section which details the requirements of IPRs for member nations has a section on exclusions from patentability. In this section, among other exclusions, it is also mentioned that nations may exclude from patentability those products or categories, the patenting of which would offend the sense of morality of the people or society and that would militate against the public order prevailing in those societies.

India should take the position that when the government attempted to obtain a consensus in Parliament (or wherever else) on legislating for patents on micro organisms as accepted by the earlier regime, a storm of protest broke out over the possibility of granting ownership over life.

This point should elaborate that according to the religions being practised in India and the sensibilities of the Indian people, it would be considered a moral affront to grant even the limited ownership of life as required by a patent, to individuals or corporations. According to the multitude of Indian beliefs , such a right is vested only in God. Any departure would outrage the sense of morality of the Indian people.

This clause has been successfully used by the Green Party and other conscience objectors in Europe to oppose the patents granted by the European patent Office. The use of the Odre Public clause led to the striking down of patents on living organisms like the famed Oncomouse. A detailed study of the European cases invoking the odre public/ morality clauses against patents on life forms would provide our government with the technical details of how to use this clause.

In addition to our own case, we should refer to the European cases as precedence and case law examples where such conditions have been accepted against life form patents.

concentrate on protecting the interests of the farmer in his role as producer as well as consumer of seed.

iv. UPOV laws are formulated by countries which are industrial, not agricultural economies. In these countries the farming community is by and large rich and constitutes from 2 to 7% of the population. These countries do not have the large numbers of small and marginal farmers like we do.

V. UPOV laws are framed in countries with a completely different agriculture profile to ours. These are countries where subsidy to agriculture is of a very high order unlike India. Because they produce a massive food surplus, farmers in industrialised countries get paid for leaving their fields fallow. The UPOV system does not have to protect the farming community of Europe in the way that our seed law will have to protect ours.

vi. In Europe agriculture is a purely commercial activity. For the majority of Indian farmers however, it is a livelihood. These farmers are the very people who have nurtured and conserved genetic resources. The same genetic resources that breeders want to corner under Breeders Rights. We must protect the rights of our farmers and these rights must be stated unambiguously in our sui generis legislation.

vii. Almost all agricultural research and plant breeding in India is financed with the taxpayers money. It is conducted in public institutions like agricultural universities and institutions of the Indian Council of Agricultural Research (ICAR). This research belongs to the public.

The laws of UPOV on the other hand are formulated by societies where seed research is conducted more in the private domain than in public institutions; where big money is put into breeding using recombinant DNA technology which is expensive. Because they invest in expensive breeding methods and need to secure returns on their investments, seed companies in Europe seek market control through strong IPRS. These conditions do not apply in India.

What to do

1. We should devise our own sui generis system . It is possible to build in greater flexibility into what is defined as "sui generis" in TRIPs than there would be in accepting a precast UPOV model. As a matter of strategy, it makes sense for us to draft a wide bodied law now without accepting the restrictions of UPOV. In this way, when the TRIPs comes up for review in 1999 and the pressure increases to tighten our Intellectual Property regime further, we will have more space to negotiate.

2. India's seed law must emphasise that it is a germplasm owning country. Its position should be that seed companies wanting protection for plant varieties through a Plant Breeders Right will first have to pay for the genetic material used by them. Genetic resources like other natural resources are a source of revenue and must be paid for. The economic value of genes can be assessed by case studies in order to help fix a price for their use.

Our law should require use of germplasm and indigenous knowledge about that germplasm to be paid for. The farmers must continue to have complete freedom to use, reuse, sell and modify seed. Scientists and breeders should have unrestricted access to germplasm for breeding new varieties.

3. India's sui generis system must recognise the Farmers Right, which is absolutely different to the farmers exemption to save and sell seed under the older UPOV rules. Even now, there is confusion among officials on this score. Farmers Rights refers to the rights of the farming community of the Third World in creating and maintaining the genetic resources of the world. It is in acknowledgement of this stupendous contribution that the FAO passed the Farmers Rights bill in 1988. This bill acknowledges that the contribution of farmers is on par with those of the breeder and if one is to be rewarded by a Breeders Right, the other must be rewarded by a Farmers Right.

In June 1996, the Food and Agricultural Organisation (FAO) held a meeting in Leipzig in which the principle of Farmers Rights was strengthened. There is also a commitment that new and additional funding will have to be found to honour Farmers Rights. India should build on this progress by being the first country to incorporate Farmers Rights into its Plant Variety Act.

4. Our law should be distinctly supportive of sustainable agriculture and conservation of genetic resources. It should encourage genetic diversity in the field by promoting release of several varieties.Instead of a few large seed companies pushing their few successful varieties, a decentralised seed industry should be established in rural areas. Such regional seed producing units will be able to produce region specific seeds far more effectively. Our sui generis system will finally have to ensure the country's food security and the livelihood of farmers.

5. India should sieze this initiative to do some creative thinking and craft a creative and sensitive sui generis legislation to present the viewpoint of the South, emphasising the strengths of the South. If India succeeds in doing this, it will provide an alternative sui generis model for all developing countries to follow. In time, with successful lobbying, such a legislation should succeed in ending the era of gene-exploitation by demanding the true rights of countries that have been the developers and custodians of the genetic resources of the world.

INDIGENOUS KNOWLEDGE AND BENEFIT SHARING

Local communities own the bioresources in their region since it is they who maintain them and it is they who possess the knowledge of their properties and their use. In other words, they possess the technology about bioresources. This indigenous knowledge automatically confers on them certain rights including the right to share the benefits derived from the commercial exploitation of bioresources.

The importance of indigenous knowledge can be understood when one realises that there are no rice or wheat plants nor cotton or mustard found lying around in the forest. What are found in the forest are wild plants out of which communities of men and women over generations have bred races of several food and cash crops. These communities have bred

out of the wild plants of the forests, the thousands of land races which are the basis of the world's agriculture . The land races bred by farming communities are the foundation material of modern plant breeding and global food security. These land races are the self-same varieties that plant breeders use to breed other varieties and for which they seek special and exclusive privileges like Plant Breeders Rights.

It needs to be remembered that farm women and men have not only created several thousand races of food and cash crops, they have also identified valuable genes and traits in these crops and maintained them over generations through a highly sophisticated system of crossing and selection. Communities have not only developed complex systems of pest management and biological control, they have identified and managed a series of genes conferring valuable traits for commercial and domestic needs. So it is that genes for traits as diverse as disease resistance, high salt tolerance, resistance to water logging and drought tolerance have been maintained in the repertoire of communities. Along with these commercial traits, characteristics like cooking time , taste, digestibility, milling and husking characteristics like how much grain breaks during milling operations are recognised and maintained. Women who have been the traditional custodians of the seed and responsible for its selection, are the repositories of this knowledge and in the true sense owners of this complex seed technology and know-how .

This work of genetic selection, maintenance and cross breeding is the result of innovative and creative scientific experimentation in the field. This work is in no way less than the scientific experimentation conducted by scientists in the experimental plots of agricultural research stations. We need to overcome the bias that most of us suffer from, that of acknowledging the research conducted by scientists in white coats working in laboratories of universities as 'Science' and dismissing the complex knowledge systems contained in rustic ,rural communities as something infinitely less and not worthy of acknowledgement.

The fact is that there would be no plant breeders in long white coats working on experimental farms if it were not for the prior knowledge gained from rural communities. Indigenous knowledge is not only the foundation of modern science in this and many other fields, it is also what could be described as the reference and referral centre for modern plant breeding.

Today, faced with the threat of global warming and climate changes across agricultural zones, scientists are on the look out for crop varieties that are more heat tolerant. The scientists do not acquire information about the location of heat resistant wheat or millet varieties by sitting in their expensively appointed laboratories and meditating for guidance. They acquire this information by going to deserts and hot regions and asking local farming communities about the varieties that grow in that region and that can withstand extreme heat. Armed with the benefit of indigenous knowledge, these scientists return to there labs and their experimental farms and engage in a breeding and selection program that will result in the combination of traits that they seek to achieve in the new variety that is to be designed for post global warming agriculture.

If credit had to be apportioned for the breeding of a new crop variety, then it could be shared perhaps as 80:20 or at least 70:30 between the farming and scientific communities. One could say quite easily that if the breeding of a crop variety entailed 100 steps, then indigenous knowledge contributed the first 80 or 70 steps and laboratory science

contributed the next 20 or 30 steps. It stands to reason therefore that credit , reward and recognition for a new variety should be similarly shared. That is the reason why the claim to place Farmers Rights on par with Breeders Rights is such a natural claim. Farmers have a greater and more innovative share in the creation of new plant varieties than scientists. Their contribution must be recognised with atleast the same degree of enthusiasm, if not more than that accorded to scientists.

The role of indigenous knowledge in the realm of medicinal plants is even more obvious than in the case of crop varieties. Knowledge about the characteristics of a particular plant and its properties as a healing substance ,or stated differently, the technology of its use , is what gives medicinal plants their social and economic value. This technology of use has been acquired through a few thousand years of experience, trial and error and incremental refinement . As a result of this , communities have developed the knowledge of the plant, animal and mineral world to a mature and scientifically sound technology which exists in several forms, the best known of which is perhaps Ayurveda and Siddha. Apart from these, knowledge of the healing properties of plants is found in communities that live around the forest or close to nature. Tribal communities, island communities and others have developed their own knowledge base about the flora, fauna and mineral wealth of their region and use this knowledge to their socio-economic advantage.

It stands to reason that the technology pertaining to the medicinal uses of plants and animals belongs to indigenous communities and must be considered their property. It must be considered to be their property in the same way that a technology for making high grade chrome steel is considered the property of the Japanese company that developed it. It stands equally to reason that when someone wants to use indigenous technology to produce medicines from medicinal plants, they must first ask for permission and then agree on terms of payment for the use of this technology. When a company like Dabur or Baidyanath commercialises community knowledge and benefits financially from it, it should certainly pay royalty or make an arrangement for profit sharing. This would be even more the case if foreign companies wanted the use of this technology.

If a pharmaceutical giant like Merck were to show interest in the production of medicines based on Ayurvedic or tribal knowledge, it would explore the forest wealth of regions like India and Costa Rica via the local vaids or shamams. The scientist from Merck cannot make head or tail of medicinal flora when he is bioprospecting, if he does not have information from the vaid or the tribal ojha. Merck will begin to look for a cure for stomach ulcers in plants that local vaids use for stomach ailments., and not in plants that they use for ailments of the eye. The scientist from Merck could not enter a tropical forest on his own and choose random plants, saying for example, the creeper with blue flowers could yield drugs against cancer or the shrub with yellow flowers could contain ingredients effective against diabetes. The plants in the forest or in the field, or for that matter along the banks of rivers or on the roadside, have value only because people have the special knowledge about their characteristics and the range of their utility. It is clear that Merck must pay for this technological know-how.

It stands unequivocally established that biological resources have a value only when accompanied by the technology of their use . It is equally clear that bioprospecting as an activity is only possible when indigenous technology is made available to those seeking access to biological resources for commercial use. Now that bioresources are becoming a

highly sought after raw material in the era of biotechnology. We must create a framework for the just and proper use and appropriate payment for indigenous technology. At present the awareness and acceptance in India is inadequate with respect to the recognition of indigenous knowledge as valuable technology with a high price.

We need to address ourselves to a few important aspects in order to lay down a comprehensive national pol. y in this regard. These can be listed as follows.

Documentation of the location of biological resources at the regional and national level. If we want to use bioresources as the foundation for national growth , we must at least know where we have what and whether previously recorded populations of plants , animals and insects are healthy, threatened , on the verge of extinction or already extinct.

Along with the documentation of the bioresources, we must **document the local/ community knowledge** that exists about the various uses of these resources. This documentation which should be compiled as a **National Bioresource Register** will serve several functions.

a. The first is that of a data bank for people seeking access to information. This access should be made available for a fee accompanied by the conditions governing the use of this information. This is the normal practice with data banks every where. The fee for bioprospecting must be levied and be paid into a **Community Gene / Technology Fund** in the dispensation of which, representatives of communities will have a say. It would be advisable to have a basic fee for the right to prospect irrespective of whether a viable product emerges from this exploration. A profit sharing formula should be worked out in addition, if a commercial product is developed, to pay for the use of Indian raw material and Indian / Indigenous technology.

b. The documentation can be used to stake the claim of communities or individuals for royalty payments for the transfer of indigenous technology . This data base can also be used to identify communities which should be included in the National Authority that will govern the use of bioresources and implement conditions of the Convention on Biological Diversity (CBD) like Prior Informed Consent and Material/ Information Transfer Agreements.

c. Finally, this data bank will serve the important function of establishing community knowledge firmly in the public domain .This will provide the technical basis for rejecting patent claims that derive from indigenous knowledge. The recent furore over the American patent granted on the wound healing properties of Haldi is a case in point . As is also the patent granted to WR Grace for a Neem based pesticide . Phyllanthus nirurii, called Bhoomi Amla in India is known in several Asian countries for its efficacy in treating liver ailments. A liver medication extracted from Phyllanthus has been patented by Bloomberg (USA) , obviously derived from the traditional knowledge of Indian/ Asian communities. All these patents should have been challenged on the grounds that they derived from knowledge/ technology owned by indigenous communities. Furthermore, this knowledge was used unlawfully without either Prior Informed Consent or Material / Information Transfer Agreements , therefore a strong case exists for annulling these patents.

If India is to protect its interests , and the interests of its indigenous communities, it will have to be aggressive and proactive in laying down the guidelines governing the use of bioresources . It will then have to act resolutely to challenge any infringements. Apart from challenging the grant of patents in other countries, it would be advisable for Indian legislation to include clauses barring the grant of patents on any products or processes derived from indigenous knowledge. The knowledge of communities must remain in communities and not be privatised.

d. We must ensure that the information that is documented is banked in a government owned repository and is legally admissible in a court of law as evidence for prior knowledge. In order to strengthen the claim of indigenous communities over their knowledge base, our laws must admit Oral Tradition as documentation of use. This will be of importance when dealing with knowledge other than that documented in Ayurveda, like tribal knowledge or the knowledge existing in far flung island or hill populations.

2. Drafting of national legislation. New laws should be drafted quickly to deal with all aspects of bioresouces and policy governing their use. These laws are to be drafted primarily in the context of two international treaties, the **Convention on Biological Diversity (CBD)** signed in Rio in 1992 and the **GATT/ TRIPs** which was finalised in 1994 and led to the formation of its successor the World Trade Organisation (WTO).

The new law to be formulated regarding the conditions of the CBD will have to take into account three principal areas. These are (i) to establish ownership rights over the biological resources found in the sovereign territory of India. This is necessary to overturn the earlier principle of Common Heritage of Mankind according to which all genetic resources were considered to be the property of everybody, with no particular ownership. (ii) To formulate the guidelines and structures for Prior Informed Consent according to which user parties will have to seek the permission of some kind of National Authority authorised to grant or refuse access to genetic resources. Representatives of communities that have been responsible for maintaining genetic resources over generations and are the repositories of indigenous knowledge, should be members of such a National Authority. (iii) The conditions for Material and Information Transfer Agreements will have to be laid down so that the use of biological resources is just, equitable and sustainable . This law would seek to ensure that indigenous communities are not denied their share of the profits that accrue from the commercial exploitation of the genetic resources that they have conserved.

The question of Intellectual Property Rights will have to be addressed in the CBD, although indirectly. Our position should be that India will not grant IPR protection over products and processes derived from indigenous knowledge. The rationale for this is that knowledge that belongs to communities should not be privatised . Whereas this knowledge can and should be used for commercial exploitation and the betterment of communities ,it should not be monopolised.

With respect to GATT/ TRIPs or now WTO/ TRIPs, a **sui generis** legislation will have to be brought in to determine the use of genetic resources in the breeding of new crop varieties and the kind of Intellectual Property Rights that would be granted for the development of new varieties. Our sui generis legislation should place Farmers Rights on

par with Breeders Rights and acknowledge and reward the contribution of farm men and women to the development of land races and therefore to the development of new varieties. The indigenous knowledge involved in the location of favourable genes needed for successful breeding work should be paid for. The recipient can be the **Community Gene / Technology Fund** mentioned earlier.

Another prospective legislation emanating from the WTO/ TRIPs will have to decide on an IPR regime for **micro organisms**. Micro organisms do not feature as much in the mainstream of community knowledge as plants and animals. Even then, there are pockets of specialised knowledge regarding their use in cases like human and veterinary care and the processing and preservation of many foods. Care will have to be taken that any IPR regime that India finally accepts, will have provisions for acknowledging and compensating the rights accruing from indigenous knowledge.

BIORESOURCE AND BIOTECHNOLOGY POLICY FOR THE ASIAN REGION : RECOMMENDATIONS FROM AN INTERNATIONAL SEMINAR

Gene Campaign had organised a Seminar on Bioresource and Biotechnology Policy for the Asian Region in New Delhi on May 10 and 11, 1997.

The purpose of the meeting was to try and reach a consensus position on bioresource use and to devise a regional approach to deal with the important new issues like patents, community rights, farmers rights etc. These issues have become important international issues and are dealt with in the Trade Related Intellectual Property Rights section of the GATT/ WTO as also in the Convention on Biological Diversity.

This meeting brought together experts and policy makers from India, Bangladesh, Nepal, Sri Lanka. Malaysia, and the Philippines .

At the seminar, the participants recognised

1. Since most of the world's biological resources are located in the developing countries and it is their communities that have protected these resources over generations ,these countries have a major stake in how the bioresource base of the world is used and how benefits of this use are shared . These biodiversity rich countries should formulate articulate views on the rights of communities so that justice is done to the custodians of the world's bioresources. It is equally important that these countries reflect carefully about what kind of Intellectual Property Rights (IPR) regimes they accept .

2. . That the South and South East Asian region is gene rich and has three major centres of diversity of important crops including cereals , pulses, oilseeds, vegetables, fruits and flowers. This region has contributed in a very significant way to the germplasm pool of the international centres and the countries of the North.

3. That Agriculture which is the mainstay of the economy and the livelihood base of this region, is supported by research and development through public funding. Conversely, in the countries of the North, where the percentage of people working on farms does not exceed 5 % of the population, the private sector plays the most crucial role in agriculture. Therefore what is useful and acceptable in the North, may not be good for the South.

4. For the countries of the Asian region where agriculture is the backbone of the economy and where bioresources still form the socio -economic foundation of tribal and rural communities, retaining control over these resources is a compulsion of survival. As the foundation material of one of the world's most dominant technologies, biotechnology, bioresources also offer the promise of a vehicle for self reliant growth to the countries in our region.

5. That biotechnology has emerged as a powerful tool for enhanced and improved productivity in various areas such as food, medicine and industrial products. Crops with better nutritional quality, increased resistance to biotic and abiotic stress, as also improved capacity for post-harvest processing, can be produced through biotechnology.

Given its crucial role, biotechnology should become an integral part of bioresource development. This technology should be taken to the village to increase food and agricultural production, conserve genetic diversity, and enhance rural incomes

6. Genetic resources recognise natural, not political boundaries so similar biological resources are found in more than one country. Therefore, it is of utmost importance that the countries of the region work together to formulate a regional policy. This is needed to strengthen their position as a gene rich centre and derive the maximum possible benefits from their biological wealth, as also to ensure that no one country is able to undermine the larger interests of the region

7. That these issues are complex and need to be handled by technical experts. Bureaucrats, because of their poor knowledge base should not be allowed to be the principal negotiators in this highly technical field. It is important to maintain continuity and coherence in the teams that negotiate at international treaties and follow ups. This should be done by keeping a core negotiating group of technically strong people assisted by the bureaucrats of the day.

8. The participants felt strongly that nations in the region should set up autonomous Bioresource and Biotechnology Authorities to deal with all aspects of biological resources.Members of this high level authority should have a strong representation from bioresource stakeholders and experts.

9. That NGOs have a special role to play since they are more flexible and can move where governments can not. The NGO community must take the lead in formulating and changing policy and execute policies without waiting for governments to do so .

10. That the IPR regime on bioresources which is being demanded by the North is not desirable for the countries of the Asian region . They should devise IPR regimes appropriate for their particular situation.

The Recommendations of the Seminar were as follows :

1. IPR awareness and patent literacy must be improved at all levels. Patent offices, industry, the scientific community and those in government departments need to be trained and made discerning and competent in the field of Intellectual Property Rights for biological materials. In addition, appropriate steps must be taken to encourage social and political awareness amongst scientists, and scientific literacy amongst social scientists and politicians.

2. The Region should move quickly to enact legislation pertaining to the Convention on Biological Diversity to protect its bioresources and indigenous knowledge base. GATT derived legislation on IPRs must be made subservient to the CBD. It is possible to do this following Article 22 of the CBD which places the obligation to protect biological diversity above the requirements of all other international conventions.

3, A comprehensive, mutually accessible database should be built up by accessing data from diverse sources. This should be extended to small and difficult to access publications in the various countries . This database should be used for making benefit sharing claims. Data on available germplasm for breeding and cultivation should be made available to researchers and farmers of the region.

Appropriate steps must be taken to prepare computerised and easily accessible inventories based on reliable data in the following areas :

a) Traditional conservation techniques
b) Indigenous drugs and medical prescriptions
c) Traditional agricultural practices

Technical jargon should be converted to easily comprehensible information in regional languages. This information should be made widely available to enable participatory decision making in this important area.

4. In the laws of the countries of the region, oral documentation should be treated on par with coded documentation for all purposes. This should be admissible as evidence of knowledge existing in the public domain and grounds for challenging unauthorised use. Austrian law has already established a working precedence in this regard.

5. Capacity building should be a priority exercise with easy transfer of technology , exchange of materials, experiences and skills specially in fields like conservation .There should be exchange of expertise in taxonomy and the different ways countries manage and utilise their biological resources. The region should identify priority technologies for itself and either acquire or develop them jointly.

A state-of-the-art institute in the area of biological taxonomy should be set up by a multination consortium in the Asian region.

Certain facilities such as the DNA fingerprinting facilities for animals and plants in Hyderabad and Delhi, should be open to all the countries of the Asian region at the same cost and with the same conditions as would be valid for the host country itself.

6. The countries of the region should have an exchange program of resource people with special skills in various areas, specially Intellectual Property Rights, Farmers and Community Rights and Benefit sharing mechanisms. These people should be available for educational and campaign activities .

7. The Region should set up a common forum to challenge infringements and violations pertaining to use of biological resources and indigenous knowledge.

8. The Region should have a mechanism like an Inter-regional Standing Committee for early warning, containment and emergency responses to accidents like unintended release of Genetically Modified Organisms.

9. The Region should have a common position in international negotiations and intervene strongly in follow -up negotiations like the Conference of Parties (COP) of the Biodiversity Convention and similar meetings of the WTO. The heads of national delegations should interact frequently and develop a joint strategy so that one mutually agreed Asia level position is represented by all the nations, as is already happening in ASEAN.

10. The indigenous technology of the area should be collected and ownership established over this and over the resource itself. Appropriate laws should be passed that ensure and honour the rights of a community over its traditional practices, for example in medicine and agriculture. Any patenting or extensive use of these practices (including the materials that they may involve) by anyone else must be prohibited unless there is appropriate and adequate compensation to the community for such use.

11. Countries should exercise control over export of their biological resources on the same level as export controls over " dual -use " technology for national security and foreign policy reasons.

12. The Voluntary sector must be strengthened . Governments should be persuaded to fund NGOs to build partnerships , attend meetings, develop joint strategies and forward planning for the Region. Regional activist groups should exchange information and hold campaign workshops in each others countries.

13. Constitutionally guaranteed rights over resources should be given to all communities that have been living for, say a hundred years, in forest and other reserved areas, sanctuaries and national parks. The management of these areas must involve these communities in a way that these residents have a major voice in the management of the area.

There must be a concerted social, political and legal action against all encroachments in the above-mentioned areas by non-resident outsiders, unless such 'encroachment' is done openly, after an appropriate debate, in the larger interest of the people resident in the area and the people of the country, and after obtaining the concurrence of the people resident in the area and providing them with appropriate compensation; thus, prior approval of the people as well as of the government must be obligatory for any such encroachment in the larger public interest. The responsibility for implementing the above-mentioned sanctions would lie equally with the government and with the people represented by NGOs.

14. Every organisation - governmental or non-governmental - funded wholly or partially by public money, must be transparent and accountable for its statements and actions, and must be taken to task if any information that it presents is shown to be substantially wrong.

15. The patent laws should be revised, where necessary, to prohibit the patenting of any living form (micro organism, plant or animal) or of any product made directly by or from the living form. (This provision would thus prohibit the patenting of any genetically engineered life-form, or a product such as azadirachtin derived form neem.)

16. Asian countries including India should devise and design their own sui generis systems for protection of plant varieties, farmers rights and breeders rights. They should not accept the provisions of UPOV in totality but adopt IPR regimes thatreflect the strengths and compulsions of gene rich nations.

17. Appropriate steps should be taken, both by the government and the NGOs to make the people of the Asian region aware of their bioresources and of biotechnology; of the legal, social, moral, ethical, political and economic implications of modern biotechnology; and of the role that biotechnology can play today in both conservation of bioresources and their utilisation for development.

An appropriate policy in regard the above-mentioned use of biotechnology must be evolved and reviewed continuously in real time. It should be recognised hat many new biotechnologies have the potential of, on the one hand, improving agricultural productivity per individual and per unit time and money spent, and on the other, providing additional employment to those who, today, spend all their time in agriculture-related activities because of low productivity per unit time, money and labour spent.

18. As a rule, no foreign aid should be accepted for work in sensitive areas that relate to biodiversity and/or conservation unless it is ensured with full transparency that the aid being given has no conditions attached that would not be in national interest. This would obviously not apply to genuine bilateral or multilateral collaboration that permits free use and publication of the results of the research.

19.Asian countries must come out with viable and sensible science policy, technology policy and agricultural policy. A mechanism should be set up to periodically examine these policies of the Asian countries taken together, to ensure maximal benefit to all the countries from each others experience.

20. Organisations such as parliamentary scientific committees can and should play an important role in the evolution of the above -mentioned policies, by providing an interface between professional scientists and parliamentarians.

INTERNATIONAL CONFERENCE

on

COLONIALISM and GLOBALIZATION

Five Centuries after Vasco da Gama
February 2-6, 1998
New Delhi, India

Who's Afraid of Vasco Da Gama ?
Some Afterthoughts.

by

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WHO'S AFRAID OF VASCO DA GAMA ?: SOME AFTERTHOUGHTS*

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> If that Américo Vespúsio who discovered those western Indies, which the Geographers deem to be a fourth part of the world, became so famous in the doing that all that land is called America after him, preserving in itself the name of its discoverer, with how much more reason could this part of Asia which this valiant captain of ours discovered be called *Gama* in order to preserve by such an illustrious name the memory of the greatest feat that there has been since God created the world until now.
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> - Diogo do Couto, Public Oration at Goa (1597)[1]

I.

The year 1997, which marked the fifth centenary of the departure of the fleet of Vasco da Gama from Lisbon bound for India, saw the publication of three books on the Great Argonaut, as many books as there were vessels on the fleet that arrived at Calicut. At the year's end, there appeared Geneviève Bouchon's *Vasco de Gama* (Paris: Fayard), a very lightly footnoted popular history whose tone is given by the sage declaration in its preface that "men of the sea are men of mystery". Prior to that, in early July, on the date that Gama's fleet set out from the banks of the Tagus, a Portuguese medieval historian formerly closely associated with the Discoveries Commission, Luís Adão da Fonseca, published a richly-illustrated work, *Vasco da Gama: O Homem, A Viagem, A Época* (Lisbon, Expo '98). And earlier still, in the beginning of March 1997, I published my own monograph, *The Career and Legend of Vasco da Gama* (Cambridge: Cambridge University Press), which both Fonseca and Bouchon read and even cited in their works, Fonseca with some care and attention, and Bouchon rather more casually (even misspelling the title on each of the two occasions the book is cited). Three books, three authors, three languages.[2] But are there also three visions in these works ? Is there are a real historians' debate in 1997 about Vasco da Gama in these books, or is there a purely political debate that uses Vasco da Gama as a convenient symbol to talk

of relations between Asia and Africa and the West today ? And can we really separate these two debates ?

If one is to read the columns of certain newspapers and magazines, the answer is that there most certainly is a controvery even about the historical Vasco da Gama. The exchanges apparently began in Europe with a long article entitled "Os Caminhos do Gama" ("The Ways of Gama") in the glossy Portuguese magazine *Grande Reportagem*, dated July 1997. The journalist Mónica Bello, after a long article (pp. 96-104) largely summarising the arguments of *The Career and Legend of Vasco da Gama* as if they were her own ideas, then went on to write a review of the same book at the article's end in which she noted that it was "a sort of unauthorised biography, which if our country were not so passive, open to dialogue, and politically correct, would have already spilt much ink in the newspapers". She also dramatised the existence of a single error in the text, on the number of cantos in the *Lusíadas* (in fact there are a few more errors that I hope to correct), and went on to present the whole matter in a distant tone that belied her <u>own</u> dependence on this work. The newspaper *Público* (8 July 1997), continued the polemic in Lisbon by noting in a long review that *The Career and Legend* portrayed Vasco da Gama as "cruel, greedy, distrustful, paranoid and ugly", but then went on to add that despite this "the book was not a diatribe but rather a study in context". Its reporter did however wonder, in an interview with António Manuel Hespanha, Commissioner of the Discoveries Commission, on the same day, why historians such as the author of the book were invited to Portugal to present their views before ostensibly important fora like the Geographical Society of Lisbon.

It turned out in the months of July and early August 1997 that many Portuguese journalists and historians were not quite as "passive, open to dialogue, and politically correct" as some had portrayed it. Several articles appeared in which *The Career and Legend* as well as its author were singled out for attack, by journalists and historians at various locations on the Portuguese political spectrum. Some of these articles clearly violated all recognisable forms of democratic journalistic

ethics, and the worst offender in this respect was a piece in the magazine *Visão*. Libel cases are however little-known in Portugal, and no ombudsman exists in respect of scurrilous journalism. The only realistic option was to respond in the press itself, in this instance through an interview in the Sunday review of the newspaper *Expresso* in September 1997.

Yet what was the larger content and the real meaning of the attacks ? First of all, there was in these Portuguese writings both from "left" and "right" a sense of outrage that an Indian had written about Vasco da Gama, especially when it was known that the Indian government had officially declared its reluctance to participate in the commemmorations of the fifth centenary of Vasco da Gama's voyage. It was hence automatically assumed that *The Career and Legend* was motivated, Indian nationalist, history, in which the hero of a rival nation was being cut down to size. Second, a particular problem was that the book did not content itself with recounting the "facts" about Gama's life and times in the sixteenth century, as Adão da Fonseca purportedly did; nor does it present him enveloped in a romantic nineteenth-century aura of swashbuckling prose, as does Bouchon's most recent biography. It does try, with whatever degree of success, not only to present Gama's career in its immediate context, but to ask how and why Gama became the figure he did for posterity. This attempt has admittedly been badly received by some Portuguese historians and would-be historians, though - significantly enough - not by other readers.[3] Irony and humour are not registers that are much used in academic writing in Portuguese (it is in Brazil), and many have particularly disliked this aspect of the work, centering on the use of Meyerbeer's opera, *L'Africaine*, to approach the myth of Vasco da Gama.[4] Third, and more generally, there is the more general issue of the identity crisis of Portugal in the late twentieth century, hemmed in by the EEC (which is at once wicked stepmother and fairy godmother), culturally threatened by Brazilian production at the level of cinema, soap-opera, literature and music, and anxious about its rôle in the Iberian peninsula. The Discoveries are still crucial to much Portuguese nationalism,

and it is no coincidence that so many of the important litterateurs in Portugal even today continue to ruminate on the Empire and its meaning. The Discoveries and the empire are essential to permit Portugal to be at once specific and universal, at the cutting edge of Europe for "one brief shining moment", and for the Portuguese to claim that he (not she) immersed himself in all sorts of other cultures, thus becoming more universal than any other European. The *Peregrinação* of Fernão Mendes Pinto is as emblematic in this exercise as the *Lusíadas*, even if the latter is better known than the former. Indian nationalism (or indeed Third World nationalism) may be a "derivative discourse", as Partha Chatterjee would have it, but this does not mean that other nationalisms are not "reactive discourses".[5]

II.

It almost goes without saying that few figures in world history are at once so well-known and so obscure as Vasco da Gama. Even Columbus, his contemporary, who has been portrayed as everything from the bastard son of the Portuguese prince Dom Fernando (and hence the half-brother of Dom Manuel I), to a crypto-Jew, is easier to obtain a grasp on than the Portuguese discoverer - of whom very little, including the place and year of his birth, is known with certainty.[6] Indeed, one of the few things we do know is that despite a semi-obscene Indian children's doggerel to the effect, he neither went to the New World nor was fined there for indecent conduct.

It seems likely but by no means certain that he was born at Sines, a port in southern Portugal facing the Atlantic, and we do know that he was the child of Estêvão da Gama and Isabel Sodré, as well as that he was a younger son - thus establishing an early precedent for the export of such offspring overseas to make a fortune. We are aware too that besides his first expedition of 1497-9 to India, he returned there twice more, once in 1502-03 as Admiral of the Seas of Arabia, Persia and India, and then again in 1524 as viceroy and titled nobleman, the Count of Vidigueira. So much the reader of any dictionary of biography or encyclopaedia can gather with the greatest of ease.[7]

After his death at Cochin on 24th December 1524 (barely three months into his viceroyalty), Vasco da Gama was buried with honours in that town in the church of Santo António; his remains were subsequently exhumed and taken back to Vidigueira in 1538 by one of his sons, Dom Pedro da Silva Gama. There they remained, for three centuries, in a resting place (the *Jazigo dos Gama*) constructed in the 1590s, with the epitaph (probably from the late seventeenth century): *Here lies the Great Argonaut Dom Vasco da Gama, First Count of Vidigueira, Admiral of the East Indies, and their Famous Discoverer.* In June 1880, at the end of nearly half a century of nationalist public campaigns, the remains were moved with great circumstance to the monastery of Jerónimos in Lisbon, together with the ashes of the Portuguese national poet Luís Vaz de Camões, whose third death centenary was celebrated that year.[8] Camões, in his great epic poem *Os Lusíadas*, had more than any one else contributed to the mythification of Vasco da Gama, who he boasted had even put Aeneas in the shade.[9] The hero and his panegyrist were hence reinterred within the great Manueline monastery, constructed in the early sixteenth century partly with the wealth generated by Portuguese overseas expansion; the King of Portugal, Dom Luís, the Queen and others participated in this impressive ceremony.

However, matters soon took an odd turn, for a controversy ensued within a few years on the identity of the transferred bones. It was shown more or less conclusively by 1887 that the remains that had been moved from Vidigueira were not those of Vasco da Gama, but of his great-grandson, Dom Francisco da Gama (1565-1632), ironically enough twice viceroy of India at a time when Portugal was under Spanish Habsburg rule. Dom Francisco was patently no Portuguese nationalist hero, and it appeared that the remains of the two had been exchanged, probably in the course of repairs and restoration, after vandals damaged the *Jazigo dos Gama* in 1840.[10] Even in death, then, no one seems to have quite known who Vasco da Gama really was.

What more can we gather, however, from the researches of recent years ? Since the writings of that great Gamaphile A.C. Teixeira de Aragão late in the nineteenth century, relatively

few new documents have been found with a direct bearing on Vasco da Gama's career.[11] Some of those which have been found, such as a few Italian letters from Florence, with reports of his first expedition, do provide new details but do not answer key questions.[12] Why was this obscure petty nobleman chosen by the ruler Dom Manuel to captain the expedition ? Why was the expedition itself so small, even in comparison to the one that followed it, captained by Pedro Álvares Cabral (who discovered Brazil en route to India) ? Why was there such a long interval between Bartolomeu Dias's arrival at the Cape of Good Hope (1487), and the expedition to the Indian Ocean ?

One recent hypothesis by a historian that has sought to provide solutions to these problems, is that of Armando Cortesão. This author, following and extending the interpretation offered by his brother, the celebrated historian Jaime Cortesão, argued that Portuguese maritime activity under Dom João II (r. 1481-95) was characterised by much secrecy, particularly in view of the rivalry with the Catholic rulers of Castile and Aragon, Ferdinand and Isabel.[13] Extrapolating from odd and obscure phrases in chronicles and letters, and making arguments from silence (ie. the "significant" absence of documents) Armando Cortesão suggested that the "mystery of Vasco da Gama" could be solved if one posited that between 1487 and the death of Dom João II in October 1495, there had been some Portuguese expeditions to the east coast of Africa, round the Cape of Good Hope.[14] Further, he proposed that one of these, in 1494-95, was led by Vasco da Gama himself, but that by the time of its return, Dom João II was already dead. Dom João's successor Dom Manuel, not wishing to give the dead king credit for the entry into the Indian Ocean, suppressed information of the expedition's success, and himself then mounted another (commanded by the same Vasco da Gama) two years later in 1497.

Cortesão's hypothesis has met with a rather cool reception from historians, who have been unconvinced by the fragments of evidence that he presented. It is of course true that many educated Portuguese even today believe that their compatriots had "secretly" anticipated most of the Spanish discoveries, and

even that of Australia by the Dutch.[15] In point of fact, Cortesão's evidence can be interpreted in an entirely different manner than that proposed by him. In recent years, there has been a quiet revolution in the interpretation of the Iberian roots of early Portuguese expansion in Asia. Due in large measure to historians such as Jean Aubin and Luís Filipe F.R. Thomaz, it has now become clear that the early phase of the Portuguese presence in Asia cannot be understood save by seeing the country's elite as highly divided on the issue of overseas expansion, in terms both of ideology and practice.[16] Following Aubin's researches, we can thus trace the origins of Vasco da Gama's selection to the last five years of Dom João II's reign, in particular the period from July 1491, when the heir-apparent Dom Afonso died as a result of an accident. Dom João was left with neither legitimate sons to inherit, nor daughters to marry, and the closest legitimate blood-relation left to him was his cousin, Dom Manuel, the Duke of Beja, who also happened to be his brother-in-law.[17] Dom Manuel had survived the purges of the 1480s, when his close relation the powerful Duke of Bragança had been executed, and the Duke of Viseu (Dom Manuel's own brother) killed by Dom João himself on suspicion of conspiracy. Nevertheless, the ruler did not repose great confidence in Dom Manuel, and moved instead to promote his illegitimate son, Dom Jorge, who had been born in August 1481 at Abrantes to the king's mistress, Dona Ana de Mendonça. In April 1492, Dom Jorge was named Master of the Orders of Avis and Santiago, and from that time on, the partisans of Dom Manuel (including his sister, Dona Leonor, the Queen) began to fear that the king would manipulate the succession. The nobility thus divided itself, loosely speaking, into groups on the basis of the succession - with Dom Jorge being supported above all by the Almeida clan.

Now the Almeidas, and their extended clan (which included their nephews by marriage, Dom Álvaro de Castro and Dom Diogo Lobo, the Baron of Alvito) were not merely resolute opponents of Dom Manuel before his succession; they remained so afterwards as well. As Thomaz has argued, the Baron of Alvito was in the second decade of the sixteenth century the main

adversary in Portugal of the designs of Dom Manuel and Afonso de Albuquerque.[18] The opposition was defined not merely in factional terms; it also had an ideological dimension. Having come as far as the Cape of Good Hope, we can see in the last years of Dom João's reign a certain hesitation in respect of Asia. Some of this hesitation centred around information, and this explains the sending of agents overland to ascertain the political, religious and commercial situation on the shores of the Indian Ocean. In May 1487, even before Bartolomeu Dias's return from the Cape, Dom João II sent out two junior members of his household, Pêro da Covilham and Afonso de Paiva, overland to Asia and the lands of Prester John (or Preste Joäo), the legendary Christian king of Ethiopia. Paiva reached Gujarat via Alexandria, Cairo and Aden, but died on his way back from Hurmuz; Covilham, on a more elaborate mission, made his way as far as Cannanore and Calicut, and even touched on Mozambique, before making his way back to Cairo from where he sent word of what he had found. Finally arriving in Ethiopia, he was held back there and died in the fabled lands of the Prester John.[19] Their exploits helped bring back some information, but not nearly enough - as we see from the documents of Gama's eventual voyage.

Information aside, there was also a genuine diffidence about making use of the Cape route, partly because of the ambiguity concerning its economic advantages compared to the traditional overland routes via the Levant (with the perilousness and uncertainity of navigating the all-water route being a standard theme in the period), and partly in terms of the defence of the route when faced with Castilian competition. The explosive potential of the maritime rivalry between Portugal and Castile had already been shown in respect of the Guinea trade, and once the news of Columbus's discovery was brought back in April 1493 by one of his companions, Martín Alonso Pinzón, tensions between the Catholic monarchs and Dom João II mounted. Later, in the 1520s, the expectations of those who had foreseen difficulties in defending Asia from Castile were fulfilled, after Magellan's expedition caused Charles V to lay claims to the Moluccas. In this rivalry too, Vasco da Gama

was to play a minor role, as a resolute opponent to Castilian claims.

It should be stressed that building a consensus in Portuguese society on the issue of overseas expansion was no easy matter, as the frequent shifts in geographical emphasis over the course of the fifteenth century show. The beginnings of expansion, with the capture of Ceuta in North Africa (1415), had a logic that was less commercial than military and religious. However, soon enough, the expansion into the Atlantic islands brought the commercial aspect to the fore; no "Moors" (Muslims) were to be found in Madeira and the Azores, and the military nobility could find little to interest them there. To the nobility, with its largely land-based set of values, Castile represented a pole of attraction, and the Holy War even against the feeble remnants of Islam in Iberia was more appealing than the waters of the Atlantic.[20] As long as overseas expansion to the west was under the charge of the Infante Dom Henrique (the misnamed and much mythified Prince Henry, "the Navigator"), matters were sufficiently centralised and on a sufficiently small scale to contain discontent. In the second half of the fifteenth century, and especially after the death of Dom Henrique, a compromise of sorts had to be reached. To Lisbon merchants, whether Portuguese Christians, Jews, or resident Italians, was given the main charge of the Atlantic explorations, which soon extended down the west coast of Africa. A small section of the nobility interested itself in these affairs, largely to the extent that they coincided with possibilities of corsair raiding. For the most part, however, the nobility remained burdened with a mentality that was resolutely Iberian in its horizons, with North Africa entering into the ken because it was seen as a frontier of Iberian military expansion.

The structure had a simplicity which the realities of Asia did not permit; Asia thus was simply too complex to be accomodated within the existing regime of compromises. Many elements in the Portuguese nobility saw sense in the North African campaigns, which after all brought glory if not fortunes. The Atlantic too seemed to make sense as a relatively

low-cost, high-return affair, underwritten by Lisbon's mercantile class. But Asia seemed at once too vast, too distant, and too risky a venture. This opposition, taken together with Dom João II's other preoccupations - with regard to Castile and the rest of his European policy, to his own succession, and with regard to Columbus's discovery - goes a long way towards explaining why between 1487 and 1495, no further expeditions were sent out to the Cape, let alone beyond it.[21]

Reading the great chronicle *Da Ásia* of João de Barros, the implications are clear: in the early years of his reign, Dom Manuel too encountered great opposition to the idea of the expedition to Asia, which he himself had somewhat autocratically to suppress. What motivated him, among other things, was a factor that Barros does not mention: namely his own Middle Eastern strategy. Dom Manuel had over a period of time developed a rather strong Messianic streak, which made the capture of Jerusalem a quite important objective in his policy decisions. That Portuguese expansion in general had a religious side to it is a commonplace in writings on the subject, which speak of the "Crusading spirit" of the Lusitanians, the residual momentum left by the uneasy cohabitation with Islam in Iberia, and the *reconquista*, and the Christian cult around even the Infante D. Henrique which one finds in such writers as Zurara. Support for this view can be found in the writings of João de Barros once more, who on being charged by his sovereign to write "of the deeds that the Portuguese did in the discovery and conquest of the seas and lands of the Orient", nevertheless began his *Da Ásia* in the following manner:

> "There having risen in the land of Arabia that great anti-Christ Muhammad, more or less in the year 593 of our Redemption, he so worked the fury of his steel, and the fire of his infernal sect by means of his captains and caliphs, that in the space of a hundred years, they conquered all of Arabia, part of Syria, and Persia, in Asia, and in Africa all of Egypt beyond and before the Nile" [22].

For Barros then, it is the birth and spread of Islam that provides the logical point of departure for an understanding of how the Portuguese came to be in Asia. In his first *Década da*

Ásia, he looks at the Muslim conquest of Iberia, the Christian reconquest, and then moves on to the Atlantic explorations and the charting of the west coast of Africa, only arriving at Vasco da Gama's expedition to the Indian Ocean in the fourth book of this work. Even if the Messianist streak is more evident in the writings of some other courtiers of Dom Manuel than those of Barros who wrote in the reign of Dom João III, we can nevertheless catch a distant echo of it even in passages such as the one cited above.

This Messianism meant in turn that Dom Manuel had a substantial preoccupation with the recapture of Jerusalem, which under his reign came to be seen as the logical culmination of overseas expansion, and the crowning achievement that would enable him to claim the title of Emperor of the East or perhaps even Universal Emperor). The Jerusalem enterprise was one that lived and died with Dom Manuel, for neither his predecessors nor his successors seem to have been particularly enamoured of the idea, which was quite clearly a relic of medieval times. Dom Manuel's plan was to simultaneously open two fronts against the Mamluk Sultanate of Egypt (which his Messianist supporters identified with the Biblical Babylonia), with one force attacking via North Africa, and the other via the Red Sea. This policy, however, required reactivating the North African front, after a lull under Dom Joäo II, and hence a diversion of resources from mercantile activity. On the other hand, the Red Sea strategy was truly one of killing two birds with one stone: a blockade of the entry to the Red Sea would not only give the Portuguese a decisive advantage in the European market for pepper and spices over their Venetian rivals (who were supplied through Cairo and Alexandria), but also cut into the revenue-base of the Mamluks, who were after all the central target of the Jerusalem project.

In order to do this, however, the support of other Asian powers was deemed necessary, and here Dom Manuel and his supporters were badly misinformed: they believed the number of Christian kingdoms in Asia to be far larger than was in fact the case. Eventually, this meant a strategy centred around an alliance with Ethiopia, the state ruled over by the fabled

Prester John. It was this alliance that was deeply opposed by other parties, both in Portugal and in Portuguese Asia. At the same time, Crown trade and royal mercantilism was in part a necessary condition for the putting into effect of Messianist plans: making war required resources, especially a war that was unlikely to enthuse the nobility (as the Jerusalem campaign is unlikely to have done, had it ever been prosecuted). The idea of maintaining a larger standing army with infantry discipline in the Swiss style (*à suiça*), that became popular in the reign of Dom Manuel, was a natural outcome of this logic: it was also a step in the development of a sort of royal absolutism, albeit a step that was never wholly put into effect.

III.

What was the role of Vasco da Gama then in all this ? We may note once more that practically nothing is known of the first quarter-century of his life, and that the idea which is sometimes defended that he was born in 1460 is based on no more than vague inference, with many authors (including compilers of standard genealogies of the nobility) proposing a more likely date as late as 1469. To add to the confusion, at least four or five other persons of the same name can be found in southern Portugal in the 1480s.[23] Our Vasco da Gama, it has been established more or less conclusively, was the grandson of another Vasco da Gama, who lived in Olivença and was married to a certain Dona Teresa da Silva. From this union were born four children, of whom the oldest Estêvão da Gama served the Infante Dom Fernando, and was rewarded with the post of *alcaide-mor* of Sines, as well as a small revenue from soap monopolies in Estremoz, Souzel and Fronteira. Very much a member of the petty *noblesse de service* then, Estêvão da Gama accumulated a series of rights in Sines, where he seems by the 1460s to have been based. Estêväo da Gama's marriage with Dona Isabel Sodré, daughter of a certain João de Resende, produced at least six children. The oldest, Paulo da Gama, we shall encounter below; the others were João Sodré, Vasco da Gama, Pedro da Gama, Aires da Gama, who served in India on two occasions, and the youngest child a daughter, Oral tradition suggests that Vasco da Gama was born in Sines itself, in a house near the church of Nossa

Senhora das Salas, but that he received the greater part of his education in Évora. It has even been claimed that he had a good grasp of astronomy, partaking of the wisdom of no less a master than the celebrated Jewish savant, Abraham Zacuto.[24] Such myths, created already by near-contemporaries like Gaspar Correia, must be treated with caution. Nor is it clear, as claimed by some, that from 1478 on Vasco da Gama was engaged in numerous services on behalf of Dom João II. Indeed, the only explicit evidence of this is a Spanish document from 1478, issued by Ferdinand and Isabel, which is a safe-conduct allowing a certain Vasco da Gama and a certain Lemos to pass to Tangiers via Spain. Since, as we have seen, persons with the same name abound, we can by no means be certain that this Vasco da Gama who went to Tangiers was the son of Estevão da Gama. And curiously, much hangs on this question, for the rejection of the date 1469 for his birth by some historians revolves precisely on admitting that he was engaged in royal service in 1478.

Whatever be the case, the question of where and how Vasco da Gama engaged himself in the 1480s remains unresolved. It is possible, though once more by no means certain, that he served in campaigns in North Africa in the latter part of this decade, since this was a pattern common enough among his contemporaries, and especially younger sons of the petty nobility; however, the researches of scholars in the documents pertaining to Morocco have thrown up no concrete evidence thus far. The first clear reference to him occurs quite late, in 1492; a gold-laden Portuguese caravel on its return from Mina in west Africa was captured by the French, and Dom João II retaliated by having French vessels captured at Setúbal, the ports of the Algarve, Aveiro and Oporto. The charge of the expedition to Setúbal and the Algarve was given to Vasco da Gama, who carried out his instructions successfully, according to the chronicler Garcia de Resende.[25]

Whether Resende, writing with the benefit of hindsight, attributed a closer link between Gama and Dom João II, as also greater experience in maritime affairs to the future Admiral than was in fact the case, may be debated. We cannot, at any

rate, hang a great deal on this testimony, let alone argue - like Armando Cortesão - that Vasco da Gama had already commanded numerous long-distance maritime ventures on which no other documents exist. If we do take Resende at his word, we may surmise that Gama had served earlier on fleets sent to the Atlantic islands, to Guinea, or even to Flanders, where the Portuguese king maintained an active commercial interest. Another document from the same year, 1492, is however noteworthy - for it also relates to Setúbal, where we know Vasco da Gama was in that year. Issued in the name of Dom João II, from Lisbon on 22 December 1492, it relates how a certain Diogo Vaz, an *escudeiro* (squire) and resident of Setúbal, and Vasco da Gama were walking one night on the streets of the town, when they ran into the *alcaide* of the place João Carvalho, and were challenged by him, as Vasco da Gama was concealed by a cape and hence mistaken for an evildoer (*mallfeitor*). An altercation ensued, and various other officials came to the aid of the *alcaide*, who subsequently lodged a complaint against Vaz and Gama. In his letter of December 1492, Dom João "wishing to do him grace and mercy", pardoned Vaz for his violent resistance, made him pay a small fine and also revoked an order for his arrest.[26] The small incident underlines much of what we later come to know of Gama's psychological makeup; violent of temper, and quick to react to perceived insults, he seems scarcely the man to send to make contact with new continents and cultures. The same incident was, it is amusing to note, characteristically exaggerated and distorted by Gaspar Correia subsequently: in Correia's version, the attack was on a judge in Setúbal who was gravely wounded (perhaps even killed), and carried out not by Vasco but his elder brother Paulo da Gama. He even claims that on the eve of his departure for India, Vasco da Gama asked for and received from Dom Manuel a pardon for his brother.[27]

No more is heard of Vasco da Gama for a few years, but he then surfaces in 1495 in quite significant circumstances. Two grant-letters to him by Dom Jorge, son of Dom João II, and dating some months after the death of the latter have been published. In these letters, there is mention of services

rendered by Vasco da Gama in earlier years, which Armando Cortesão interpreted as further evidence of the mysterious expeditions around the Cape of Good Hope. The precise reference in one of these letters is to "the many services that Vasco da Gama *fidalgo* of the household of the King my lord and father, whose soul is with God, has rendered and I hope will render in future to the King my Lord, and to me".[28] From our perspective, we may see these letters quite differently. They may suggest that Vasco da Gama was attached to Dom Jorge, and thus probably a member of a political grouping hostile to Dom Manuel.

At first this interpretation seems only to confound the confusion. Why, after all, should Dom Manuel choose a member of the opposing party, as it were, to lead the expedition into the Indian Ocean ? A little reflection shows the plausibility of the idea. First, if - on Barros's evidence - the decision to send the expedition was against the majority of the king's council, a measure of compromise might have been struck on the choice of captain. Second, there was the issue of risk, and the fact that only a small fleet (with a minimal crew) was eventually sent out. Far better to have a man chosen from the opposition lead such an expedition than one of Dom Manuel's hand-picked nobles; at least in this way, the burden of failure (if failure was indeed the outcome) could in part be passed on. Third, we have the fact that none of the chroniclers provides us a convincing explanation of Gama's selection. Barros and Castanheda suggest that Dom João II had already chosen Vasco's father, Estêvão da Gama, for the post, and on the latter's death the honour passed on to his sons. Castanheda adds further that by rights the older son, Paulo da Gama, should have led the expedition, but that he yielded the post to his younger brother for reasons of health, and instead agreed to captain one of the vessels.[29] Despite some supporting circumstantial evidence - Paulo da Gama died on the return voyage from India, suggesting ill-health - the last version is not free of problems. Had Paulo da Gama refused entirely to go, the matter would have been somewhat different. Further, if it was a matter of an inherited right, why was Vasco chosen over his other brothers ? The suspicion is thus that Vasco da Gama was not

chosen as his father's son, but as himself. It is also quite clear that there was no love lost between Dom Manuel and the discoverer. On the latter's return to Portugal in 1499, he was fêted to be sure, but he did not receive the honours for which he had hoped. He was given no title of nobility besides that of *Dom*, and was probably given a second command in 1502 only because his successor (and rival) Pedro Álvares Cabral refused to command the fleet - for reasons supposedly of pride, but more probably of politics.

The hypothesis that I have proposed here (and which first emerged in oral discussions with Luís Filipe Thomaz in the early 1990s) had been set out in rather greater detail in *The Career and Legend*. How has it been received, in view of the fact that it does present Gama in a rather curious light, as an opponent of Portuguese expansion as conceived by Dom Manuel ? Geneviève Bouchon in her work is cautious: "One may equally think that the choice of Dom Manuel was the result of a political calculation. In choosing a captain, whose friendships linked him with the opposing party, he thought to disarm them and to force them into silence in case he succeeded". She does not attribute this hypothesis to an earlier author, but then her work rarely cites other secondary literature.[30] Adão da Fonseca is rather more direct. He first considers my hypothesis that Gama was chosen because he was obscure, and that D. Manuel was hence risking little of his own prestige by sending him. This he considers unlikely. He then continues however: "It therefore seems to me that the alternative hypothesis proposed by the same author [Subrahmanyam] is more probable" -- namely that Gama was imposed on D. Manuel by those opposed to his plans.[31] He goes on to state that this might not have been the only reason for the choice of Gama, but that it "has the advantage of rendering the profile of the man who was chosen comprehensible". Thus, what I would myself consider to be the most daring hypothesis from a historian's viewpoint in *The Career and Legend*, has ironically subsequently fomented a broad consensus (partly explicit, partly implicit).

IV.

To resume our story, let us return therefore to 1497, when Gama prepared to leave for India. He was given command of a fleet initially comprising four vessels, *São Gabriel* (which he himself captained), *São Rafael* (captained by Paulo da Gama, his brother), *Bérrio* (commanded by Nicolau Coelho), and a fourth supply-vessel which did not go to India; the fleet was accompanied by a caravel which was destined for São Jorge da Mina on the African west coast, and which was captained by Bartolomeu Dias - the discoverer of 1487. Dias's experience with respect to the Atlantic was supposed to aid Gama in planning the first leg of his voyage; it is equally significant that despite his experience, and availability, Dias himself was not chosen to perform Gama's role.

Gama's fleet eventually left the estuary of the Tejo on 8th July 1497, and sighted the Cape of Good Hope on 18th/19th November of the same year, after a complex and controversial voyage through the Atlantic.[32] But the fleet finally arrived in Calicut, its true destination, only on 20th/21st May 1498. The reason for this long delay between touching the southern tip of Africa and the attainment of the final destination, which meant a total Lisbon-Calicut voyaging time of some three hundred and sixteen days, was a four-month stay on the east coast of Africa. Now, with a few exceptions, historians have been somewhat neglectful of this part of the voyage, focusing instead almost exclusively on the Calicut visit; in fact, at least some of what occurred in Calicut can only be understood by examining the East African experience of Gama. The fleet's first major encounter with the East African trading network took place in early March, on Mozambique Island. In early April, Gama moved on to Mombasa, then to Malindi, whence he eventually set sail on 24th April for Calicut. In this period, several important incidents took place. Let us note, to begin with, that the fleet had on board several "specialists" of one or the other sort: some men had spent time earlier on the African west coast, and were hence regarded as expert in dealing with the *negros*; one other, Fernão Martins, had been a captive in North Africa and could speak some Arabic. The

account of a member of the crew, who maintained an account on board one of the ships, comprises a compendium of their views. Here is how they saw Mozambique, in their first real encounter with the Indian Ocean trading network:

> "The men of this land are dark and well-built, and of the sect of Mafamede and speak like Moors ; and their clothes are made of cotton and linen, very fine and multi-coloured, and striped, and they are rich and embroidered. And all of them have caps on their head, with silk tassels (*vivos*) embroidered with gold thread. And they are merchants, and trade with white Moors (*mouros brancos*), of whose ships there were four in this place, which brought gold, silver and cloth, and cloves, and pepper and ginger ...".[33]

Here, two statements stand out: one is the rapid identification of the settlement as Muslim, but on the other hand we note the will to distinguish the "native" Muslims from those of the Middle East. In fact, when relations with the local ruler soured, as they rapidly did, there is once again a clear attempt to point to the culpability of the *mouros brancos* (or "white Moors") in the matter. The origins of the conflict are not wholly clear. The anonymous contemporary account has it that the Portuguese were at first mistaken for Turks, and that when their identity as Christians became clear, the ruler secretly ordered them killed. This is possible but by no means certain; after all, the fact that Christian Italians traded with Muslims in the Levant could not have been unknown to the Arabs trading in Kilwa and Mozambique. At any rate, by the 24th of March, the situation had reached a state in which a three-hour engagement was fought between the Portuguese and those on the strand ; the Portuguese also forced a ship belonging to a local *sharîf* to run aground, and then departed for Kilwa and Mombasa. On failing to reach the former port due to contrary winds, they arrived at Mombasa on 7th April, but once again there were hostilities here: the Portuguese by now had some Muslims captive on board, who confessed under torture to a conspiracy against them by the Mombasa ruler. The fleet now proceeded down the coast, took another vessel belonging to an "honoured Moor", and arrived in Malindi on 16th April.

By this stage of the voyage, the language of the contemporary journal begins to coarsen: the author now refers,

for example, to the natives of the coast as "dogs" (*perros*), and much suspicion is evident in the Portuguese fleet's dealings at Malindi. But in fact, during the nine days they spent in this port, they were well-received, and succeeded in encountering four ships from the Malabar port of Cranganore, with St. Thomas Christians on board. They also took on board a Gujarati pilot (often incorrectly identified as the celebrated Arab navigator Ahmad ibn-Majid), sent them by the local ruler in exchange for his ambassador, whom the Portuguese had taken hostage. Gama refused, however, to set foot on land, feeling that he might be ambushed - and the journal's author for his part is clear that the Captain-Major was right in distrusting such men "who did not speak from their hearts, nor of their will".

It would seem in retrospect that this East African sojourn was crucial in defining Portuguese conduct in Malabar. We note extreme suspicion in Gama's attitude in Calicut; he waited for boats from the land to approach his ships, rather than making contact himself, and then sent on land an expendable member of his fleet - a convict-exile sometimes identified as João Nunes or João Martins - rather than someone of authority. This man, on encountering two Tunisian traders in the port, is the real protagonist of the following celebrated, but often misunderstood, scene:

> "And he was taken to a place where there were two Moors from Tunis, who knew how to speak Castilian and Genoese. And the first greeting that they gave him was the following :
> - The Devil take you ! What brought you here ?
> And they asked him what he had come to seek from so far; and he replied:
> - We came to seek Christians and spices.
> And they said to him :
> - Why do the King of Castile and the King of France and the Seignory of Venice not send men here ?
> And he replied that the King of Portugal did not permit them to do so. And they said that he did well".[34]

What Nunes sought to establish then was the <u>power</u> of the Portuguese King in Europe. As for the Muslim traders, their response - as can be seen above - was far from negative. Indeed, one of them is reported by the anonymous journal to have told the Portuguese : "You should give many thanks to God

for having brought you to a land where there are such riches"! Contrary to what is often stated by modern historians therefore, Islam and Christianity did not confront each other directly at the moment of Vasco da Gama's arrival in Calicut. Such a total confrontation, despite the rhetoric of both later writers in Arabic like Zain al-Din Maᶜbari and some contemporary Portuguese writers, never actually took place in Calicut. It was however necessary for Zain al-Din, writing his *Tuhfat al-mujâhidîn* ("Gift to the Holy Warriors") in the 1570s - when the conflict between Ottomans and Habsburgs in the Mediterranean, on the one hand, and Bijapur, Calicut and Aceh, and the Portuguese, on the other hand, had reached a fever pitch in the aftermath of Lepanto - to pose matters in this light.

What took place during the three months of Gama's stay (he left Calicut on 29th August) was far more complex: information was certainly gained, but the Portuguese - with their rather paltry gift of cloth, hats, coral and agricultural products - failed to create a favourable impression. Moreover, there was a fair deal of hostility in some of the dealings; the mutual distrust is evident in the fact that hostages and counter-hostages were taken. The journal's own account thus concludes:

> "One Wednesday, which was the twenty-ninth of the said month of August, seeing that we had found and discovered what we had come to seek out, both spices and precious stones, and that we could not manage to leave the land in peace and as friends of the people, the Captain-Major decided, on consulting the other captains, to leave ...."[35]

There could scarcely be a more frank admission that the Portuguese did not leave Calicut with altogether pleasant thoughts in 1498. But by certain standards, the expedition could be deemed a success, and it certainly strengthened the hand of Dom Manuel, among other reasons because Gama brought back word of the purported existence of many Christian kingdoms in Asia (including Calicut itself). With this new-found confidence, the next fleet, commanded by Pedro Álvares Cabral, was a full-fledged affair, far larger than Gama's rather paltry trio of vessels. It comprised thirteen ships, carried over a thousand men on board, and not only discovered Brazil en route

to India, but also brought matters to a head where relations with Calicut were concerned.

V.

Vasco da Gama did not return to Lisbon post-haste. Instead, he tarried in the Azores to bury his brother Paulo on the island of Terceira, and allowed the captain of the *Bérrio* Nicolau Coelho to carry the news back to Dom Manuel, who announced the discovery of the true India to his European neighbours in July 1499 (the letter to the Catholic monarchs being dated the 12th of that month).[36] On the 10th of the same month, a Florentine merchant wrote back to his native town with the same news.

> "The Most Illustrious Lord Manuel, King of Portugal, sent three new ships to discover new lands, that is two vessels (*balonieri*) of 90 *tonelli* each and one of fifty *tonelli* and besides a navette of one hundred and ten *tonelli* filled with supplies, who carried 118 men in all; and they departed from the city of Lisbon on the 9th of July Anno 1497, and of this fleet there went as captain Vasco da Gama. On the 10th of July 1499 there returned to this city of Lisbon the vessel of 50 *tonelli*; the Captain Vasco da Gama remained in the islands of Cape Verde with one of the vessels of 90 *tonelli* in order to set on land there a brother of his, Paolo da Gama, who was extremely ill. And the other vessel of 90 *tonelli* they burnt because there were not enough people to man it and navigate, and they also burnt the navette ...".[37]

The reference is to the ship *Säo Rafael*, abandoned and burnt near Mombasa in early 1499, for lack of an adequate crew to man it. The same writer goes on to describe how fifty-five of the men died on the return voyage of a sickness that attacked them first in the mouth, then caused bodily pains, apparently a form of scurvy. The report goes on then to describe Malindi, a city populated by Moors, and waxes ecstatic about Calicut, "which is larger than Lisbon, and populated by Christians". A second letter to Florence, written a few days later, corrects some errors in the first, now noting for example that Paulo da Gama had been buried in the Azores and not Cape Verde. Also mentioned in this letter are two characters of some significance: the first a Jew of Polish origin (from Poznán) whom Gama had captured in the Anjedive Islands (off the Kanara coast) despite his being under safe-conduct, who was baptised with his captor as godfather, later

being known to the Portuguese as Gaspar da Índia (or Gaspar da Gama), and the second the Muslim (almost certainly Gujarati) pilot who had guided Gama from Malindi to Calicut, and who is described in some accounts as Italian-speaking. Both were sent by Gama to Lisbon from the Azores even before his arrival in the Portuguese capital, and the Italian writer had apparently had occasion to gather information from them.

A third letter of 1499, this one written by a certain Guido di Messer Tomaso Detti on 10th August, surveys the implications of the new discoveries. Vasco da Gama, we may note, had still not returned from the Azores, and Signore Guido thus still found only ship from out of the original four at Lisbon. He concludes his letter as follows.

> "As has been seen, this is an excellent finding (*un bel trovato*) and this King merits great commendation from all Christians, and certainly all the Kings and great and powerful lords (*signori potenti e massime*) who are sea-powers should always send out to find and give news of unknown things because it brings honour and fame, reputation and riches, and in fine, because of it they are praised by all men. And to such men it is well that Lordship and State (*signoria e stato*) is given and they are [assured that ?] when every year they send out to discover lands and places that are unknown and uninhabited, they will be commended and news will be brought of many new things which are not yet in the knowledge of men in the world. And thus we may say : this King of Portugal should be praised by all men".[38]

But what of the "discoverer" himself, lingering on in the Azores while all this was being written ? Gama returned to Lisbon only in late August or early September, with different sources giving us variant dates for his return.[39] On 24th December 1499, he received his first formal honour, namely a royal grant (*alvara*) for the possession of the *vila* of Sines with all its revenues, as a heritable property.[40] But the right over Sines was also hedged in with all sorts of hesitancies - since the town pertained to the Order of Santiago, and the post of *alcaide-mor* therein to a certain Dom Luís de Noronha. A royal letter dated nearly two years later, in September 1501, notes that "at present for certain reasons we cannot comply with and satisfy the obligation we have to give the said Dom Vasco as free and unencumbered the said Villa de Sines as his jurisdiction". Instead, Vasco da Gama was given a pension

(*tença*) of a thousand *cruzados* in gold, payable from the revenues of Guinea, to add to his entry into the Royal Council; he was also given the pre-emptive right to be the Captain-Major of any fleet being sent to India, whether for trade or for war, which probably stemmed in turn from his title as Admiral of India, or Admiral of the Ocean-Sea, which one finds used intermittently from January 1500.[41] Other grants of cash revenue followed in a dribble. But Gama was given no major title in the years 1500-1501, which - when taken together with his frustrations in regard to Sines - must have irked the short-tempered discoverer. Whatever the strategic reasons for delaying his return in the Azores, Gama did not find his welcome greatly improved as a consequence.

In these years, in either 1500 or 1501, Vasco da Gama moved to consolidate his line, the first step being his marriage - a strategic one to Dona Catarina de Ataíde, daughter of Álvaro de Ataíde, *alcaide-mor* of Vila de Alvor, and Maria da Silva.[42] The Ataídes as a clan were to be linked later again with the Gamas; Vasco da Gama's grandson, Dom Vasco Luís da Gama, third Count of Vidigueira, married Dona Ana de Ataíde, daughter of the Count of Castanheira - the adviser and close confidant of the King Dom João III. It seemed time to force Dom Manuel's hand, and the opportunity came in early 1502. A fleet - the third to be sent after Gama's initial expedition - was to leave for India early that year, and the command of it had, so the chroniclers report, been given to Pedro Álvares Cabral, recently returned from Malabar, where he had been between August 1500 and January 1501.[43] However, for reasons that have been much discussed and disputed, Cabral eventually did not command this fleet, and it fell to Vasco da Gama to do so. What were the reasons for this sudden change of command? The chroniclers have suggested that deteriorating relations with Calicut, and the violent conflict there at the time of Cabral's first visit (in which the Portuguese factor Aires Correia and several others were killed) led Dom Manuel to send back Vasco da Gama, well known for his strict and uncompromising temperament. But there is also another factor mentioned at times, including by the chronicler Damião de Góis - the fact

that Cabral could not get along with Vicente Sodré, one of the captains in the fleet, who had a more or less free hand with five vessels under his command. Sodré, according to Joäo de Barros, was given instructions separate from those for Cabral, which required him to "guard the mouth of the Strait of the Red Sea, to ensure that there neither entered nor left by it the *naos* of the Moors of Meca, for it was they who had the greatest hatred for us, and who most impeded our entry into India, as they had in their hands the control of the spices which came to these parts of Europe by way of Cairo and Alexandria".[44] Cabral, for his part, was to concentrate on the Malabar coast, where he was to set up factories at Cochin and Cannanore (ports from which he had brought back emissaries on the return from his last voyage). Cabral was to take a much larger fleet than Sodré, of fifteen ships, but the latter - as we have stressed - was partly independent of the former on account of his separate instructions (*regimento*) from the ruler Dom Manuel.

The quarrel between Cabral and Sodré, which Barros claims resulted from Cabral's hypersensitivity in matters of protocol, is far from devoid of larger significance, for Vicente Sodré was none other than Vasco da Gama's maternal uncle, and the quarrel was convenient enough reason for the nephew to step in and relieve Cabral of the charge. This was especially since the earlier grant of 1500 explicitly gave Gama the right to assume the Captain-Majorship whenever he wished. Gama thus quickly transformed the fleet of 1502 into a family affair. Besides Vicente Sodré, there was among the captains another of Gama's uncles, Bras Sodré, and the three left together (as part of a fleet of fifteen vessels) in early February. Vicente Sodré was named to succeed, in the event some mishap befell the Captain-Major. Later, in early April, the remaining five ships left for India, to make up the total of twenty that had always been the target; this fleet was commanded by Vasco da Gama's first cousin, Estêvão da Gama on the powerful *nau*, *Flor de la Mar*. Still another captain was a certain Álvaro de Ataide, from the Algarve, who was one of Gama's relatives by his recent marriage. The Gama-Sodré combine thus dominated the fleet entirely.

It was at this time, on the eve of his second departure for India, that Dom Manuel was obliged to give his ambitious subject further recognition, as well as to confirm concessions already set out in a long grant letter dated 10th January 1500. This letter had recounted how the Infante Dom Henrique, uncle to Dom Manuel, began "the discovery of the land of Guinea in the year of 1433 with the intention and desire that along the coast of the said land of Guinea, India would be discovered and found"; it had gone on to speak of further events under Dom Afonso V and Dom João II, until 1482. Events after the discovery of the *Rio do Infante* in that year were however passed over, mention of Bartolomeu Dias was conspicuously excluded, and the letter then waxed eloquent on Vasco da Gama and his expedition, "at the peril of his person and the risk of his life".[45] However, even if this letter is dated 1500, the title of Admiral was - we have already noted - used with a certain hesitation (and only intermittently) for Vasco da Gama up to 1502. But with the second expedition, matters changed once and for all. On 30th January, a solemn ceremony was held in Lisbon at the Cathedral Church, where Gama was publicly given the title of Admiral and handed the King's banner to carry on his voyage.[46] It was only now, with this visible symbol of his status, that Dom Vasco da Gama, Admiral of the Indies, made his way back there in February 1502.

VI.

In Asia for a second time, Dom Vasco - as he now was - comported himself with vigour - indeed even brutality. This is testified to by the chroniclers, who naturally seek largely to explain Gama's actions in terms of the treachery of local rulers, and their reluctance to accept the payment of tribute (*páreas*) to the king of Portugal. These accounts can be checked against other more immediate ones, written by persons on board the fleet, such as the relation of Matteo da Bergamo, or the particularly valuable account of Tomé Lopes, scrivener on board one of the vessels which left in early April.[47] Still another of these itineraries, that of an anonymous Fleming on board the fleet of Gama himself, states that the ships arrived at Sofala on the 14th of June, encountered some resistance, and then went

on via Mozambique to Kilwa, which they reached in mid-July. The ruler there, Mir Ibrahim, was obliged to give Dom Manuel 1,500 *miṣqâls* of gold, and obliged to fly a flag as a sign of subordination.[48] Gama's itinerary on this occasion was rather different from what it had been in 1498. From Kilwa, he proceeded to Malindi, but was blown off course and eventually found his way, skirting the south coast of Arabia, to the Indian west coast. Here, in a few accounts such as that of Gaspar Correia, it is stated that he put in at the Kanara ports of Honawar and Bhatkal, from which he demanded and received tribute. In any event, it certain that in early September, Gama appeared before Cannanore, having determined that he would await ships from the Red Sea at their normal point of landfall - Mount Deli. The anonymous Fleming explains the motives simply enough:

> "On the sixth day of September we came from there [Anjedive] to a kingdom named Cannaer which lies by a mountain called Montebyl and there we awaited the ships from Mecha and these are the ships which bring over the spices to our lands and which we wished to prevent for thus the King of Portugal alone would bring the spices there, but we could not do this. But at the same time, we took a ship from Mecha in which there were three hundred and eighty men and many women and children. And we took from it some twelve thousand ducats and another ten thousand in goods and we burnt that ship and all those people with gunpowder (*pulver*) on the first day of October".

The reference is to the affair of the ship *Mîrî*, purportedly belonging to the Mamluk Sultan Qansawh al-Ghawri, a ship that carried many *hâjî*s on board besides gold and goods.[49] Gama's action on the occasion is often cited as a particularly conspicuous act of early Portuguese violence in Asia, and has even inspired the rather curious modern Bengali novella by Saradindu Bandhopadhyay, titled *Rakta sandhyâ*. João de Barros himself is at a loss to explain it wholly, beyond pointing out that the Admiral was aggrieved at the accidental death of one of his entourage, who was crushed between Gama's vessel and the *Mîrî*. Gama's own reasoning appears to have been of an eye for an eye and a tooth for a tooth; the killing of the Portuguese at Calicut from the time of Cabral's voyage was mentioned by him as a cause for his actions in a letter to the Samudri *râjâ*

from Cannanore, sent through the hunchbacked pilot of the *Mîrî*. In Barros's inimitable style:

> "He let him [the Samudri] know that of the two hundred and sixty men who came in her [the *Mîrî*], he only granted that one [the pilot] his life, as well as twenty or so children. The men were killed on account of the forty or so Portuguese, who had been killed in Calecut; and the children baptised on account of a [Portuguese] boy, whom the Moors had taken to Meca to make a Moor. That this was a demonstration of the manner that the Portuguese had in amending the damage that they had received, and the rest would be in the city of Calecut itself, where he hoped to be very soon".[50]

The Admiral was even more suspicious of native intentions than on his earlier visit. On entering the friendly port of Cannanore on 18th October to parley with the King (or Kolathiri), he insisted on remaining on the poop of his caravel throughout the negotiations over fixing the price of spices. There soon appeared to be considerable grounds for misunderstanding, for local merchants insisted that the ruler had no right to fix prices, while Gama for his part saw this as no more than Indian chicanery. Against the advice of a Portuguese factor Paio Rodrigues, left there by an earlier expedition, he is reported to have written a strong letter to the Kolathiri, calling him an agent of the Moors of Cannanore, and left in a huff for Cochin, hoping to find better terms there.

But he was not done with Calicut yet. En route to Cochin, Gama was met by a light vessel with with four emissaries from the Samudri, offering a compromise - including the handing over of those who had attacked Cabral's expedition in 1500. Gama wanted far more, indeed nothing less than the expulsion of the entire Middle Eastern Muslim settlement at Calicut. The uncompromising nature of his stand is once more brought out by none other than Barros himself, who reproduces in his chronicle the following paraphrase of a letter to Gama from the Samudri:

> "As for paying for the goods that the Portuguese lost in the uprising (*alvoroço*) of the people of Calecut, on account of the affronts committed by the Portuguese themselves, that he the Captain-Major should content himself with the taking of the ship from Meca, which amounted to more in terms of goods and people killed than ten times what Pedralvares had lost. That if the one side

> and the other had to add up the losses, the damages and the deaths, that he the Çamorij was the more offended of the two: and as he did not ask recompense for these things, though his people had requested with great clamour that he make amends for the wrongs that had been done by the Portuguese; he ignored this clamour from a desire for peace, and friendship with the King of Portugal. That he the Admiral should not repeat past affairs, and should be content by putting in at his city of Calecut, where he would find the spices that he needed. And as for what he said, that he should expel from his Kingdom all the Moors of Cairo, and of Meca, to this he did not respond, as it was impossible to root out more than four thousand households of theirs, who lived in that city not as foreigners, but natives, from whom his Kingdom received much profit" .[51]

Gama for his part declared this reply to be an insult (*afronta*). He detained the messengers, and when the Samudri sent another message, saying that he should not hold them hostage, Gama became even more indignant (*indignado*) - a term frequently used by the chroniclers in connection with him. He now transferred the bulk of the artillery to the lighter vessels which could approach the shore more easily, declared his intention to begin the bombardment of Calicut the next day, and sent back the Samudri's emissary with orders that he "should not return with any other message save with the price of the goods that had been taken from the Portuguese; and after this was handed over, then the matter of peace, and the spice trade could be dealt with".

The Samudri having already been bombarded two years before by Cabral, had arranged for a stockade of palm-trees to be put up along the sea-front, both to prevent a landing and to hold off artillery fire. Gama now sent an ultimatum till mid-day; after this he began capturing vessels, and had each ship of his fleet hang a "Moor" on the mast, from a stock of earlier captives whom he distributed amongst them for this purpose. The bombardment of Calicut lasted the whole day, writes Barros:

> [There was] "a continuous storm (*torvão*) and a rain of iron and stone projectiles, which caused very great destruction, in which many people died as well. When night fell, to speed things up (*por espedida*), and for greater terror, he had the heads, hands and feet of the hanged men cut off, and put on a boat with a letter, in which he said that if those men, though they were not the same who had been responsible for the death of the Portuguese, and only on account of being relatives of the residents, had

> received that punishment, the authors of that treachery could await a manner of death that was even more cruel".[52]

This boat was sent ashore with a certain André Dias, and the rest of the bodies were thrown into the sea with the tide, so that they could be washed up on the beach. This matter cast a pall on the city, and the next morning no one appeared on the sea-face. Things were so deserted, writes Barros, that Gama could well have sacked the city. But he desisted:

> "For since the deaths of these people had been worked more for the King in terror to desist from hearing the counsels of the Moors than as a vengeance for the past, he did not wish to do as much damage as he could have, to give the King time to repent, and not to become indignant on account of the so great loss it would be were his city to be wholly destroyed".

It would seem then that Gama still held out hope of a settlement, and this was why a vessel with supplies captured some days before was not looted. Two days after the "fury of fire" described above, however, he ordered it to be unloaded; the goods on board were distributed in the fleet, and the ship burnt in sight of the city. It was only now that Gama left with some satisfaction for Cochin, where he arrived on 7th November 1502.

Here, matters seemed to give him little reason for rejoicing. The Portuguese factor in Cochin, Gonçalo Gil Barbosa, advised Gama of rumours that Calicut, Cannanore and Cochin were all preparing a joint front against the Portuguese, leading him to grow suspicious in turn of the Cochin ruler. Finally, the latter had to allay his suspicions by coming on board Gama's caravel to parley with him, while at the same time emissaries arrived from Cannanore to reopen negotiations. More surprising, a Brahmin ambassador came to Gama from Calicut, leading the Admiral to return to that port in early January 1503 with two vessels - characteristically enough his own, and that of his cousin Estêvão da Gama. Not altogether unexpectedly, the invitation turned out to be a trap, from which they were saved by the fortuitous arrival of another of the clan, Vicente Sodré; this gave Gama a further opportunity to have three hostages hanged on the masts of his caravel *São Jerónimo*, and to sail up and down the seafront of Calicut with them visible, finally placing the bodies in a boat with a

letter for the Samudri, in what was becoming a habit for him. He now returned definitively to Cochin, to supervise the lading of the vessels, and then went on to Cannanore in mid-January 1503. Here, as in Cochin, he left behind a factor, and also took on a minor cargo, before setting sail for Portugal, where he arrived, probably in October 1503. Once in Lisbon, with great pomp and circumstance, he carried the gold tribute of the ruler of Kilwa to the palace, in a procession with drums and trumpets. Once more the glory of the Admiral, and his dramatic re-entry, led him to jostle for centre-stage with Dom Manuel himself.

But can the expedition really be counted a success from the Portuguese point of view ? The return cargo, according to reports sent from Lisbon by the Cremonese merchant Juan Francesco Affaitato, may have been as high as 26,000 *quintais* of pepper and 6-7,000 *quintais* assorted spices. The same writer also declared to his Venetian correspondents that Vasco da Gama himself and the other captains brought back pearls of considerable value on private account; the Admiral himself is reported to have carried 35,000 to 40,000 ducats worth of diverse high-value goods.[53] By these measures then, the expedition was indeed a success. But, as we have seen, Gama's own actions very nearly led to a rupture not only with Cochin but also (in particular) with Cannanore, two kingdoms which were considered by Dom Manuel as allies, and which had gone to the extent of sending ambassadors to Lisbon. Further, the point of no return was passed in terms of relations with Calicut, and Gama's departure left the Cochin ruler highly vulnerable to retaliation from that quarter, as we know from hindsight. Unfortunately, since we do not possess his *regimento*, we do not know what precisely the Admiral was charged by his sovereign to implement, but it is hard to believe that the desultory and rather purposeless violence he inflicted was part of any master-plan from Lisbon.[54] It seems clear, overall, that by his actions on a number of occasions (in particular the treatment of hostages), Gama exacerbated matters with respect to Calicut, ensuring that negotiations could not be pursued. It was only the timely arrival of the next fleet, commanded by Afonso de

Albuquerque and his cousin Francisco, which turned this chaos into some form of order by fortifying Cochin, and making it the main Portuguese base on the Malabar coast.[55]

In this second expedition too, then, it can be speculated that Gama's intentions were somewhat at odds with those of Dom Manuel. His style of warfare appears very much based on the Portuguese experience of North Africa and the Mediterranean corsair tradition, dependent on the support of his own close clansmen, and leaving the Portuguese in the position of raiders rather than stable traders. The emphasis for Gama, as later for Dom Francisco de Almeida, was probably far more on corsair activity than on trade as such, and the economics of the Red Sea commerce *per se* did not seem to have interested him too much. The same was equally true of his uncle, Vicente Sodré, whom Gama left behind in the Indian Ocean on his return, with royal orders to patrol the Malabar coast, and impede trade with the Red Sea. Sodré, interpreting these orders in the spirit of a corsair, set off on a rather ill-conceived expedition to the mouth of the Red Sea, and he and the bulk of his fleet were lost in a storm at the Khurian-Murian islands off south Arabia in mid-1503. This loss was once more a blow to Dom Manuel's plans, even though in this instance clearly the result of incompetence rather than sabotage.

No wonder then, that on his return from his second expedition, Gama still found no major royal reward forthcoming. It remained for him to consolidate his claim over his home-base, the *vila* of Sines, which he had been given with such evident reluctance. Between late 1503 and 1507, it would seem that Gama was at Sines, where he had sumptuous houses built for himself, and also patronised the construction of the hermitage of São Gonçalo and Nossa Senhora das Salas.

Then, for reasons that are not altogether clear, he fell out with one of his erstwhile patrons, Dom Jorge, now Duke of Coimbra. Dom Jorge, we have seen, had made grants to Gama in 1495; but in 1507, quite in contrast to his earlier actions, he petitioned Dom Manuel to have Gama, his wife and family expelled from Sines. The order (*alvará*), issued at Tomar on 21st March 1507, and made public by Dom Jorge at Santiago de

Cacém on 26th June of that year, gave Gama a mere thirty days to leave Sines. It runs:

> "We, the King make it known to you Dom Vasco da Gama, Admiral of the Indies and of Our Council, that we consider it well and to our service that for certain reasons which move us, within thirty days of the making of this order, you take your wife, and all your household from the Villa of Sines where you at present maintain them. And neither you nor your wife and household may return to or enter the said Villa or its limits save with the permission of my well-beloved and prized nephew the Master [Dom Jorge]. And if either of you does enter without his permission, either with or without your household, we consider it well that you pay 500 *cruzados* in fine for the captives [ie. as ransom for hostages on the Barbary coast], and besides it will remain for us to give you the castigation due to those who do not obey the orders of their King and Lord ...".[56]

Explicit mention is made in a postscript, to the "construction works" (*obra das casas*) that Gama has had done in the town, which should stop at once. Older Portuguese historians have often seen the matter as motivated by the malevolent Dom Jorge, who is portrayed as the worst sort of libertine and wastrel. The possible political significance of this falling out escaped his attention; what we see here is Dom Manuel using a convenient complaint from a rather unexpected quarter to put Gama in his place. Exiled from his erstwhile residence, the Admiral seems to have moved to Évora, where he attempted without success in 1508 to buy himself another minor landed position - that of *alcaide-mor* of Vila Franca de Xira.

The conflict between Dom Manuel and Vasco da Gama, we are aware from other sources, had been further exacerbated by the expedition of 1502-03. The excellent and detailed account of the Venetian Lunardo da Cà Masser, resident at Lisbon in these years, is particularly illuminating, not so much for its description of the first nine Portuguese voyages to the Indian Ocean, but for its analysis of the political situation in Portugal in about 1506. After noting the importance of the *corregedores* and the *veadores* in politics (stressing the positions of the Baron of Alvito, Dom Martinho de Castelo Branco and Dom Pedro de Castro), he goes on to write of the position that was next in prestige, namely:

"An Admiral, which is to say a Captain-General of the Sea, who is Don Vasco da Gamba, the one who discovered India; this is a most highly honorable office, which office was given by this Most Serene King to the said Don Vasco, making him Admiral; even if he is not very grateful to His Highness, because he is an intemperate man, without any reason (*homo destemperado, senza alcuna ragione*); he has done many things in India during his voyage which have not endeared him to His Highness: but being the one who illuminated this route to India, and its discovery, this Most Serene King made him Admiral, and gave him a castle, from which he has an income (*intrada*) of 1500 ducats; he has at present an income of 4000 ducats, and also he has this privilege from His Highness that he can employ 200 ducats on the route to India, which he can invest in any sort of spices that he likes without paying any duties whatsoever; so that this is a great income, even if he were to have no other: he is of a low condition (*bassa condizione*), but at present has been made a Fidalgo, which is to say a gentleman (*gentiluomo*), and lives honorably, and is considered among the greatest grandees of that Kingdom".[57]

The "castle" in question was evidently Sines, of which he was deprived soon after Cã Masser wrote his account. In eclipse in these years, in 1515, Vasco da Gama may be found resident at Niza, petitioning the King to add to his cash-pensions, from the salt-tax at Lisbon and various other sources, such as the right to bring back a certain quantity of goods free not only of duties but of freight-charges from Asia. Now, we should bear in mind that the years of eclipse for Gama, from 1507 to 1515, were also those when Dom Manuel's domestic political position was at its strongest. His projected alliance with Ethiopia seemed about to bear fruit; the spice trade brought rich revenues; Portugal's prestige in Europe was high, as Dom Manuel prosecuted a veritable propaganda campaign to project himself as being at the cutting edge of the *respublica christiana*. But from 1515, affairs began to deteriorate, as the Ethiopian alliance failed to materialise, the capture of Aden remained unattained despite Albuquerque's best efforts, a major naval disaster saw half the Portuguese expeditionary fleet to Morocco lost in 1515 at Mamora, and domestic political opposition came to regroup around the heir-apparent Dom João. The Baron of Alvito succeeded in replacing Afonso de Albuquerque, the chosen instrument of Dom Manuel's Asian policy, with his own cousin Lopo Soares de Albergaria. The major Manueline ideologue Duarte Galväo was sent out to Asia with Lopo Soares, and ended his

life obscurely and ignominously there in June 1517, still chasing the spectre of the alliance with Prester John. To malcontents like Vasco da Gama, the opportunity seemed ripe; it is probably in these years that he signalled his willingness to join the group around the heir-apparent. An extraordinary document from 1518, namely a letter addressed to Gama by Dom Manuel, shows how far things had gone. It runs as follows:

> "Admiral, friend. It seems to us that this petition that you present to us for the title of Count, which you say that we had promised you, you have presented it as you saw fit, and we on account of the services that you have rendered do not wish to grant you the permission that you ask from us for you to leave our Kingdoms, but by this [letter] we order you that you remain in our Kingdoms until the end of the month of December, this next one that comes in the present year, and we hope that in this time, you will see the error that you are committing and will wish to serve us as is due, and not go to such an extreme, and as soon as the said period is finished if you wish to remain unmoved in your intention to leave our kingdoms, even though we would feel this heavily, we would not prevent you from going or from taking your wife and children and your moveable goods. Written in Lisbon on the 27th of August by the Secretary 1518. The King".[58]

What Vasco da Gama threatened, in what was to remain a standard tactic of the epoch, was to go over to Castile and offer his servtices there - rather like another Portuguese, Fernão de Magalhães, or Ferdinand Magellan. What is more, in an astonishing display of *lèse-majesté*, he assumed, of his own accord, the title of Count, and seized hold of some of the privileges pertaining to that position. Dom Manuel was caught in a quandary. To suppress this rebellious subject with force was dangerous, when so many other sources of opposition existed; besides, the myth of Vasco da Gama already existed in embryonic form, and he could not be treated as just another noble. A compromise was reached; Gama was allowed to keep the title, and the Duke of Bragança agreed to grant him some lands from out of his own holdings, thus inaugurating a long-lasting alliance between the Braganças and the Vidigueiras. The official grant of the title of Count of Vidigueira was made to Gama only in late December 1519 (more than a year after the earlier letter); Dom Jaime, Duke of Bragança, had already ceded the necessary rights over Vidigueira and Vila de Frades in

November 1519.[59] Royal weakness, and the shrewd exploitation of a particular political situation, had transformed Gama from *fidalgo* to landed noble, what he had been aiming for ever since his return from his second voyage.

VII.

A last act remained to be played out. In the final years of his reign, it seemed that Dom Manuel might re-consolidate his political position, to the perdition of his foes. But this did not happen, and in 1521, Dom Manuel died, little mourned by his successor - with whom his relations had steadily deteriorated. In turn, his son, Dom João III, found discontent rife against himself, as he attempted to press through his own policies. Rather than being the creator of a loose dispensation, favourable to the nobility and its ambitions both in Europe and in Asia, the new monarch turned out initially at least to have centralising ambitions of his own. The Castilian ambassador Juan de Zúñiga, in Lisbon in these years and in close touch with a number of leading political figures, declared that he had rarely seen so much discontent in a kingdom, and much of it was directed at Vasco da Gama, who had emerged as the *éminence grise* of the new regime.[60] In power, the Count of Vidigueira finally made it clear what his intentions and notions of statecraft really were. Rivals from the old regime, like Diogo Lopes de Sequeira, were forced - in a twist of irony - to seek refuge in Castile, while others like Duarte Pacheco Pereira were jailed.[61] Castile, not so long ago a potential place of exile for Gama, became his central target, and he declared his determination to put a stop to Charles V's plans in the Moluccas, to which the Castilians laid claim after the return of one of the vessels of Magellan's fleet.[62] Closer to home, the Count proved an authoritarian in some respects, probably advising the King Dom João III to push through military centralisation; the other great exponent of this was, ironically enough, the infantry captain and sometime mercenary, Cristôvão Leitão, who in his letters to Juan de Zúñiga made his hatred for Gama plain enough.[63]

But where Asia was concerned, there was a great difference between Gama and Afonso de Albuquerque, authoritarian though

both were. Albuquerque had defended with vigour his conception of the western Indian Ocean as a chain of fortresses, from Kollam to East Africa, with Cochin, Cannanore, Goa and Hurmuz as key points. Gama when he returned as viceroy in 1524 did so with the explicit intention of doing away with many of these centres (as well as Colombo further south), and re-focusing attention on Cochin. The state was to disengage from trade to a large extent, and the viceroy was to be potentate rather than trader. Both the monarch and Gama intended moreover that the Governor in office, Dom Duarte de Meneses, a great private trader, should be put firmly in his place. To achieve this, Gama left Lisbon with a sizeable fleet of fifteen ships, and powers and pomp - in the opinion of Gaspar Correia - which rivalled that of the King himself; on board were some three thousand men, including a sizeable contingent of the upper and middling nobility as well as Gama's own sons Estêvão (appointed Captain-Major of India) and Paulo.[64]

Departing from the Tagus late in the season, in mid-April, the fleet arrived in Mozambique in mid-August, although weakened by the loss of several ships in a wreck.[65] Passing Gujarat, the fleet arrived at Chaul, where Gama summarily and impatiently assumed the post of viceroy, and then Goa - where the new viceroy promptly dismissed the captain Francisco Pereira Pestana and substituted him with Dom Henrique de Meneses. The events of the period were noted by the Goa Municipal Council in a letter to Dom João III, which states:

> "The Count of Vidigueira arrived in this city on the 23rd of September of the present year of 1524 with nine vessels, it is said that five are missing from the number that left with him from there. It seems to us that he comes with good intentions and desirous of serving Your Highness and doing justice to all parties, which is much needed in this land, for we see that in the few days that he was in this city he made reparations to many persons, and cleaned up many errors that had been committed in respect of Your Treasury. He was received by us in this city with the honour due to those who love justice and follow your orders".[66]

What Gama would have achieved had he been viceroy for his full term of three years, we cannot say. His image was that of an irascible and implacable disciplinarian, as Correia reports - building on the case of three women who were found on board the

fleet against his orders, and whom he had flogged in Goa for this offence. He also had a reputation for being personally incorruptible; the Goa Municipal Council notes that he "did not wish to take anything from either Christian or Moor, not even from this City, which all of us here found strange, for it is the custom to take everything". Perhaps he would have changed the face, if not the content, of Portuguese Asia - by returning to a focus on Hurmuz, Goa and Cochin and leaving the Bay of Bengal and parts eastwards to private enterprise. Certainly, his intention was to send out a strong *armada* to the Red Sea under the command of his own son, Estêvão, but this was not to be.[67] Instead, the main preoccupation of Gama between September (when he arrived at Goa), and December - when he died in Cochin - remained the settling of scores with his predecessor Dom Duarte de Meneses.[68] In the course of these months, he showed a notable partiality for some of Albuquerque's opponents, and when taken ill at Cochin even moved into the house of one of these - Diogo Pereira - where he died on Christmas Eve, 1524. In the end, as throughout his known career, Gama remained thus at odds with Dom Manuel, and the agents of Manueline imperialism.

His immediate successor, Dom Henrique de Meneses, was an inadequate substitute for the imperious Count of Vidigueira, whose plans could not be put into effect. Other governors of the late 1520s and 1530s (including the celebrated Nuno da Cunha) did not carry the weight of royal authority behind them; besides, from the late 1520s, Dom João III had begun to lose his initial enthusiasm for reform in Asia.[69] Such a level of pomp and circumstance as attended Gama's return in 1524 was attained again only with his great-grandson, Dom Francisco da Gama, on becoming viceroy in 1597. But unlike his ancestor, Dom Francisco had no well-defined programme, save to enrich himself while playing Asian politics by the rules of Machiavelli. In these endeavours, he may perhaps - unlike Dom Vasco in 1524 - be counted a success.[70]

VIII.

We are aware that two great legends dominate the history of early Portuguese expansion in Asia - those of Vasco da Gama

and Afonso de Albuquerque. Both men left behind not merely legends though; they also left behind dynasties of clansmen, who zealously guarded and propagated the legends of their heroic forbears, already by the late sixteenth century. Albuquerque had his admirers in the chroniclers Fernäo Lopes de Castanheda and Gaspar Correia; Gama had his in the later sixteenth-century writers Luís Vaz de Camões and Diogo do Couto, whose fulsome eulogy to him we have already cited.[71] In the late sixteenth century, Couto noted, albeit *sotto voce*, that the two legends vied for space not merely metaphorically but also literally: when Dom Francisco da Gama had his great-grandfather's portrait placed in a position of honour in the Municipal Council-House at Goa in 1597, it was resented by many. Couto writes:

> "This portrait of the Count Dom Vasco da Gama, which was thus put in that place with such rejoicing in the City, was later shifted I do not know by whose order; for the relatives of Afonso de Albuquerque claimed that the first place in that City belonged to them as he was the Conqueror of that City; and in order not to offend anyone, both these Captains were moved to the porch of the House, that of Afonso de Albuquerque on the right where the Councillors sit, and that of the Count Admiral on the left ...".[72]

Not only this: a statue of Vasco da Gama, which his great-grandson had erected in the Viceroy's Arch in Goa was mysteriously pulled down one night by miscreants, who it was suspected enjoyed the protection of Francisco da Gama's successor as viceroy, Aires de Saldanha, as well as of a number of other officials and noblemen. This affair, which became a *cause célèbre* in the early seventeenth century, was never quite resolved to anyone's satisfaction, despite a long report by a commission of enquiry.[73] There are some who would see in this late sixteenth-century struggle the revival of tensions between the proponents and the opponents of Manueline imperialism, but this is surely too simplistic. The dialectic was not an eternal one; Francisco da Gama was not Vasco da Gama, any more than his predecessor as viceroy, Matias de Albuquerque, was the Terrible Afonso (to whom he was, despite claims by his panegyrists, not closely related in any case).[74] But nor was this the mere expression of the animal spirits of factional rivalry, the

usual framework utilised to analyse earlier quarrels like those between Pêro Mascarenhas and Lopo Vaz de Sampaio in 1527, between Martim Afonso de Sousa and Dom João de Castro in the 1540s, and so on.[75] Rather, the context was a Portuguese Asia in which the events of the years between 1498 and 1524 had become overlain with a thick crust of pseudo-Hellenistic mythology; to Couto, Gama and his men were no less than Jason and the Argonauts, and the literary inspiration for the *Lusíadas* need hardly be stressed.[76] The struggle was thus not only between two clans and the social networks in which they were located, but between two competing mythological constructions of the establishment of Portuguese power in India, and thus a concrete expression of differences over legendary "property rights".

There had traditionally been a certain reluctance to address this question in the literature on Portuguese expansion. Indeed, the Portuguese liberal historiography of the late nineteenth century confounded matters further by introducing a red herring into the picture: namely the *topos* of a binary opposition between Loyal Subject and Ingrate Ruler. It even appeared that the Great Discoveries were the result of the collective genius of Portuguese citizens, who had to overcome not merely natural forces but the malevolence of incompetent monarchs. Writers of the liberal school thus blithely brought together under a single head a set of wholly diverse cases from the reign of Dom Manuel: Vasco da Gama, Afonso de Albuquerque, Duarte Pacheco Pereira, Pedro Alvares Cabral, Diogo Lopes de Sequeira ... and this list does not even claim to be exhaustive.[77] By unconsciously accepting this idea, twentieth century historians had in turn missed an opportunity to demystify a historiography that was ever more steeped in legend, and which the state-sponsored celebrations of the Discoveries in 1960 and 1969 - stressing the technical achievements and universal mission of internationalist bonhomie inherent in Gama's voyage, once shorn of its cultural and political context - were hardly concerned to do in Portugal.

It would be anachronistic in the closing years of the twentieth century to speak of feet of clay, or to denigrate

Gama by posing him as no more than a mixture of irascible egoist, wily factionalist, and intriguer. But, at the same time, we can surely do better than Couto, who saw in him an amalgam of Jason, Achilles and Cato, or even a recent French historian, Geneviève Bouchon, whose otherwise useful popular biography of Afonso de Albuquerque refers to its subject repeatedly as "our hero", and uses, without apparent irony, the address of "lion of the seas" (*asad al-bahr*) used for him in correspondence by Shah Ismaᶜil of Iran, though it is obvious that the title was no more than a conventional formula, often used in letters by Asian rulers of Perso-Islamic culture to all the Portuguese viceroys.[78] Indeed, all in all, it is the absence of irony, and the presence of a self-conscious desire to rhetorical inflation heavily inflected with simple-minded nationalisms of various sorts, that separates the history of Vasco da Gama, the man in his context, from both the myth of Gama, the eternal Argonaut, and the black legend of Gama, the Darth Vader of the sixteenth century.

In a modern historical novel entitled *Padasañcâr*, the leftist Bengali novelist Narayan Gangopadhyay opens with a scene in Calicut, where Vasco da Gama has just arrived.[79] His cannons blaze, and the main minaret of the Calicut mosque falls down; Vasco da Gama laughs. This disembodied laugh carries, floats over the Indian subcontinent, wafts over various provinces, and eventually arrives in Bengal, where this laugh, this cutting laugh, hacks the hands of the weavers of Bengal. Vasco da Gama has become the English East India Company of the post-Plassey period, and the chapter is titled "Quim te trouxe aqua (*sic*)", an obvious reference to the exchange at Calicut reported in the journal of Gama's first voyage. The novelist is entitled to his vision, but we too must take ourselves whether we ought to take that vision for history. If we do, historians may as well lay aside their pens or word-processors, but I suspect they shall not be the only losers.

NOTES

*. This paper obviously draws arguments and materials extensively from my book *The Career and Legend of Vasco da Gama* (Cambridge/Delhi: Cambridge University Press/Foundation Books, 1997).

1. Extract from a speech made by Couto at the Goa Municipal Council before the viceroy Dom Francisco da Gama, Conde da Vidigueira, and great-grandson of Vasco da Gama; text from the Biblioteca Pública e Arquivo Distrital, Évora, Codex CXV/2-8, no. 1, p. 268. A slightly different version may be found in Diogo do Couto, *Da Ásia, Década XII*, facsimile of the Régia Oficína Tipográfica edition, 1788 (Lisbon, 1974), pp. 116-7.

2. There was also a fourth book somewhat earlier, the altogether bizarre semi-fictional confection of René Virgile Duchac, *Vasco de Gama: L'orgeuil et la blessure* (Paris: L'Harmattan, 1995), but it can hardly be termed history.

3. Thus, the most critical academic review to date is that of the Portuguese historian AbdoolKarim Vakil in *Portuguese Studies*, Vol. 13, 1997, pp. 222-24, unfortunately marred by several elementary errors, misreadings and wild and unsubstantiated claims. Vakil's central reproach appears to be that the book is not mainly focused on the nineteenth and twentieth centuries.

4. For an example of recent Brazilian historiography, see Geraldo Mártires Coelho, *O Gênio da Floresta: O Guarany e a Opera de Lisboa* (Rio de Janeiro, 1996).

5. For a sense of the long-term evolution of these tendencies, cf. Sérgio Campos Matos, "Portugal: The Nineteenth-Century Debate on the Formation of the Nation", *Portuguese Studies*, Vol. 13, 1997, pp. 66-94.

6. On Columbus, see P.E. Taviani, *Cristoforo Colombo: La Genesi della Grande Scoperta*, 2 vols. (Novara, 1974); the massive, but unfortunately unreferenced, biography of Jacques Heers, *Christophe Colomb* (Paris, 1981); and in English, Carla Rahn Phillips and William D. Phillips jr., *The Worlds of Christopher Columbus* (Cambridge, 1992).

7. See Eila M.J. Campbell, "Gama, Vasco da, 1er Conde (1st Count) da Vidigueira (b. c. 1460, Sines, Port. - d. Dec. 24, 1524, Cochin, India)", *The New Encyclopaedia Britannica: Micropaedia*, 15th edn. (Chicago, 1989), v, pp. 100-101, a slightly revised version of an article already published in the 14th edition (1964).

8. For the political context of the 1880s celebrations, see Maria Isabel João, "A festa cívica: O tricentenário de Camões nos Açores (10 de junho de 1880)", *Revista de História Económica e Social*, xx (1987), pp. 87-111. For a contemporary account, see Manuel Pinheiro Chagas, "A trasladação dos ossos

de Vasco da Gama em 1880", *A Ilustração Portuguesa*, ii, nº 49-51 (1885-86) (in three parts).

9. Luís de Camões, *Os Lusíadas*, introduction and notes by Maria Letícia Dionísio (Lisbon, 1985), canto i, verse 12: "Dou-vos também aquele ilustre Gama/ Que para si de Enéias toma a fama".

10. See Luciano Cordeiro, "Os Restos de Vasco da Gama", *Boletim da Sociedade de Geografia de Lisboa*, 15ª Série, iv (1896), pp. 191-200.

11. Cf. A.C. Teixeira de Aragão, *Vasco da Gama e a Vidigueira: Estudo historico* (Lisbon, 1898). In English, see the mediocre account in K.G. Jayne, *Vasco da Gama and His Successors, 1460-1580* (London, 1910), and the materials published in Henry E.J. Stanley, *The Three Voyages of Vasco da Gama and His Viceroyalty* (London, 1869).

12. Cf. Carmen M. Radulet, *Vasco da Gama: La prima circumnavigazione dell'Africa, 1497-1499* (Reggio Emilia: Edizioni Diabasis, 1994).

13. Jaime Cortesão, *A política de Sigilo nos Descobrimentos* (Lisbon, 1960); Armando Cortesão, "The mystery of Columbus", *The Contemporary Review*, cli (1937), pp. 322-30.

14. Armando Cortesão, *The Mystery of Vasco da Gama* (Coimbra, 1973). The book was also published in a Portuguese version, *O mistério de Vasco da Gama*, in the same year.

15. This point of view was defended by a Portuguese member of the audience in the book-discussion of *The Career and Legend*, held at the India International Centre, New Delhi, on 29 August 1997. For a balanced discussion of the evidence and hypotheses, see Francisco Contente Domingues, "Colombo e a política de sigilo na historiografia portuguesa", *Mare Liberum*, i (1990), pp. 105-16; also Luís de Albuquerque, *Navegadores, Viajantes e Aventureiros Portugueses: Séculos XV e XVI*, vol. i (Lisbon, 1987), a work highly critical of Armando Cortesão's hypothesis on Gama, by one of his former collaborators.

16. Most of their relevant essays will be found in Jean Aubin, *Le Latin et l'Astrolabe, I: Recherches sur le Portugal de la Renaissance, son expansion en Asie et les relations internationales* (Paris: Centre Culturel Calouste Gulbenkian, 1996) and Luís Filipe F R. Thomaz, *De Ceuta a Timor* (Lisbon: Difel, 1994).

17. Jean Aubin, "D. João II devant sa succession", *Arquivos do Centro Cultural Português*, xxvii (1991), pp .101-40.

18. Cf. Luís Filipe Thomaz, "L'idée impériale manueline", in Jean Aubin (ed.), *La découverte, le Portugal et l'Europe* (Paris, 1990), pp. 35-103, and Thomaz, "Factions, Interests and Messianism: The Politics of Portuguese Expansion in the East, 1500-1521", *The Indian Economic and Social History Review*, xxviii (1991).

19. Conde de Ficalho, *Viagens de Pedro da Covilhan* (Lisbon, 1898); Aubin, *Le Latin et l'Astrolabe*.

20. Thomaz, *De Ceuta a Timor*; Subrahmanyam, *The Portuguese Empire in Asia, 1500-1700*, pp. 30-37.

21. For a longer view of the hostility of the territorial nobility to the Crown, see Humberto Baquero Moreno, "La lutte de la noblesse portugaise contre la royauté à la fin du Moyen Age", *Arquivos do Centro Cultural Português*, xxvi (1989), pp. 49-66. For a view of the constraints faced by Dom João II, and his weakness with respect to Castile, see besides Aubin, "D. João II devant sa succession", Jean Aubin, "D. João II et Henry VII", in *Congresso Internacional, Bartolomeu Dias e a sua época - Actas*, Vol. I (Oporto, 1989).

22. João de Barros, *Da Ásia*, 4 Volumes in 8 Fascicules (reprint Lisbon, 1973), Década I/1, pp. 1-2.

23. Teixeira de Aragão, *Vasco da Gama e a Vidigueira*, pp. 3-5.

24. On Zacuto, see Francisco Cantera Burgos, *Abraham Zacut* (Madrid, 1935), and more recently Victor Crespo, "Abraão Zacuto e a Ciência Náutica dos Descobrimentos Portugueses", *Oceanos*, xxix (1997), pp. 119-28..

25. Garcia de Resende, *Crónica de Dom João II*, ed. Joaquim Veríssimo Serrão (Lisbon, 1973), ch. cxlvi, p. 213.

26. Documents reproduced in Teixeira de Aragão, *Vasco da Gama e a Vidigueira*, doc. 6, pp. 215-6.

27. Gaspar Correia, *Lendas da Índia*, ed. M. Lopes de Almeida, 4 vols. (Oporto, 1975), i, ch. v, p. 13.

28. Grant-letters reproduced with a facsimile in Cortesão, *The mystery of Vasco da Gama*, pp. 178-83, with English translations on pp. 184-5.

29. For the chroniclers' views, see Barros, *Da Ásia*, Década I/1, book iv, ch. 1; Correia, *Lendas da Índia*, i, p. 12; Fernäo Lopes de Castanheda, *História do Descobrimento e Conquista da Índia pelos Portugueses*, ed. M. Lopes de Almeida, 9 books in 2 vols. (Oporto, 1979), i, pp. 10-11; Damião de Góis, *Crónica do felicíssimo Rei Dom Manuel*, 4 vols. (Coimbra, 1949-55), ch. xxiii; see also M.N. Pearson, *The Portuguese in India* (Cambridge, 1987), p. 19, who largely accepts a rather romantic account by Gaspar Correia.

30. Bouchon, *Vasco de Gama*, p. 101.

31. Fonseca, *Vasco da Gama*, p. 33.

32. For the Atlantic passage, see the classic work by Carlos Viegas Gago Coutinho, "Discussão sobre a rota seguida por Vasco da Gama entre Santiago e S. Brás", *Anais da Academia Portuguesa da Historia*, 2ª Série, ii (1949), pp. 99-131. There are some

additional speculations on a landfall near Brazil by Bouchon, *Vasco de Gama*, pp. 114-15, which remain unverified.

33. Anonymous (attributed to Alvaro Velho), *Roteiro da Primeira Viagem de Vasco da Gama*, ed. Neves Aguas (Lisbon, 1987), p. 36. For an earlier English translation, E.G. Ravenstein, *A journal of the first voyage of Vasco da Gama, 1497-1499* (London, 1898).

34. Anon., *Roteiro*, pp. 54-5. The convict-exile (*degredado*) is also sometimes identified as a converted Jew (*cristão-novo*).

35. Anon., *Roteiro*, p. 75

36. Teixeira de Aragão, *Vasco da Gama e a Vidigueira*, docs. 8 and 9, pp. 217-20; for the context, also see A.A. Banha de Andrade, *Mundos Novos do Mundo: Panorama da difusão pela Europa de notícias dos Descobrimentos Geográficos Portugueses*, 2 vols. (Lisbon, 1972), i, pp. 206-24.

37. Radulet, *Vasco da Gama*, p. 169; for an earlier translation, see Ravenstein, *A journal of the first voyage*, pp. 123-36, the author being Girolamo Sernigi. This letter is almost identical in some respects to a version attributed to Sernigi from the same month, and published as "Navigazione di Vasco da Gama (...)", in Giovanni Battista Ramusio, *Navigazioni e viaggi*, ed. Marica Milanesi (Turin, 1978), i, pp. 607-17.

38. Radulet, *Vasco da Gama*, p. 196.

39. One anonymous source even suggests that Gama returned only in October 1499; cf. Luís de Albuquerque (ed.), *Crónica do Descobrimento e primeiras conquistas da Índia pelos Portugueses* (Lisbon, 1986), p. 41.

40. Teixeira de Aragão, *Vasco da Gama e a Vidigueira*, doc. 10, pp. 220-21.

41. Anselmo Braamcamp Freire, "O Almirantado da Índia: Data da sua criação", *Archivo Histórico Portuguez*, i (1903), pp. 25-32. The title of Admiral is used in several documents of 1500, but not in some others of 1501, where Gama is merely termed *Dom* and a member of the Royal Council.

42. Cf. Felgueiras Gayo, *Nobiliário de Famílias de Portugal*, vol. xiv (Braga, 1939), pp. 75-6; also Affonso de Dornellas, "Bases genealógicas dos Ataídes", in his *História e Genealogia*, i (Lisbon, 1913), pp. 107-42.

43. This has been disputed however by Francisco Leite de Faria, "Pensou-se em Vasco da Gama para comandar a armada que descobriu o Brasil", *Revista da Universidade de Coimbra*, xxvi (1978), pp. 145-85. Faria points out, on the basis of an undated document that Gama's name was considered in place of Cabral to head the 1500 expedition, but then goes on to assert that in 1502, there was no question of Cabral leading the expedition, the chroniclers notwithstanding.

44. Barros, *Da Ásia*, Década I/2, pp. 21-2; Góis, *Crónica*, part i, ch. lxviii.

45. There are two versions of this grant letter, dated two years apart. The first, from 1500, may be found in Braamcamp Freire, "O Almirantado da Índia"; the second dated 10th January 1502 is reproduced in an appendix to Stanley, *The Three Voyages*, pp. i-vi.

46. Besides the chronicles, a particularly valuable eyewitness account to this ceremony is that of the Italian Alberto Cantino, ambassador of the Duke of Ferrara in Lisbon, published in Henry Harrisse, *Document inédit concernant Vasco da Gama: Relation adressée à Hercule d'Este, Duc de Ferrare par son Ambassadeur à la Cour de Portugal* (Paris, 1889).

47. "Navigazione verso le Indie Orientali di Tomé Lopez", in Ramusio, *Navigazioni e viaggi*, i, pp. 683-738, an account translated from Portuguese into Italian, of which the original is untraced; also Prospero Peragallo, "Viaggio di Matteo da Bergamo in India sulla flotta di Vasco da Gama, 1502-1503", *Bollettino della Società Geografica Italiana*, series iv, vol. iii (1902). There is also a third anonymous account, in Portuguese, in Leonor Freire Costa and João Rocha Pinto, "Relação Anónima da Segunda Viagem de Vasco da Gama à Índia", in *Cidadania e História: Homenagem a Jaime Cortesão* (Lisbon, 1986).

48. The Flemish text, first published in Antwerp possibly in 1504, is reproduced in Teixeira de Aragão, *Vasco da Gama e a Vidigueira*, pp. 79-86; a more modern edition exists by Jean Denuce, *Calcoen: Recit flamand du second voyage de Vasco da Gama vers l'Inde en 1502-1503* (Antwerp, 1939). A summary of this text was already available in Venice by early 1504, and is reproduced in *I Diarii di Marino Sanuto*, vol. v, ed. Federico Stefani (Venice, 1881), pp. 1064-5. Other accounts differ in suggesting a tribute of only 500 *miṣqâl*s, but also describe how Kilwa was heavily bombarded before the ruler capitulated.

49. Also see Barros, *Da Ásia*, Década I/2, pp. 34-8. It is curious that the major Egyptian chronicle of the epoch carries no echo of this incident; cf. Ibn Iyas al-Hanafi al-Misri, *Badâ'iʿ al-Zuhûr fî Waqâ'iʿ al-Duhûr*, translated by Gaston Wiet as *Journal d'un bourgeois du Caire: Chronique d'Ibn Iyas*, 2 vols. (Paris, 1955-60), particularly vol. i (1500-1516). It had been suggested by Geneviève Bouchon that the *Mîrî* may in fact have been a Gujarati vessel, which the Portuguese misidentified. Tomé Lopes, for his part, states that in one place that the vessel was "una gran nave di Calicut", and in another that it belonged not to the Sultan but to his agent Jauhar al-Faqih ("Ioar Afanquy"), who was on board; cf. Ramusio, *Navigazioni e viaggi*, i, pp. 701-702.

50. Barros, *Da Ásia*, Década I/2, p. 43.

51. Barros, *Da Ásia*, Década I/2, p. 49. Compare Lopes, "Navigazione verso le Indie Orientali", in Ramusio, *Navigazioni*

e viaggi, i, p. 711, with a brief paraphrase of the same letter.

52. Barros, *Da Ásia*, Década I/2, pp. 52-3. These events occurred on 31st October, if one follows the account of Tomé Lopes, "Navigazione", pp. 714-5.

53. See three letters from Affaitato in Lisbon to Piero Pasqualigo, dated 20th August, 14th September and 17th October 1503, in *Diarii di Marino Sanuto*, v, pp. 130-31, 133-4, and 841-3. Gama's own fortune is discussed in the last of these. The letters to Florence of 1499 affirm that even on his first voyage, Gama brought back goods on his own personal account, while scarcely making efforts to secure the trading interest of the Crown - some of whose goods he abandoned in Calicut.

54. Of course, Gama was expected to use force, as we see from Bartolomeo Marchionni's statement after his departure that his fleet would "subjugate all of India", and Affaitato's prediction that lacking specie, the Portuguese would have to use force to get a good lading; these statements may be found in letters dated 20th and 26th September 1502, in *I Diarii di Marino Sanuto*, vol. iv, ed. Nicolò Barozzi (Venice, 1880), pp. 544-5, and 664-5. The point is that Gama's actual use of violence was often at odds with the larger strategic conception of Dom Manuel.

55. Aubin, *Le Latin et l'Astrolabe*, pp. 49-110; Geneviève Bouchon, *Albuquerque, le lion des mers d'Asie* (Paris, 1992), pp. 47-51.

56. AN/TT, Livro dos Copos, fo. 257, in Teixeira de Aragão, *Vasco da Gama e a Vidigueira*, doc. 18, pp. 250-52.

57. Cf. the "Relazione de Lunardo da cha Masser", published in Prospero Peragallo, "Carta de El-Rei D. Manuel ao Rei Catholico narrando as viagens portuguezas à Índia desde 1500 até 1505 (...)", *Memorias da Academia Real das Sciências*, 2ª Classe, Lisbon, vi/2 (1892), pp. 67-98, especially p. 89.

58. Teixeira de Aragão, *Vasco da Gama e a Vidigueira*, doc. 23, pp. 257-8. Also see Luciano Cordeiro, *De como e quando foi feito Conde Vasco da Gama* (Lisbon, 1892), which earlier brought together much of the documentation of 1518-9.

59. Teixeira de Aragão, *Vasco da Gama e a Vidigueira*, docs. 24, 26, and 27, pp. 258-9, 261-70. Later, the Bragança-Gama alliance was a conspicuous feature of the Portuguese Restoration of 1640.

60. The letters of Juan de Zúñiga are conserved in the Archivo General de Simancas, Estado, Legajos 367 and 368; they are calendared in A. Teixeira da Mota, "Duarte Pacheco Pereira: Capitão e Governador de S. Jorge da Mina", *Mare Liberum*, i (1990), pp. 1-27. Earlier letters from Zúñiga, written between May and July 1523, are reproduced in an appendix to Luís de Matos, "António Maldonado de Hontiveras e a 'questão das

Molucas'", in A. Teixeira da Mota (ed.), *A viagem de Fernão de Magalhães e a questão das Molucas* (Lisbon, 1975), pp. 548-77.

61. Aubin, *Le Latin et l'Astrolabe*, pp. 111-32; also see Ronald Bishop Smith, *Diogo Lopes de Sequeira* (Lisbon, 1975).

62. For a discussion of the Moluccas problem, focusing on the failed Luso-Hispanic negotiations of April-May 1524, see Luís de Albuquerque and Rui Graça Feijó, "Os pontos de vista de D. João III na Junta de Badajoz-Elvas", in Teixeira da Mota (ed.), *A viagem de Fernão de Magalhães*, pp. 527-45.

63. Aubin, *Le Latin et l'Astrolabe*, pp. 309-69.

64. Correia, *Lendas da Índia*, ii, pp. 815-6.

65. An alternative departure date of 28th February is flatly contradicted by letters from Lisbon to Venice, which also state that an enormous sum of 350,000 ducats was spent on the fleet, including an investible capital of 100,000 ducats; cf. two letters from Francesco Affaitato to Sier Marco da Molin of 8th and 16th April 1524, in *I Diarii di Marino Sanuto*, vol. xxxvi, eds. F. Stefani, G. Berchet and N. Barozzi (Venice, 1892), pp. 352-3.

66. Letter from the Goa Municipal Council to Dom João III, dated 31st October 1524, reproduced in an appendix to Stanley, *The Three Voyages*, pp. x-xvi.

67. It was only much later, as Governor of Portuguese India in the early 1540s, that Dom Estêvão da Gama could lead a celebrated expedition up the Red Sea, as far as Suez.

68. Correia, *Lendas da Índia*, ii, pp. 843-5. Echoes of this quarrel can be found in the "Relazione di Gasparo Contarini, ritornato ambasciatore da Carlo V, letta in Senato a di 16 Novembre 1525", in Eugenio Alberi (ed.), *Relazioni degli Ambasciatori Veneti al Senato*, 1st series, vol. ii (Florence, 1840), p. 49, where Contarini notes that Dom João III is less astute than his father, "and already these captains of his whom he has in India have begun to compete amongst themselves ...".

69. Subrahmanyam, *The Portuguese Empire in Asia*, pp. 80-88. For another view of the transition from Manueline to Joanine rule, see João Paulo Oliveira e Costa, "Do sonho manuelino ao realismo joanino: Novos documentos sobre as relações luso-chinesas na terceira década do século XVI", *Studia*, 1 (1991), pp. 121-56.

70. Cf. Sanjay Subrahmanyam, "The Viceroy as Assassin: The Mughals, the Portuguese and Deccan Politics, c. 1600", *Santa Barbara Portuguese Studies, Special Number*, 1995, pp. 162-203.

71. Cf. António Coimbra Martins, *Em torno de Diogo do Couto* (Coimbra: Biblioteca Geral da Universidade de Coimbra, 1985).

72. Couto, *Da Ásia*, Década XII, p. 120.

73. "Devassa (treslado da) que tirou o Licenciado Silvarte Caeiro de Grã, ouvidor geral do crime, a respeito do motim que se fizera pera quebrar a estátua de D. Vasco da Gama", in A. da Silva Rego (ed.), *As Gavetas da Torre do Tombo*, vi (Lisbon, 1967), pp. 370-98.

74. Biblioteca Pública e Arquivo Distrital, Évora, Còdex CXV/1-13, "Vida de Mathias de Albuquerque", ch. 1, fos. 2-2^{v}, 215-21.

75. For the Mascarenhas-Sampaio quarrel for succession to the governorship at the death of Dom Henrique de Meneses in 1526, see the detailed exposition in António Coimbra Martins, "Correia, Castanheda e as Diferenças da Índia", *Revista da Universidade de Coimbra*, xxx (1984), pp. 1-86. For a more general discussion, largely in the context of the seventeenth century, see Subrahmanyam, *The Portuguese Empire in Asia*, pp. 235-8.

76. António Cirurgião, "A divinização do Gama de *Os Lusíadas*", *Arquivos do Centro Cultural Português*, xxvi (1989), pp. 513-38; also Silvia Maria Azevedo, "O Gama da História e o Gama d'*Os Lusíadas*", *Revista Camoniana*, New Series, i (1978), pp. 105-44.

77. Cf. Aubin, "Les frustrations de Duarte Pacheco Pereira", p. 183 and *passim*. On Vasco da Gama, the preface by Manuel Pinheiro Chagas to Teixeira de Aragão, *Vasco da Gama e a Vidigueira*, pp. xxiv-xxx, with a curious comparison deriving from the writings of Alexandre Dumas between Dom Manuel I and Louis XIV of France, both egoists and both unjust to their subjects. On Albuquerque, more recently T.F. Earle and John Villiers, *Albuquerque, Caesar of the East: Selected Texts by Afonso de Albuquerque and His Son* (Warminster, 1990), in which Villiers's introduction, "Faithful Servant and Ungrateful Master", pp. 1-23, which could well have been written in 1890 rather than 1990.

78. Cf. Geneviève Bouchon, *Albuquerque, lion des mers d'Asie*; for example, Arquivos Nacionais/Torre do Tombo, Convento da Graça, Tomo III, p. 295, letter from Chand Bibi of Ahmadnagar to Dom Francisco da Gama, 3rd October 1598.

79. I am grateful to Gautam Bhadra for the reference and a summary of the novel's plot.

INTERNATIONAL CONFERENCE

on

COLONIALISM and GLOBALIZATION

Five Centuries after Vasco da Gama
February 2-6, 1998
New Delhi, India

Trade Mechanisms in Portuguese Asia: The Society of Jesus in Trade during 1542-1759

by

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Crown and private trade mechanisms in Portuguese Asia were meant to help the mother country primarily. If the Portugal had made use of military strength in the early years of her presence in Asia to have her way commercially, she had to opt for greater cooperation with Indian merchants and rulers in the decades that followed. Thus in the give and take of trading, parties involved with the Portugal also benefited to some extent.[1]

Various causes went into the making of the Portuguese commercial enterprise in the East. Prof. Sanjay Subrahmanyam in his masterful summary of Portuguese empire in Asia for the period 1500-1700 concludes that the Portuguese commercial and imperial enterprise in Asia evolved and changed a great deal in character and was the result of the interaction of changes not merely in the metropolis itself but in East Asia, Africa and South America.[2]

Working alongside the Crown and private merchants, was the religious group known as the Society of Jesus. An important unit worldwide, in Portuguese Asia it turned out the main religious organization ahead of the others like the Order of Friars Minor, Order of Dominicans and Order of St. Augustine. It carried out its trading activities on its own financial strength (except for some Crown support in the initial years of its presence in Asia) and a look at its operation, gives us an insight into how a number of factors were closely interlinked, factors like evangelization, trading, education and control over the people.

The present paper describes the trade and market activities of the Jesuits, the members of the Society of Jesus, and suggests that these activities were to a large extent to the detriment of the local economy. Meant to help primarily the Order, by extension it did benefit in some degree the local people and causes.

It is the Jesuit missions that help one see Jesuit trading and commercial patterns. One historian while studying the Jesuit missions in Africa has commented: "When studying the economic role that the missions played we have to try to see how they (the Jesuits) obtained their resources, how they used them, to what extent these were sufficient to maintain their work and

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[1] Afzal Ahmed, Indo-Portuguese trade in seventeenth century 1600-1663, New Delhi: Gian Publishing House, 1991, 23-24; Charles J. Borges, "Native Goan partici pation in the Estado da India and inter-Asiatic trade" (seminar paper, 1996).

[2] The Portuguese Empire in Asia 1500-1700: A politi cal and economic history, England: Longman Group UK Limited, 1993, p. 277.

finally the influence of the missions on the economic life of the country as a whole. In spite of the small place taken by material affairs in their correspondence the missions must have been very much concerned with them, for their work could not flourish without a sound material foundation".[3]

Finances were meant for the growth of the missions and a study of the Jesuit Asian Assistancy, for instance, substantiates this. Since the promised Crown subsidies to the missionaries often never came along, Jesuits looked elsewhere for funding and established links for this purpose between themselves, and merchants and political powers as they worked in their Asian missions.

Among themselves they set up a system known as economic networking by which they laid emphasis on finances moving from one place to another (most often out of India), facilitating at the same time the work for which it was necessary. As it turned out, the system had many critics. Jesuit economic activities in Asia can be seen in their workings in their four provinces of Goa, Malabar, Japan and China.

The Provinces

Among the four provinces that made up the Asian Assistancy of the Society of Jesus, the first to begin and the largest of them was the Goa Province which from 1542 till 1605, consisted of the Goa islands, certain parts of North and South India, Japan and China. At Goa, the province had St. Paul's College, the Bom Jesus church, Professed House, Novitiate of Chora_~o, and the Rachol and Ma o colleges. There were residences in the Mughul empire, at Bengal, Srinagar, Tibet, Madurai and Calicut. There were also residences at Bassein, Thane, Daman and Diu, and Chaul. The Province also had missions in Ethiopia and Persia.

These colleges and residences grew strong with initial Crown funding, donations and with destroyed Hindu temple properties. St. Paul's had rents from orchards, palm groves, and plots on the Divar and Chora_~o islands, and also owned the North Province villages of Bandra, Corlem, Sargy and Mori (outside Goa). It had a substantial income from its properties and from the gifts which the King received from the local chiefs and which he passed on to it. [4]

The Professed House housed the Fr. Provincial and important Jesuit officials. Besides these it was supposed to house fourteen Jesuits only who would work exclusively with the local and non-Portuguese people. The Constitution of the Society of Jesus had decreed that professed houses had to concentrate purely on spiritual ministries and could not receive any regular income

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[3] William Rea, The Economics of the Zambezi Missions 1580-1759, Rome: Archivum Historicum Societatis Iesu, 1976, p. 19.

[4] Josef Wicki (ed.), Documenta Indica (hereafter DI), Rome: Archivum Historicum Societatis Iesu, vol. 14, 1979, p. 108.

for their upkeep. Jer¢nimo Mascarenhas and Ant¢nio Moreno had been two important benefactors of this Goa house. [5]

The Seminary and St. Ignatius College came up at the southern Goan village of Rachol in 1574, and the Holy Spirit College was set up at Margao in 1668. These had temple lands and various land donations at Marga_~o, Navelim, Benlim, Raia and Talaulim. [6]

The Novitiate at Choro functioned for many years under St. Paul's. It had a palm-grove at Carmona, plots and saltpans, and owned the island of Luvary. A certain Gaspar Viegas on entering the Society of Jesus had gifted much of his wealth to this Novitiate which enabled it to buy properties at Carmona, Taleigao and Panjim. Before his death he bequeathed a further substantial sum to the Society. The Jesuits had done much on the island of Chora_ and as a sign of his appreciation, the Viceroy at Goa had gifted them a huge plot of ground near the Church. [7]

The Royal Treasury had confiscated plots in the three South Goan villages of Assolna, Velim and Ambelim from their original owners and had leased these out to a Dom Pedro de Castro. He in turn, being unable to pay the required rents, donated the villages to the Novitiate at Chora_~o. [8] Co Damia_~o Pereira Pinto had in 1736 mortgaged his estate at Curca to the Jesuits for a period of eight years. He then borrowed money from the Jesuit Procurator of the Japan Province since he could find no one else who could lend him as much. [9]

St. Paul's (new) had at Mahim in Bombay rice fields, salt-pans, coconut palm-groves and wild coconut trees for toddy-tapping. At Dharavi, it owned shops, taverns and coconut trees. The Jesuit mission in the Mughal kingdom had coconut trees at Mahim and Parel, rice fields and salt-pans at Parel and Wadala, and palm-trees at Daman and Diu. [10]

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[5] John Humbert, "Some Answers of the Generals of the Society of Jesus to the Province of Goa. Acquaviva Vitelleschi 1581-1645" AHSI, vo. 35, 1966, p. 324; 323-324, 326-327, 329; Josef Wicki, "Der Bericht des Jesuiten Provinzials von Goa an die Konigleche Akade mie der Portugiesischen Geschichte", AHSI, vol. 39, 1970, p. 162; Josef Wicki, "Dois Compendios das Ordens dos Padres Gerais e Congrega‡o_~es Provinciais da Provincia dos Jesuitas de Goa, feitos em 1664", Stu dia, nos. 43-44, Jan-Dec 1980, pp. 377-378; Afonso J. de Melo, "A Basilica do Bom Jesus", Boletim Eclesias tico da Arquidiocese de Goa, vol. 11, nos. 5-6, 1952; DI, vol. 17, 1988, pp. iv-v, 367-381

[6] Francisco X. da Costa (ed.) Legados Pios que oneram os bens situados nos concelhos das Ilhas, Bardes, Salcette e Mormuga_~o do distrito de Goa o Chantre Francisco Xavier Vaz, Bastora: T. Rangel, 1960, pp. 163-164.

[7] Josef Wicki, "Der Bericht..", AHSI, vol. 39, 1970, pp. 162-163; DI, vol. 16, 1984, pp. ix-x.

[8] DI, vol. 2, 1950, pp. 577-578; Adelino de Almeida Calado, "A Companhia de Jesus na India meados do s,culo XVII", Studia, no. 40, 1978, p. 355.

[9] Arquivo Historico Ultramarino (AHU): (Lisbon) India ma‡o no. 62, 1750.

[10] AHU: India ma‡o 10, doc. 77, 22 March 1720.

The Kumbarjua island in Goa was in 1665 bought by the Jesuits. Prof. Teot¢nio de Souza in his article refers to the tax levied there by the priests on prostitution, their issuing of licenses to Hindus to celebrate their weddings on the island, and the illicit transaction of trade commodities at a much lower duty than that collected by the State at the official customs check-post.[11]

The Goa Province had gained much property in Salcete of Goa, particularly, in the villages of Assolna, Velim and Cuncolim. It came to it partly through donations and partly through various methods of land acquisition and land sub-letting. The villagers there sent petitions to the Portuguese Crown, which decided against the handing over of the villages to the Malabar Province of the Jesuits which claimed ownership over them. The Province had the property for over a hundred years.[12]

The problem of these proper ties arose since Dom Pedro de Castro had donated them in 1587 juridically to the Jesuit College at Cochin, though he had intended them for the Novitiate at Chora_~o in Goa. This had led to much enmity between the two Provinces, with the Novitiate winning its case in the end.[13]

Side by side with its own activities, the Jesuits did help the State in time of need. They had offered one-eighth of their annual income to it in 1664. That was in response to Viceroy Ant¢nio de Melo e Castro's call to the religious Orders in Goa to pay one-eighth of their income to meet expenses the State had incurred in State defence. The Jesuits had also given a loan for the war in Colaba. [14] The two loans were 1,25,000 xerafins and 14,000 xerafins respectively. They had offered the Exchequer loans in 1727 and 1728 at 8% interest. These helped in the funding of a fleet to Mombasa and Patte in East Africa. In return the Jesuits were given the administration and rents of the villages of Corjuem and Ponulem till 1741.[15]

The Jesuits often joined other government officials on their visits to the neighbouring kingdoms to discuss trade. Fr. Gon‡alo Martins went to Honavar to discuss a peace settlement with Vittal Malya. The Viceroy sent Fr. Joa Rodrigues to discuss the amount of pepper and the stationing of a permanent representative at Honavar. [16]

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[11] Teot¢nio R. de Souza, "A Pious Hindu commemorates in Marble the Activities of the Paulistas in Kumbar

[12] AHU: India ma‡o no. 64.

[13] Historical Archives of Goa (HAG): Assentos do Conselho da Fazenda (ACF), vol. III, fl. 115; DI, vol. 14, 1979, pp. 628-632, 641-42.

[14] Mon‡o_~es do Reino, no. 957, fl. 34, no. 960, f 46-48; AHU: India ma‡o no. 35, 8 Jan 1733.

[15] AHU: India ma‡o no. 11, 1728.

[16] 16. ACE, vol. 3, pp. 239-240.

The North Province of the Goa Province meant its properties and houses at Bombay, Bassein, Thane, Daman, Diu and Chaul. With better returns coming in from these properties, and with the prospects of acquiring even more, the other Jesuit provinces of Malabar, Japan and China joined the rush to derive income through the purchase and renting of lands there. The administration of forts, management of granaries and the collection of rents, kept the Society of Jesus busy and active in those areas. The methodology used of drawing income from landed properties for overseas missions was sound to some extent, yet it turned out to be a drain on the local economy.

The Jesuit College at Bandra had much land and as a result a number of privileges on the island of Bombay. But the English Governor, Sir Gervase Lucas had refused to admit them, confiscating their lands and depriving them of their rights, and as a result the Jesuits lost their annual revenues. [17]

The English them complained that the Jesuits gave them much trouble by their attempts to defraud the Exchequer. In 168[illegible] the Fr. Superior at Bandra was detected manufacturing salt by stealth. The Bombay Council discovered that he had made a salt pond (between Sion and Matunga) and had refused to appear in court when summoned to do so. There were complaints that the Jesuits at Bandra had claimed a considerable amount of land to which they had not been entitled and had used force to have their way. [18]

The English traveller, John Fryer commented on the Jesuits and how he had once to wait upon the Fr. Superior of the North Province, a learned Spaniard. He and his fellow religious, according to Fryer, lived very sumptuously and the greater part of the island belonged to them. He noted that when he was with them "entertainment was truly noble and becoming the quality of the Society". Of the seven members of that Bandra community in 1674, two looked after the plantations, the produce of which went to support the missionary activities in Agra and Japan. [19]

We learn of Jesuit farms at Bandra, Mahim, Marol, Ghat kopar, Thane and Bassein in connection with instructions from Jesuit Superiors that Jesuit brothers ought not to handle the money but ought to deposit it with the priest procurators of the respective places. A priest was in charge and bought or sold for the benefit of St. Paul's and of the houses at Agra, Malabar, China and Japan. [20]

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[17] James Gense, "First confiscation of Jesuit properties in Bombay", The Examiner, September 10 and 17, 1938.

[18] Phiroze B.M. Malabari, Bombay in the Making, London: Fisher Unwin, 1910, pp. 257, 393).

[19] James Gense, "The Bombay Riddle and the Bombay Answer", Indica, vol. 2 no. 2, September 1965, pp. 121, 123.

[20] John Humbert, "Some Answers of the Generals of the Society of Jesus to the Province of Goa. Acqua viva - Vitelleschi 1581-1645," AHSI, vol. 35, 1966, p. 337.

Reve nues from tobacco in the north province were on the increase and reaped 50,000 xerafins annually. Jesuits were warned not to share tobacco with their friends. The profits from the tobacco sales were used for the Chora_~o and Rachol colleges at Goa. [21]

Rents from the villages of Bassein (Marol, Ponvem, Kondoti, Mulgao, Borbata, Quirol, Morocil) helped the Japan Province. The Macau college got rents from Arem, Mirem, Malvara and Thane while the Tonkin mission had income from the villages of Moroci, Sar and Maljaca. Under no condi tions could the Fr. Procurator lend the money of the Japan Province to others. According to Prof. George Souza, he had to dispatch to Goa all the annual income from the proper ties which came in the form of letters of exchange, curriencies or merchandise. These were changed into silver or bullion and sent to China. Figures show that between 1691 and 1735 1,202,039 xerafins was remitted to Goa from the properties. [22]

The Jesuits were involved in the running of rice granaries and the funding of government fleets too. They had granaries at Bassein and these helped the Portuguese fleets have a quick supply of rice for immediate dispatch when needed. The priests would buy whole villages in order to stock their granaries keeping always 600 to 800 mudas of rice which would be sufficient in case of an enemy attack. Fr. Theot¢nio Rebello was said to have been a goood admin istrator and with the profits he made he fed the poor of the villages and bought more granaries. Fr. Ant¢nio Guerreiro, another administrator, had given the Factor of the city a loan of 14,000 xerafins for the fleets, and Fr. Alexandre Souza another 20,000 xerafins for a fleet to the Straits. He also gave two ships, one for the factory of the city and the other for the shipyard of the Crown, and Fr. Joseph de Veiga handed over 4,000 xerafins towards part expenses of a fleet for the high seas. [23]

There were similar Jesuit granaries at Assolna in Goa but some complained that the priests stored grain there and sold it off to those offering higher prices. Viceroy Count of Linhares had objected to this but realised that the Jesuits were at an advantage since they would preach in their churches against his interference in their private affairs. He believed that they also worked the people against him when he had sought to make more grain available for all. [24]

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[21] John Humbert, AHSI, vol. 35, pp. 336-337; "Some Answers of the Generals of the Society of Jesus to the Province of Goa from Carrafa to Tamburini 1647-1726," AHSI, vol. 36, 1967, p. 84; J. M. do Carmo Nazareth, "Monopolio do tabaco na India", O Oriente Portugues, vol. 3, Mar-Aug 1906, p. 96.

[22] DI, vol. 18, 1988, p. 624; DI, vol. 16, 1984, p.96, 99, 100; DI, vol. 14, 1979, p. 496-497; George B.Souza, The Survival of Empire: Portuguese trade and society in China and the South China Sea 1630-1754, Cambridge: Cambridge University Press, 1986, pp. 191 192.

[23] AHU: India ma‡o, no. 8, 1750; "Os Portugueses em Ba‡aim", O Oriente Portugues, nos. 7-9. 1934-35, pp. 152-153; HAG, Mon‡o_~es do Reino, no. 957, fl. 34, 960, fls. 46-48

[24] 24 23. AHU: India ma‡o, no. 8, 1750; "Os Portugueses em Ba‡aim", O Oriente Portugues, nos. 7-9. 1934-35, pp.152-153; HAG, Mon‡o_~es do Reino, no. 957, fl. 34, 960, fls. 46-48

Jesuits were also administrators of the Portuguese forts in the North Province. The State praised them for their work and for the gift of 20,000 pardaus towards a State armada. [25]They were also administrators of the warehouses for war provisions, artillery and were in charge of the fortifications of the forts. [26]

Donations came along for the Jesuit houses in the North Province. Viceroy Dom Constantino, duke of Bragan‡a had in 1558 offered the Jesuits at Daman an orchard and houses. Joa_~o Dias Ribeiro gave a certain amount towards the fou tion of the college in the city. The Jesuit college at Thane functioned under the supervision of the college at Bassein. A grant from King Sebestian in 1569 helped in making it financially independent. It received 80 gold pardaus each year from the rents of the village of Vellapa.[27]

King John III had been helpful to the Bassein college in 1550. Later King Sebastian in 1568 granted it various privileges and in 1571 gave the Jesuits permission to buy in Bandra villages which gave an income to the Japan mission. [28]Governor Cabral was equally generous to the Jesuits at Bassein gifting them land and houses. [29]

The Jesuit Visitor Fr. Alessandro Valignano had written to his Superior-General in Rome, Fr. Claudio Acquaviva from Cochin on December 24, 1584 mentioning the annual income of the Bandra college and its increasing expenses. Unfortunately the property had been let out at a low rate of interest although letting out property was contrary to the rules of the Society of Jesus.[30]

In 1548 Fr. Ant¢nio Gomes wrote to Fr. Sima_~o Rodrigu in Portugal about the intrigues regarding the foundation of the Jesuit house at Bassein. The Franciscans were not interested in a college and so he thought the Jesuits ought to take it up, since the land was very cheap, rice and wheat and cloth easily availabe and with the profits other colleges could be helped. The Franciscans were insufficient to the task there since they were only two in number, and the people liked the Jesuits more. [31]

Two French and Italian travellers, Thevenot and Careri, described how the church of the Jesuits at Bassein was richly gilded, the chapels and the walls of the arch as well. The dormitory and the cloister were the best in the city, they said. In the garden one could find both

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[25]John Humbert, "The Goa Archives in 1963", Indica, vol. 1, no. 1, March 1964, pp. 57, 60.

[26]J. A. Ismael Gracias, "Os ultimos cinco generaes

[27] DI, vol. 16, 1984, pp. 164-165.
[28] DI, vol. 12, p. 419.

[29] DI, vol. 7, 1988, pp. 583.

[30] DI, vol. 16, 1984, pp. 378-79, 776.

[31] Frei Paulo da Trindade, Conquita Espiritual do Oriente, vol. 2, Lisbon: Centro de Estudos Hist¢ricos Ultramarinos, 1962-67, p. 103.

Indian and European fruits. The Jesuits they believed owned all the parts of the island that looked towards the East and the channel of Bassein. [32]

Thane was inhabited by the Portuguese, the native Christians and the Hindus who came from Bassein, according to Abbe Carre. The Jesuits, he believed, drew a gret revenue from the place. They had many villages in the country and fortresses on the coast and were both feared and mistrusted. Their magnificent house looked all the finer as it had been entirely rebuilt after it was destroyed by fire due to the negligence of a priest, the Rector of a community. "He had considerable private wealth, and was made to rebuild it at his own cost and did not mind it for he had enough to build an even finer one. The next day a Portuguese of Bassein said the Father actually burnt it himself to perpetuate his memory by rebuilding it in this superb manner from vanity of his wealth", concluded Abbe Carre. [33]

Chaul was a Portuguese harbour city and the Jesuits had Sts. Peter and Paul residence and had received over 1,000 pardaus in alms and over 80,000 cruzados which they used to help many orphans get married and captives to get freed. The Viceroy had allotted 1 % of the town revenue to the Jesuits. [34]

Daman had since 1559 the College of 11,000 Virgins with six Jesuits and a school. When Daman was in danger of a Maratha attack, writes Abbe Carre, the Governor had asked the Jesuits for war ammunitions, but they had refused asking for cash payments first. The Viceroy at Goa had sent two canons to Daman and wanted money for them from the Jesuits (for they managed an arsenal there) but the latter refused to accept them and had them sent back because they had been obliged to pay for them. Abbe Carre felt they flouted the viceregal order in a manner where they showed him that they had more power and authority in the country than he had. [35]

Diu had St. Paul's College and Abbe Carre mentions that since Diu was pillaged by the Muscati Arabs in 1669, the splendid Jesuit church in the town was destroyed but the Jesuits rebuilt it, since according to him, they had large revenues which brought them many riches. About them he wrote: "They govern all Portuguese India in matters spiritual and temporal with a superiority and address that render them redoubtable to any who dare to work against their hold on society". [36]

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[32] Surendranath Sen (ed.), Indian Travels of Thevenot and Careri, New Delhi: National Archives of India, 1949, pp. 169, 179-180.

[33] The Travels of the Abbe Carre in India and the Near East 1672 to 1674, vol. 1, pp. 180-181, vol. 3, pp. 723-724; DI, vol. 17, 1988, p. 11*.

[34] DI, vol. 16, 1984, pp. 734-735; P. S. S. Pissur lencar, Assentos do Conselho do Estado, vol. 3, Bas tora: T. Rangel, pp. 230-231.

[35] The Travels of the Abbe Carre in India and the Near East 1672 to 1674, vol. 1, pp. 170, 172, 173.

[36] The Travels of the Abbe Carre in India and the Near East 1672 to 1674, vol. 1, pp. 132-133.

Further north in India, the Jesuits had missions at the courts of Akbar, Jahangir, Shah Jahan and Aurangzeb, and their works were collectively known as the Mughal Mission. The founder of Agra College was Mirza Zu-l-Qarnain, a noble man, and later Governor of Lahore. He donated a property at Parel in Bombay and had given an amount as the foundation for a college at Tibet. He had given the Society money which Fr. Joseph de Castro took to Goa in order to settle the purchase of two villages in the North Province. The revenues of the Parel house belonged to the Agra College. The Jesuits at Bandra had large plots at Parel, Naigaon, Wadala, Mahim, and Dharavi and they used the money for the support of their missions at Goa, Cochin, Agra, Japan and China. [37]

Juliana Dias da Costa had offered Rs. 20,000 towards the college at Parel in Bombay under the provision that a priest would serve the Christians there. She gave another Rs. 10,000 for the poor of Agra and Delhi, having obtained all this money from the rents of the village of Manorim. [38]

There were other donors too. Jer¢nimo Mascarenhas, captain of Hormuz, had left it a legacy of 40,000 ducados, Isabel de Aguiar had gifted three villages and some houses in Bassein, Francisco de Melo e Castro, a former revenue officer and state councillor gave 5,000 xerafins, Ant¢nio Paes de Sande offered the Church of Bom Jesus 300 xerafins for expenses in maintaining the oil-lamp at the chapel of St. Francis Xavier, and Balthazar da Veiga bequeathed prop erties in Bambolim worth 10,500 xerafins and with annual income of 840 xerafins. [39]

The second Indian province, the Malabar Province functioned independently of the Goa Province after 1601. It had the College of Mother of God at Cochin, the College of Malacca, the Seminary of Santa Cruz at Vaipikotta, and the colleges and seminaries of Quilon, Tuticorin and Mylapore, respectively. Though juridically distinct from the Goa Province, Malabar had its properties at Goa and its resident Jesuit officials to administer them. It had sought a confirmation of the order of Dom Rodrigo da Costa and Vasco Rodrigues Caesar de Menezes, to enable it to buy property of about 20,000 xerafins needed to maintain its priests and its catechists.

The Jesuits had serious financial problems ever since they had lent money to some Hindus who had later absconded. The Crown wanted the Viceroy to inquire into the property of the Fathers, to find out what each of the Provinces had, and how much money the Hindus had received due to the negligence of the Procurator. He wished all religious Orders to submit the lists of their properties and revenues. It was clear to the Crown that the Jesuits were in need of money

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[37] Henry Hosten, "Mirza Zu-l-Qarnain, a Christian Grandee of Three Great Moghuls, with Notes on Akbar's Christian Wife and the Indian Bourbons", Memoirs of the Asiatic Society of Bengal, 5 (no. 4), p. 137.

[38] Josef Wicki, "Der Bericht", p. 166; Henry Hosten, MASB, 5 (no. 4), 1916, pp. 115-194.

[39] DI, vol. 16, 1984, pp. 170, 218; J. M. do Carmo Nazareth, "Legados Pios a Egreja do Bom Jeus", O Oriente Portugues, vol. 4, pp. 173-176.

for their growing missions. In the North Province since people had deserted their villages the Jesuits could take some of these, he decreed, and help in rehabilitating them, while retaining the revenues of the same. [40]

The Malabar Province had given loans totalling 4,45,121 xerafins and received 35,598 xerafins in interest. Yet the money was not always sure. It spent much on its Procurator and staff at Goa, for the journeys of its members, for the poor, for cases of litigation and for repairs. In 1733, it spent 9,098 xerafins for vestments, wine and church furniture. Its Procurators often received gold and precious stones which at times proved false. It had loaned the Portuguese Jesuit Province 12,227 xerafins at 5 % interest. [41]

The East Africa mission was connected with the Goa Province and Fr. William Rea in his work cited above discusses the economic contribution of the Jesuits during their 150 years' stay in the Zambezi missions there. Fr. Gaspar Soares was in 1609 the first Superior of the mission. The Jesuits had found the royal grants inadequate, and neither the College of Mozambique nor the Goa Province could help. Yet, the Zambezi mission avoided all debt and suc ceeded in increasing its revenue.

The Jesuits got much of their income from their farms on the left bank of the River Zambezi, and from their share in the gold trade during the last three decades of their presence on the Rivers. The large loans they advanced, believes Rea, proves that they made substantial profits. They were an index of the economic role the missions played during the period. They enabled a large number of traders to carry on business, yet since a number of them did not pay back it was doubtful whether the Jesuits made much of a profit. [42]

In East Africa, the Crown promised the Jesuits the stipend equivalent to the pay of two soldiers, but it often remained a promise. Jesuit Superiors had allowed their men to buy or to accept property. In 1633, the Count of Linhares objected to these means and expected them to pay tithes on the land. The Goa Province had thus to spend 5,000 xerafins annually on behalf of the College of Mozambique. The Jesuits could keep ivory on their own lands and could exchange it either for cloth or other commodities. [43]

The use the Jesuits made of property helped them towards their own economic stability in their missions. The College of Mozambique and the Zambezi missions received an annual of 250 cruzados. Francisco Soares donated nine pastas of gold, and the mission got another two pastas each year out of the rent of two store-rooms within the fortress of Sena. The Mozambique College, which owed the Goa Province 2,500 xera fins, had a palm-grove yielding 500 cruzados annually. It had purchased the island of Kumbarjua in Goa hoping to wipe out its debts. [44]

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[40] AHU: India maco no. 20, 1723.
[41] Domenico Ferroli, The Jesuits in Malabar, vol. 2, Bangalore: King & Co., 1951, pp. 346-347.
[42] William Rea, The Economics, pp. 71-74.
[43] William Rea, The Economics, pp. 57-61.
[44] Willima Rea, The Economics, pp. 61-66, 77-80.

The Jesuits had subordinates to work for them. And slaves, too. These worked on gold diggings, the gold was exported to India where it brought in exchange the cloth the Jesuits needed as currency to buy what they needed. Ivory was another source of income, and every year three large Portuguese ships with cargoes of it left Mozambique for Goa, Rea informs us. Jesuit economy was prosperous enough to advance loans to people, being an indication of the economic role they played in the missions. Traders could carry on their business, and the terms were easy. According to Rea, from an economic point of view the giving of credit was the most important function of the missions. [45]

The Japan Province which came into being in 1611 had from Viceroy Dom Duarte de Menezes a gift of 2,000 cruzados. King Dom Sebastian gifted 1,000 cruzados to the St. Paul's College at Funay, while 500 cruzados came from the rents of the villages of Ponvem and Kondoti in Bassein and from Mulga_~o for the Novitiate of Usuqui. The Province had houses in the port of China yielding 200 cruzados given by the Patriarch-Bishop Melchior Carneiro to the Seminary of Arima. [46]The Visitor Fr. Alessandro Valignano spoke of the warm generosity of the Viceroy Duarte de Menezes who in 1587 paid the Japan Province 2,000 cruzados. He had been promised each month another 200 and also four Arab horses. [47]He had written to General Fr. Acquaviva about the difficulties of the Province to make payments towards the common expenses. He wanted care to be taken to collect the revenue of the Province (in Bassein). The contribution of his Province to the common fund would come only from the income it received either in India or in Europe. The Province had 12,000 pardaus in silk and 2,000 pardaus in an chorage in the port of Nagasaki. [48]

In 1571, King Sebastian had given the Japan Jesuits permission to buy in Bandra villages which would give them an income. The Jesuits later asked for permission to import copper from China. Dom Henrique had first given permission in 1579 to bring 100 quintals of copper from China, meant to help wipe off the debts of St. Paul's. Fr. Valig nano had secretly sent some gold to India as part of his trading operations. Fr. Acquaviva had warned him against it as the Viceroy knew about the transaction. The Province bought a certain amount of silk from the Portuguese mer chants and sold it at a profit. The General wanted the Visitor to both prevent the procurators from making con tracts in the name of seculars or to receive money on their behalf. The mission had permission to deal in silk alone, but had taken up other materials too. [49]

There were many who did not approve of the commerce of the Japan Province. Fr. Valignano was ready to give up the trade if money came in another form. He had suggested a landed income in Japan to help the Province become self supporting. It needed money for the

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[45] Willima Rea, The Economics, p. 80; Felix Zubillaga, "La provincia Jesuitica de Nueva Espana su Funda mento Economico siglo XVI", AHSI, vol. 38, 1969.

[46] DI, vol. 14, 1979, p. 653.

[47] DI, vol. 14, 1979.

[48] DI, vol. 16, 1984, pp. 13-14, 249.

[49] Charles Boxer, The Christian Century in Japan 1549-1650, pp. 119-120, 425, 427.

seminaries, hospitals and elementary schools. Trade was the only means of sur vival. The mission had already suffered bad debts and other losses. [50]

The Japan Jesuits were involved with the local country traders. One of them, Bartholomeu Vaz Landeiro, according to Prof. Charles Boxer, was a major contributor to the Japan mission and had placed his resources and shipping interests at their disposal. He made sure he did not enter any port with his merchandise where Jesuit transactions were likely to be.in danger. [51]

Fr. Valignano laid down regulations for things meant for Japan from India. He appointed a Procurator in India for Japan. His duties included collecting and sending the subsidies and revenues, buying and dispatching the things necessary for Japan, and providing for the missionaries going from Goa to Japan. The Rector and Procurator of the College of Malacca had the duty of collecting and forwarding the money and things for Japan without detaining them in Malacca. [52]

Fr. Valignano, according to Prof. Boxer, while under many constraints in 1578, entered into a contract with the merchants at Macau. Of the 1,500 picos annually shipped to Japan by Macau, 50 belonged to the Japan Province. Profits amounted to about 6,000 ducats annually. This together with amounts from Malacca, India and Europe totalled 12,000 ducats. Trade, some Crown payments and the capital transfers from the rental and agricultural properties in India together with the administration of donations and legacies from Macau were the main sources of income. [53]

The Visitor in his supplementary report of 1592 mentioned that many of the daimyos wanted the Jesuits to act as bullion-brokers in their business. Some of them, writes Prof. Boxer, started in a small way exchanging silver for gold in China. The Jesuits were aware that the favours they would give would in turn bind the daimyos to them, played their part in the business between Canton, Macau and Nagasaki. [54]

The Jesuits acted as linguists and had the right con tacts in high places. They played an important part in the silk trade and, it is said, sent cargoes to Nagasaki under other names after their expulsion in 1614. The Ieyasu admired the skill of the Jesuit-interpreters, and in 1602, had appointed Fr. Joa_~o Rodriguez as his agent at Nagasa He helped the Jesuits financially with 350 cruzados when they lost their annual silk investment in the Macau trade due to the Dutch capture of it in 1603. He wanted them to foster his foreign trade and to act as intermediaries. [55]

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[50] Charles Boxer, The Christian Century in Japan 1549-1650, pp. 120-121; George Souza, The Survival of Empire, pp. 34-36.

[51] George Souza, The Survival of Empire, pp. 37, 189.

[52] DI, vol. 16, 1984, p. 95.

[53] Charles Boxer, The Christian Century in Japan, pp. 117-118; DI, vol. 14, 1979, p. 19; George Souza, The Survival of Empire, p. 190.

[54] Charles Boxer, The Christian Century in Japan, pp. 112-114.

[55] Charles R. Boxer, The Great Ship from Amacon, Lisbon: Centro de Estudos Historicos Ultramarinos, 1959, p. 12; James Clavell, Shogun, New York: Dell Publishing House, 1975, p. 59; Charles Boxer, The Christian Century in Japan, pp. 182-183.

The Jesuits began their stay at China with their involvement at the Imperial Court, according to Prof. John Wills. Their efforts were more successful and lasting than the Jesuits in Japan. In China they helped the various embassies of the Dutch. Fr. Ferdinand Verbiest was inter preter in Chinese and Manchu during these meetings and the 1679 trade concessions Macau received were said to have been largely due to his efforts. [56]

The Jesuits introduced the Emperor to many facets of European culture and science. Fr. Thomas Pereira made musical instruments and taught the elements of western music to members of the court and to the Emperor himself. The Jesuits helped the Dutch as they had earlier helped the Portuguese. They tried to weaken the Dutch control in the China trade lest the competition damage Macau. They did this not too openly since they were held to be reliable and impartial translators for the Dutch, the Portuguese and the Russians, and could not appear to be too obvious in their scheming. They handled trade negotiations well since they were often at Court and had their own well-tested connections and friendships. [57]

The Money System and cautions from Superiors

Wherever the area, the Jesuits as a strategy had a good system of organising the gathering of financial resources. The Procurator for the Indian Provinces resident at St. Anta_~o College at Lisbon, for instance, d the duty of sending to India provisions such as books, religious and liturgical articles, cloth and foodstuffs (olive oil, meat, plums, cereals). In turn he received from his counterparts in Goa pepper, bazar stone, diamonds, ivory and aloeswood. [58]

Fr. Gon‡alo Martins was one such procurator for the Portuguese Jesuits in Goa. In 1653, the King of Portugal wrote to the Viceroy recommending him for all help and favour since he had helped in the dispatch of cinnamon for the Duchy of Braganza. He had also been on different occasions ambassador of the Viceroy to the Maratha chieftan Shivaji and to the Adil Shah. He had been dispatched to the court of Shivaji to secure the ratification of the Maratha-Portuguese treaty on 1667. [59]The creation of the post of a Jesuit Procurator was an important idea of Jesuit management. The person had to help the exchange of correspondence between the Jesuits of Europe and of the Indies, and had to establish contacts for their mutual information. [60] He had to obtain for departing missionaries materials like books, retables, and

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[56] John E. Wills, Embassies and Illusions: Dutch and Portuguese Envoys to K'ang-hsi 1666-1687, Cambridge (Mass): Harvard Univ. Press, 1984, pp. 237-241.

[57] John Wills, Embassies and Illusions, pp. 1-61; 122, 126, 164-166; John W. Witek, Controversial ideas in China and in Europe: A biography of Jean-Fran‡ois Foucquet S.J. (1665-1741), Rome: AHSI, 1982, p. 5

[58] HAG: MR, codex no. 2570 (1664-1708).

[59] HAG: MR, no. 23 (1653), fl. 263.

[60] Felix Zubillaga, "El Procurador de las Indias Occidentales", AHSI, vol. 22, 1953, pp. 367-417.

mass-wine, for instance and had to petition the King for confirmation of the foundations of the Jesuit colleges in India.[61]

His duties also meant keeping the yearly accounts ready before the departure of the ships with copies of them for Rome, the sealing of letters and documents meant for the other procurators and for Fr. General, and the dispatching of them without delay through the royal court. He had to be aware of the arrivals and departures of the various fleets and had to avail of every fleet to send the mail. He had to maintain a record containing information of the foundations of the colleges and houses with their income, and send a summary of these to Rome. In a second book he had to enter all information from Rome pertaining to his office, of things sent and received, of the lists of those going to the Indies, of the time for the fleets, and of Provinces with details of the country of origin, age, years in the Society, state, studies and talent of each Jesuit. The account book also included details of Crown dealings, the amounts spent for books and clothes, the minutes of the meetings, the articles for the Indies (wine, olives, and ornaments for masses), the stipends for the departing missionaries. He had to write a list of the missionaries with their times of arrival and departure. He stacked the necessities for the voyage in a suitable storehouse, and had the money of the Province in his safe-keeping. His other duties included filing information of good sailings, arranging books for the missionaries, having an intelligent and able assistant, paying Rome for the expense of letters and other things for the Indies, discussing relevant issues with the Crown, and writing to Rome. [62]

The Jesuits were procurators for the House of Braganzas in Lisbon. In 1751, Fr. Rodrigo de Estrada as Procurator sent the Queen 300 quintals of spices free of charge but there were reactions in Goa to this practice[63] He was a hard-working but quick-tempered man, and had antagonized others when he once tried illegally to appoint his own collector to handle the taxes of the villages of Panulem and Corjuem in Goa.[64]

The Jesuits with their properties in Goa and in the North Province had a good hold on the finances of the time. They received and sent money to their offices in Rome and in Lisbon. Their Superiors warned them to be cautious in their dealings. They would either write directly to the Provincials cautioning against some of their practices or would send their special Visitors to study the matter first hand. These came armed with powers to probe spiritual and financial matters and to give instructions.

Jesuits at times appeared guilty of transgressing the canonical requirements in the matter of trade. In Africa though they sold ivory they could do so only of elephants which had died on their property according to the Provincial order, thus observing canonical regulations. [65]

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[61] Josef Wicki, "Die Anfange der Missionsprokur der Jesuiten in Lissabon bis 1580", AHSI, vol. 39, 1971, pp. 321-322.

[62] Felix Zubillaga, "El Procurador de las Indias Occidentales", AHSI, vol. 22, 1953, pp. 400-402.

[63] AHU: India ma‡o no. 99 (14 December 1758).

[64] AHU: India ma‡o no. 56, 1751.

[65] Archivum Romanum Societatis Iesu (Rome): Goa, no. 35, fl. 102v.

Canon law defined trade as buying a commodity with the intention of selling it unimproved for a higher price.

Jesuits had to refrain from keeping the money of a third party without the permission of the Superior. The case of Bro. Villas was fresh in the minds of many. As Administrator of the College of San Hermenegildo (Seville), he had traded in a big way with the funds of the Society, and had caused it much financial harm. [66] Superiors of houses often did more than charity called for. The Vicar-General Fr. Carlo de Sangro in his order of 2 January 1645 suggested that alms-giving though commendable had to be the amount sanctioned by the Provincial after due consultation. He fixed the amount at 20 pardaus in order to stop abuses which took place in times of economic crisis. Though Superiors were ready to help others, they overlooked that they had first to pay off the loans their own religious houses had incurred[67]

Fr. Oliva wanted his men to combine charity with sanity. The Professed House had taken a deposit to offer loans to outsiders (non-Jesuits). There was a danger of these turning into bad debts and thus becoming a burden for the House[68]

The Frs. Provincial could not dispose of any property without consulting either the Province or the College concerned. The consultors would then have to sign the minutes and send them to Rome with their own respective comments.[69] The Provincial could accept goods of sufficient worth with their accompanying obligations, a mass each year for in stance, yet he had to judge what was best, and without any grave obligations. He could agree to sell estates to pay off debts. Jesuits could trade in property only with benefactors of the Society.[70]

The Provincial had the authority to transfer real estate worth 200 pardaus thus changing the will of the donor. He could do so if the need was urgent and if he could not wait for a reply from Rome. Yet he had to inform Rome of his decision as soon as it was possible. Those going to Japan could not take the money of seculars along although they were good friends of the Society. The Procurator could exchange money even though it would entail some loss. The Provincial had the duty of sending 600 xs. each year to the Procurator in Lisbon.[71]

The General had allowed Jesuits to purchase property in Portugal in the name of any local college or house in order to pay the expenses for the Province of India in Portugal. Fr. Jerónimo Cardoso, the Procurator at Lisbon had complained that those in Goa did not honour his letters of credit. Hence he could not buy and send things for the colleges in the ships. It was not right to ask the Crown to buy landed property for Japan, or to meet the expenses of those going to India from other Provinces.[72]

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[66] John Humbert, AHSI, vol. 36, pp. 78-79, 96.
[67] John Humbert, vol. 35, p. 344; ARSI: Goa no. 5, 37; no. 10, fl. 180.
[68] John Humbert, vol. 36, pp. 84-85.
[69] John Humbert, vol. 36, p. 85.
[70] Josef Wicki, Stųdia, nos. 43-44, pp. 362-366.
[71] Josef Wicki, Studia, nos. 43-44, pp. 362, 409.
[72] Josef Wicki, Studia, nos. 43-33, p. 482; DI, vol. 14, 1979, pp. 604-608.

Fr. General Tirso Gonzalez had accepted the donation of Joa_~o Dias Ribeiro and his son Domingos for the Profess House. He concurred with his predecessor that it was not against the poverty of the House to run a farm at Bambolim in order to pay for the religious feasts in the church of Bom Jesus, provided the surplus went for the church maintenance. [73]

The Superior of a house could transact the sale of houses of any value, but not before seeking the advice of his consultors. He could lease out coconut-groves for a period of 30 years. Yet he had no permission to accept any colleges, houses or property under heavy obligations. [74]

Jesuits could accept land only if it was possible to sell it later. They could not avail of its profits if it had been given for churches and pious works. But if they had received it without any mention of the recipients in the houses, they had to send it to a college nearby. If the donor had gifted it as a perpetuity for members of the houses, they had to inform Rome on its possible conversion into a college. If they were unable to do so, the property had to go to the Bishop or the inheritors of the debt. [75]

Colleges could not seek alms, though they could receive them if they were freely given. They needed the prior permission of the Provincial stating the reasons and the amount since there was no general permission in this regard. They could sell the fruits of their property in return for purchases, but could not buy anything for sale elsewhere. They could purchase property in one place and sell in another. They had, however, to fulfill three conditions: not holding on to more than was necessary, doing nothing against the law, and retaining the remainder without its sale. [76] Jesuits could not involve themselves in buying pearls on behalf of seculars. A priest once came from the Fishery Coast with about 12,000 pardaus to buy pearls which he claimed he did with the knowledge of his Superiors. The risks and scandals involved in such trade on behalf of others called for his removal. Buying and selling went on in the Province in the name of necessity. It polluted the poverty and purity of the religious houses. [77]

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[73] John Humbert, vol. 36, pp. 94-95.
[74] Josef Wicki, Studia, nos. 43-44, p. 483.
[75] Josef Wicki, Studia, nos. 43-44, pp. 366-367.
[76] Josef Wicki, Studia, nos. 43-44, pp. 382-383.
[77] DI, vol. 16, 1984, pp. 21-22, 32-33.

Conclusion

Looking back at the picture of the Goa Province and of the other provinces in Asia, one is struck at their involvement in trading and commercial activities in order to fund their mission works. They had adopted a definite strategy of acquiring properties in Goa and in the North Province and passing on rents and profits received from these to their various units in Asia. Yet it turned out to a large extent, a drain on the local economy.

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UNIVERSIDAD CENTROAMERICANA
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Jesuit Universities and the North-South Face-Off: A proposal for the next millenium

Jesuit Lecture by
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March 25, 1997

I take this opportunity as a "sign of the times", an opportunity to re-examine the work of Christian inspired universities--both in the North and the South--in order that we may confront the challenges which accompany the end of the century. Allow me to reflect out loud for a moment, about how these small, very poor, Central American nations perceive the challenges, opportunities and commitments faced by the University in these times of uncertainty and perplexity, implied by a period of rapid and profound change. For us, it is more than a epoch of change, but rather a change of epoch which, therefore, must signify profound changes for the University.

Five hundred years ago, in 1492, humanity was discovered and known as a unit. Today, we are *one world. a global village*, and human beings can be citizens of the world for the first time in history.

More than 500 years ago, Latin America showed mankind that the world was one. Today, this unity is an astonishing reality, despite the fact that the gap between North and South, between capital and labor, between the "West and the Rest" continues to grow more polarized.

There are a series of concrete facts which reflect the profound crisis of our civilization. This civilization in the decade of the nineties is not *universalizable*, it cannot be extended to all of the world's citizens due to ecological, social and political limits. It is unstable, and cannot continue to reproduce itself in its current form--as a democratic society for all world citizens.

Scandals are the bread and butter of the mass media today; but the greatest scandal of our age receives all too little attentions from not only the mass media, but also from our university communities, even from our jesuit university communities.

As we prepare to enter the 21st century, the fact that in Central America, as well as in Africa, we have "quality of life" levels today that are lowers than the levels reached by the indigenous peoples of Central America and Africa 500 years ago, is the scandal of our age. More than 70% of our sisters and brothers in Central America live in poverty - 50% in economic misery, and these percentages continue to rise each year. This scandalous situation that touches thousands of millions of women, men and childrens around the world today implies --- or rather, shout out to us -- that something is profoundly wrong and sinful in our present civilization.

I'll now mention some of the critical aspects of this change of epoch, in order to illustrate the nature of the crisis which our civilization is experiencing:

1) *A Champagne Glass Civilization*, reflecting the antagonism and asymmetry in the distribution of income, between the top 20% of humanity who control 83% of the world's wealth, and the bottom 20% which survives with only 1.4%. In other words, more than one billion human beings survive on just US$1.00 per day. This injustice in the distribution of wealth has tended to grow. The United Nations report on Human Development for 1994 indicates that the gap in the distribution of wealth is growing, with the income of the richest 20% increasing from 30 times greater in 1960 to 61 times greater in 1993.

2) There is an even greater *concentration of knowledge*. The disparity of investment on Research and Development means that it tends to be concentrated more and more in the nations of the North, at a time when the intensity of knowledge is the key to accumulating wealth. This is an era in which *flexible capital*--a product of the revolution in management and electronics--allows power to be centralized and concentrated as never before in history. Five hundred years ago, the metropolises and empires, which were founded on the basis of colonial exploitation, never achieved this level of concentration and centralization of power. Nor did they achieve the abysmal differences between the standards of living of the metropolis and the colonies, as exists today between a small group of privileged countries in the North and the great majority of nations of the South.

Today, however, the North and the South are not only geographical concepts, but socio-economic and ethical ones. In the South, we also have a "North", and you of the North also have some of the conditions of the South for your minority immigrants, indigenous groups, and citizens who have been marginalized by growing unemployment and other forms of discrimination.

3) The *accelerated growth of super-millionaires*, or billionaires, who have more than one thousand million dollars, is also a phenomenon of this change of epoch. The July 1994 issue of *Forbes Magazine*, which analyzes great world fortunes, provides some statistics which, from a Christian perspective, are truly scandalous. 358 individual people--we are not speaking of transnational corporations--have a personal, accumulated capital worth of some US$ 762 billion. In other words, they possess the equivalent of the per capita income of 45% of the world's population, or 2.5 billion human beings. These billionaires have *tripled their income between 1987 and 1994*. The nation with the highest growth rate of billionaires is Mexico--a country which the IMF and the World Bank have painted as a *good example* of what neo-liberal structural adjustment policies can achieve. The world's billionaires have increased by 140% in these seven years, and the nation with the greatest growth is Mexico. It is not surprising, then, that the Chiapas phenomenon coincides with the explosion of billionaires. Similarly, passage of Law 187 in California makes it perfectly clear that NAFTA is only a free market for capital and its products, for rich people, and not for labor.

4) With the end of the Cold War and despite a reduction in the world's military budget, annual military spending in 1993 was, surprisingly, US$ 815 billion, or 50% of humanity's per

capita income. Who are these arms to be used against? Who is the enemy? Somalia, Rwanda, Haiti? We have passed from the Cold War to a war of social and citizen insecurity. Private security spending increases to the same extent that military spending decreases. The 200 million arms in the hands of North American citizens indicates that the end of the Cold War has not brought the peace which was previously attributed to the threat of the *evil empire*.

5) According to INTERPOL's report of May, 1994, drug trafficking accounts for US$400 billion annually, of which US$100 billion are laundered by transnational banks. The UN-sponsored "Naples Declaration", supported by 138 nations, made the commitment to curb the international delinquency which generates some US$750 billion annually from drug trafficking, illegal arms sales and prostitution. The absence of citizen security and the increase in crime are due to a lack of meaning of life, and the search for escape through the use of drugs, sex, or religious or political fundamentalism.

6) The environmental crisis of our times has been produced, on the one hand, by the over-consumption of a small number of nations and people, and by the growing impoverishment of the South. This poverty, and the consequent need to survive at any cost, has become the most significant threat to fauna, flora and the world's oceans. The South's growing megalopolises--produced by irrational development and the massive internal migration of peasants, as in Sao Paulo, Mexico, Calcutta, Shanghai, etc.--reveal the lack of direction, rationality and sense which exist in today's world of technological revolution.

This Champagne Glass civilization reflects a crisis of civilization--its instability, insecurity, and lack of meaning. This *antagonistic civilization* of North against the South, of white against color, of man against woman, of the present against the future, of consumerism as a means to happiness, and of growth against nature requires profound reflection by those institutions-- such as universities--which should act as society's *critical conscience*, as a *preventive and prospective conscience* against the threats of the future, as *the molders of generations* who can create a more humane, just, sustainable and harmonious world.

This global crisis demands new forms of organizing citizens, non-conventional university programs and different ways of training professionals, who **do not reproduce and amplify the present system but instead assume responsibility for it**, who are **capable of transforming it in the interest of all of humanity.**

These concerns oblige us to re-think the role of the university, to transform the university through a process of Reform which allows it to be **both *"science and conscience"***, as John Paul II requested in the Church's call to universities, in the document **"Ex Corde Ecclesiae."**

I believe that jesuit universities must confront this scandal at the end-of-century and the beginning of a new millenium in an organized manner. This scandal and our efforts to

confront it jointly are our principal challenge of our generation, as jesuits, as christian, just as human persons and citizens of our global village.

Faced with this challenge, those of us working in jesuit universities in Latin America are continually asking ourselves whether we are part of the solution or part of the problem. In our educational efforts are we merely reproducing and/or strengthening a system that continually widens the gap between rich and poor, women and men, different races, and between increasing individual consumption and sharing more equitably the world´s limited resources?. Are we producing successful professionals who merely take advantage of failed and/or oppressive societies in order to enrich themselves?.

It is not sufficient today for the jesuit university to pursue academic excellence locally, or even nationally; nor it is sufficient to tranquilize our individual and institutional consciences, and/or bolsters our social image by participating --sometimes more, sometimes less-- in activities in the world of the excluded (formerly known as the Third World). Excluded people which exist in all our countries, north and south.

The character of the crisis of the 21st century is the rapidly increasing chasm between rich and poor throughout the world. This crisis demands that we create an international consciousness, an international program and a genuine community of jesuit universities to make it possible for us to go beyond the local campus, or city, or even nation in our planning, research, teaching and personal commitment.

We are living in a change of epoch more than an epoch of changes. Preparing ourselves for this new millenium the jesuit university exists primarily for the world; and 2/3 of this world is excluded from the wealth, comfort, knowledge and power of the privileged 1/3.

Is this vision of our world a partial, parochial, distorted, injustified perception of our world or is it the real challenge before us as jesuit universities to confront this crisis of our present civilization --and confront it **jointly**--. There probably does not exist another organization in the world capable of forming a coherent strategy (global, national and local) a "gloncal strategy" to confront this crisis.

Possibly, we, working together, will come to the conclusions that the basic roots of increasing worldwide poverty and oppression, social and economic exclusion, and environmental destruction are not only economic, but rather ethical, social and cultural. International AID, economic cooperation does not touch fundamental international inequities; it is basically insignificant and, as a matter of fact, is declining rapidly. Also, traditional international cooperation between North and South tends to increase the dependence and subordination of the latter on the former.

To attack the roots of the widening chasm between rich and poor requires, I believe, a three-tiered strategy: ethical, cultural and theoretical. The almost 200 jesuit universities

throughout the world ought to have the ethical, cultural and theoretical competency to at least begin to deal jointly and effectively with this crisis, not as colonialists nor as saviours, but with a fundamental commitment to engage ourselves seriously in the struggle to humanize our civilization and evangelized our humanity.

We dont lack international calls to action in the face of this crisis. A mammoth collection of United Nations data and recommendations, and international summits in Rio de Janeiro, Cairo, Geneva, Copenhague and Beijing all speak with one voice: ours is a civilization of the very few wealthy and powerful, a cognitive and finantial elite that concentrate and centralize power, finance, technology, knowledge and the control of international institutions on the one hand and the overwhelming growing, majority of excluded of wealth, knowledge and power on the other.

Our own General Congregation 34 identifies four pillars that serve to re-inforce our options for the excluded and oppressed of the world: inculturation; the fundamental new role of women; the struggle against poverty and exclusions; and the need for a new spirituality and set of values to confront the 21st century. "*Today we bring this countercultural gift of Christ to a world beguiled by self-centered human fulfillment, extravagance, and soft living, a world that prizes prestige, power, and self-sufficiency. In such a world, to preach Christ poor and humble with fidelity and courage is to expect humiliation, persecution, and even death. We have seen this happen to our brothers in recent years*".[1]

What is lacking?. From our Central and Latin american jesuit perspective represented in AUSJAL (Asociación de Universidades confiadas a la Compañía de Jesús en América Latina) university program and in the recent declaration of all our 18 provincial superiors who met with Fr. Kolvenbach in Puebla (México), what is lacking is the consciousness of the human tragedy, the political willingness to engage ourselves on the humanizing struggle, the ethical vision that goes beyond reducing development to material progress, controlled by a global market in the hands of a financial elite that also control the flow of knowledge and information in the interests of intensive and rapid economic growth and profits. Moreover the lack of an integrated theoretical approach to overcome the paradigm of no alternatives, a sort of theology of inevitability.

In spite of nominal ties, jesuit universities do not form an organized group, and much less a community of purpose, nor a common project. Each one of our universities has a specific role in the city, region or country in which it is located. The international ties between our institutions, however, are very weak. We lack common objectives. How to make of ourselves a real international organization, a network of like-minded universities that complement and collaborate with each other in the effort to fulfill common goals in order to face off the common problems and common threats of our global village in an alliance of common values and common interests?

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[1] *General Congregation 34. Decree Twenty-Six. no.5*

How to begin a process of creating a joint project that involves all or a sustantial number of jesuit universities?. From our local, regional and national bases, how can we develop a shared international commitment to confront the root causes of growing poverty, economic exclusion (unemployment; discrimination against women and youth) and cultural and spiritual opppresion of the overwhelming majority of the world´s population?.

I often ask myself if the main failure of the jesuit university is not in reality a sin of omission, or perhaps, in the Ignatian context of seeking always God´s greater glory, a sin of mediocrity. With humility, but at the same time with a realistic appraisal of our potential (often perhaps wasted), we have to confront this end-of-millenium crisis, and seek the "magis", God´s greater glory, from within this leash "minima", Company of Jesus, through a ignatian discernment of our universities. This may imply a profound transformation of our university life and "model". It may imply the creation of a network of jesuit universities, that goes beyond political and cultural boundaries, and embark upon a process of international formation of professionals prepared for a global citizenship, committed to integral human development based on equity, sharing a sort of geocultural development based on sustainable human relations.

What I am suggesting does not consist in countries and universities of the North donating goods and services --and education-- to countries of the South. Rather, I am propossing that together, as a community of jesuit universities, we create within each country a "gloncal strategy" to form educated professionals with vision, commitment and talent to confront and solve the problems which are at the root of our crisis of civilization.

Structural change at a socio-cultural level in the countries of the "excluded South" is going to imply a transformation in the socio-cultural structures of the universities and societies of the North. This process will be a two-way street: the universities of the North will very likely receive as many or more benefits from this shared experience than the jesuit universities of the South.

While it is the university as institutions that is invited to take up this 21st century proposal, the project will probably be iniatiated by a few individuals or groups/departments within the university. This initiative will hopefully lead to an epistemological breakthorough in which the university can confront and possibly re-discover its identity and mission as a result of a profound end-of-century Ignatian discernment.

This discernment and accompanyning transformation will demand a higher level of competence and professionalism in our universities, a more profound cultural and ethical underpinning, and a commitment to be agents of change and solidarities in the 21st century.

We are invited to be pioneers rather than excellent professionals, given that the task is more the creation of a humane civilization, a social development of all citizens than mere material progress for a minority.

I would like to offer some concrete ways in which we could initiate this project in 1997. As jesuit universities, we could inmediately initiate a series of discussions, and make proposals for university reform following the lines etched out in GC34. The 20th and 21th of October of this year, the Rectors of Jesuit Universities from all the world will meet in Santiago, Chile to prepare the Assembly of the International Federation of Catholic Universities. This meeting could serve as an opportunity to begin the slow and difficult process of conscientization necessary before thinking of an institutional networking process.

To facilitate this process of conscientization, it would be important to initiate some limited joint commitments --perhaps in the initial phases--, by sub-regions: for example, between Canada, the US, Latinamerica and the Caribbean; while Europe could do the same with the even more urgent needs in Africa, and a similar process for Asia and the Pacific.

In a meeting in Jakarta of the Association of Jesuit Institutes of Business Administration, it was suggested by Fr. Jaime Loring from Spain that all jesuit universities contribute 0.7% of their annual budget to a common institutional fund that would serve to initiate a process of conscientization, research, networking and institutionalization of a Community of Jesuit universities for the 21st. Century.

This fund could be used to facilitate international exchanges, the creation of joint research groups, joint post-graduate courses that would serve to reform our universities preparing a new generation of pioneers-professionals to confront the crisis of 21st century civilization. As I mentioned before probably no other institution in the world has the potential and the value system to undertake a project of such ethical-cultural and intellectual importance. I think that, in a closer collaboration with our lay partners, we can undertake this difficult but evangelical and academic challenge.

This joint enterprise will be slow and difficult to get off the ground; but it is a project that is essential if we are to confront effectively and jointly this threat to our civilization --a threat that is more critical and dangerous tham was the so-called "Cold War"--. Our 21st century adverssary is neither a doctrine nor a political system, but "an inhuman process....with neither soul nor direction.....blind and deaf, expert in prices, ignorant of values" (Mexican poet, Octavio Paz).

Albert Einstein brilliantly described the character of this crisis: "the civilization that perfected the means, but is confused about the objectives." Eduardo Galeano, author of *The Open Veins of Latin America*, synthesized the same thought in a question, which has profound meaning for the universities: "The West has sacrificed justice in the name of freedom upon the altar of divine productivity. The East has sacrificed freedom in the name of

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ersidad Centroamericana
gua, Nicaragua

Volume 16 Number 187-188
February-March 1997

For Life and Against Neoliberalism

The Jesuits of Latin America, meeting in Mexico at the end of 1996, drew up a letter and a working document in which they denounced the neoliberal ideology and economy with lucidity and conviction. And, with passion and compassion, they ratified their proposal for a society in which everyone fits. envío offers a translation of both the letter and fundamental sections of the document below.

Dear Friends:

We Provincial Superiors of the Society of Jesus in Latin America and the Caribbean, following the call of General Congregation 34 to deepen our faith-justice mission, want to share some reflections on the so-called neoliberalism in our countries with all of those who are participating in this apostolic mission of the Society of Jesus throughout the continent and all who are concerned about and committed to the destiny of our people, especially the poorest.

We refuse to calmly accept that the economic measures applied in recent years in all Latin American countries and the Caribbean are the only possible way to orient the economy, and that the impoverishment of millions of Latin Americans is the inevitable cost of future growth. Behind these economic measures lies a strategic policy, an underlying concept of the human being and culture that must be discerned from the perspective of the models of society we aspire to and work for, at the side of so many men and women moved by the hope of life and of leaving future generations a more just and human society.

The considerations presented do not pretend to be a scientific analysis of a complex issue that requires research from the point of view of many disciplines. They are only reflections that we find pertinent on the consequences and criteria of neoliberalism, and characteristics of the society that we desire. Our primary concern in sharing these reflections is religious and ethical. The political and economic behavior we refer to reflects in the public terrain the limits and countervalues of a culture based on a concept of the individual and of human society that is far from the Christian ideal.

The Society We're Part of

On the threshold of the 21st century, communications link us closely together, technology gives us new possibilities of knowledge and creativity, and the market penetrates all social spaces. In contrast to the past decade, the economy of the majority of our countries has once again begun to grow.

This material boom, which could create hope for all, actually leaves multitudes in poverty, with no chance of participating in the construction of a common destiny. It threatens cultural identity and destroys natural resources. We calculate that at least 180 million people live in poverty in Latin America and the Caribbean and 80 million live in extreme poverty.

The economic dynamics that produce these perverse effects tend to transform into ideologies and to make certain concepts absolute: the market, for example, goes from being a useful and even necessary instrument to increase and improve supply and reduce prices to being the means, the method and the end governing relations

the 18 Provincial Superiors of the Society of Jesus in Latin America and the Caribbean

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18 Provincial Superiors of the Society of Jesus in Latin America Caribbean.

between human beings.

To achieve this, measures known as neoliberal have been generalized throughout the continent. These measures:

- put economic growth, rather than the full harmony of all men and women with creation, as the economy's raison d'etre;
- restrict state intervention to the point of taking away any state responsibility for the minimum goods that every citizen deserves as a human being;
- eliminate general programs that create opportunities for all, replacing them with occasional support to focal groups;
- privatize businesses according to the argument that the state is always a bad administrator;
- open the borders to merchandise, capital and financial flow without restriction, leaving the smallest and weakest producers without sufficient protection;
- remain silent about the foreign debt problem, the payment of which necessitates drastic cuts in social spending;
- subordinate the complexity of public finance to macroeconomic variables: a balanced fiscal budget, reduced inflation and stable balance of payments, as if the common good follows from that and does not generate new problems for the population that must be attended to simultaneously;
- insist that the adjustments will produce growth that, once voluminous, will raise income levels and resolve the situation of the less favored;
- motivate private investment by eliminating the obstacles that protective labor legislation could impose.
- exonerate powerful groups from paying taxes and from environmental obligations, protecting them so as to accelerate the industrialization process, thereby provoking an even greater concentration of wealth and economic power;
- put political activity at the service of this economic policy, leading to the paradox of eliminating all barriers to the free market while at the same time placing social and political controls--for example on the free contracting of labor--to guarantee the hegemony of the free market.

We must recognize that these adjustment measures have also had positive results. It is enough to mention the contribution of market mechanisms to increasing the supply of better-quality goods at lower prices; the drop in inflation all over the continent; the removal from government of tasks that do not pertain to them so they can dedicate themselves, if they choose, to the common good; the general consciousness of fiscal austerity that uses public resources better; and the advance in trade relations among our nations.

But these elements hardly compensate for the immense imbalances and perturbations neoliberalism causes through the concentration of income, wealth and land ownership; the multiplication of the unemployed urban masses or those surviving in unstable and unproductive jobs; the bankruptcy of thousands of small and medium businesses; the destruction and forced displacement of indigenous and peasant populations; the expansion of drug trafficking based in rural sectors whose traditional products can no longer compete; the disappearance of food security; an increase in criminality often triggered by hunger; the destabilization of national economies by the free flow of international speculation; maladjustments in local communities by multinational companies that do not take the residents into account.

As a consequence, together with moderate economic growth, social unrest expressed in citizen protests and strikes is increasing in almost all of our countries. Armed struggle, which resolves nothing, is emerging again in some areas. There is increased rejection of the general economic orientation that, far from improving the common good, deepens the traditional causes of popular discontent: inequality, poverty and corruption.

The Concept of the Human Being

Behind the economic rationality that calls itself neoliberal is a concept of the human being that reduces the greatness of men and women to their ability to generate monetary income. It exacerbates individualism and the desire to earn and possess, and easily moves to an attack on the integrity of creation. In many cases it unleashes greed, corruption and violence. And, when it is generalized among social groups, it radically destroys the community.

Thus is imposed an order of values that stresses the individual liberty to seek the consumption of satisfactions and pleasures; that legitimizes, among other things, drugs and eroticism without restrictions. A freedom that rejects any state interference in private initiative, opposes social planning, rejects the virtue of solidarity and accepts only the laws of the market.

Through the economic globalization process, this way of understanding men and women penetrates our countries with symbolic content that is very seductive. Thanks to the domination of the mass media, it breaks the roots of local cultural identities that do not have the power to communicate their message.

Our society's leaders, linked into these globalizing movements and indiscriminately accepting the market forces, commonly live as foreigners in their own countries. Without dialoging with the people, they consider the people an obstacle and danger to their own interests rather than brothers, friends or partners.

In a more general way, this concept considers it normal for millions of men and women to be born and die in abject poverty all over the continent, unable to generate the income to buy a more human quality of life. The governments and societies are thus not scandalized by the hunger and uncertainty of the multitudes who are made desperate and perplexed by the excesses of those who use the resources of society and nature without thinking about others.

The Society We Want

Thank God, there are transformation initiatives that insinuate the rise of a new world from diverse cultural, ethnic, generational, gender and social sectors.

Animated by these efforts, we want to help build a reality closer to the Gospel's kingdom of justice, solidarity and fraternity, where life with dignity is possible for all men and women.

A society where every person has access to the goods and services that he or she deserves for having been called to share this common walk to God. We are not demanding a welfare society, one of unlimited material satisfactions, but a just society, where no one is excluded from work or from access to fundamental goods for personal development such as education, nutrition, health, housing and security.

We want a society where we can all live as a family and look to the future with hope, sharing nature and leaving its marvels for future generations to enjoy.

A society attentive to the cultural traditions that gave identity to indigenous peoples, to those who came from other places, to African-Americans and to mixed peoples.

A society aware of the weak, the marginalized, those who have suffered the impact of socioeconomic processes that do not put human beings first. A democratic society, built with participation, where political activity is the option of those who want to dedicate themselves to the service of everyone's general interests.

We are aware that achieving this kind of society has a high price because it demands changes in attitude, habits and values. We are challenged to make the positive elements of modernity our own, such as work, organization, efficiency, without which we could not build that society of which we dream.

Finally, we want to contribute to building a Latin American community among our people.

The Tasks Before Us

We have before us an enormous task to be carried out in different fields:

- To undertake an intellectual effort of great importance in the social sciences, theology and philosophy to study neoliberalism, working alongside many others in our universities and our study, research and promotion centers to explain its deepest rationality, and the effects it has on human beings and nature.
- To discern and weigh the lines of action that emerge from this analysis, choosing pertinent options.

This knowledge and these decisions should lead us to:

- Accompany the path of the victims, from communities of solidarity, protecting the rights of the excluded and undertaking with them, in dialogue with decision-making sectors, to build the most inclusive society possible.
- Strengthen our people's cultural and spiritual traditions so that they can situate themselves in the space of globalized relations, from their own identity, without diminishing their symbolic richness and community spirit.
- Incorporate into the educational work that we and many others do the kinds of values necessary to form people able to preserve the primacy of human beings in the world we all share.
- Give students the necessary preparation to understand and work to transform that reality.
- Resist particularly the consumer society and its ideology of happiness based on unlimited buying of material satisfactions.
- Communicate through every means the results of the analysis of neoliberalism, the values that should be preserved and promoted and possible alternatives.
- Propose viable solutions in spaces where global and macroeconomic decisions are made.

We will work to strengthen the value of gratuity, in a world where everything is bought for a price; to stimulate the sense of a sober life and simple beauty; to favor the interior silence and spiritual quest and invigorate the responsible freedom that decidedly incorporates solidarity from the spirituality of Saint Ignatius of Loyola, committed to the transformation of the human heart.

To make our pledge believable, to demonstrate our solidarity with the excluded of the continent and to show our distance from consumerism, we will procure not only personal austerity, but also that our works and institutions avoid all type of ostentation, using means coherent with our poverty. Their investment and consumption policies will not support businesses that notoriously infringe on human rights and damage the ecology. In this way we want to reaffirm the radical option of faith that led us to respond to God's call to follow Jesus in poverty, to be more effective and free in the search for justice.

We will seek with many others a national and Latin

American community of solidarity, where science, technology and the markets are at the service of all members of our peoples. Where the commitment to the poor makes evident that working for the plenitude of all men and women, without exclusion, is our contribution, modest and serious, to the greater glory of God in history and in creation.

We hope that these reflections animate the efforts to improve our service to the Latin American people. We ask our Lady of Guadalupe, Patroness of Latin America, to bless our people and to intercede so that we may obtain abundant grace to carry out our mission.

Fernand Azevedo (Northern Brazil) Carlos Cardó (Peru), José Adán Cuadra (Central America), Benjamín González Buelta (Dominican Republic), Juan Díaz Martínez (Chile), Mariano García Díaz (Paraguay), Ignacio García-Mata (Argentina), José Adolfo González (Colombia), Mario López Barrio (Mexico), Jorge Machín (Cuba), Allan Mendoza (Ecuador), Emilio M. Moreira (Bahía), Fernando Picó (Puerto Rico), Armando Raffo (Uruguay), Marcos Recolons (Bolivia), Joao Claudio Rhoden (Southern Brazil), Francisco Ivern Simó (Central Brazil), Arturo Sosa A. (Venezuela).

Mexico City, November 14, 1996

Working Document With Contributions for a Common Reflection

(selected sections)

A Conceptual Approximation of Neoliberalism

(...) Neoliberalism, as it is understood in Latin America, is a radical concept of capitalism that tends to absolutize the market, converting it into the means, method and end of all intelligent and rational human behavior. According to this concept, people's lives, the behavior of societies and government policies are subordinated to the market. This absolute market accepts no type of regulation. It is free, with no financial, labor, technological or administrative restrictions.

This way of thinking and acting tends to convert the economic theory of some of the most brilliant economists of modern capitalism, those who created neoclassical thinking, into an ideological totality. Those thinkers did not try to reduce human and societal behavior to the elements that they put forward to explain part of the relations and of the complex life of people and communities.

Therefore, neoliberalism is not the same as the economy that recognizes the importance of the market for all goods and services without absolutizing it, nor is it equal to liberal democracy. Opposing neoliberalism does not mean being against the efficient use of resources that society has at its disposal; it does not mean delimiting individual freedom; it does not mean supporting state socialism.

Opposing neoliberalism means stating that there are no absolute institutions to explain or conduct human history; that men and women cannot be reduced to the market, the state or any other power or institution that wants to impose itself as a totalizing element. It means protecting human freedom, affirming that God is absolute and that his commandment is the love that is socially expressed in justice and solidarity. And it means renouncing totalitarian ideologies, because when they have been imposed, the result has been injustice, exclusion and violence.

The Concept of Human Being Underlying Neoliberalism

General Congregation 34 invites us to take action given the fact that "world structural injustice has its roots in the system of values of a modern culture that is having world impact." This impact comes to our countries through technology and international financial systems.

This cultural impact, when radicalized by neoliberalism, tends to value the human being only through his or her capacity to generate income and be successful in the market. With this reductionist context it penetrates our countries' leaders, infiltrates the middle class and reaches the farthest corners of popular, indigenous and peasant communities, destroying solidarity and instigating violence.

We find ourselves before a profound and overarching system of values; profound because it touches the human heart and overarching because it imposes its convincing messages, infiltrating Latin America's social and institutional life.

Absolutizing the market is even set out with religious connotations. By saying that the market "is correct and just" converts it morally into a legitimizer of questionable activities. We allow the sense of life and human realization to be defined from the market.

This system of values is presented in ambiguous symbols that are highly seductive, and, thanks to its domination of the mass media, it easily affects local traditions, unprepared to establish a dialogue that could enrich all sides and preserve the identity and freedom of the deep human traditions with no power in the markets to communicate their messages.

We are not unaware of the positive elements of international mobilization carried out by technological transformations that have allowed a drop in illnesses, facilitate

communication, increase time available for leisure and the interior life, and make home life more comfortable. But we also see the aspects of these processes that diminish men and women, particularly in the context of neoliberal radicalization, because--wanting to or not--they initiate the desire to possess and consume, exacerbate individualism and competition, forget about community and destroy the integrity of creation....

Problems of Structural Poverty Exacerbated by Neoliberalism

Neoliberalism emerges from within modern culture and, without necessarily meaning to, produces structural effects that generate poverty and that have been acting since long before the neoliberal rise in the 1980s. These factors are, among others, inequity or injustice in income distribution and wealth, the precarious nature of social capital and the inequality or exclusion in exchange relations.

Latin America's poor have alway suffered a vacum of social capital, but neoliberalism aggravates it.

The Bad Distribution of Wealth and Income. Economic inequity and social inequality prevent almost half of Latin Americans and Caribbeans from reaching the material conditions necessary to live with dignity and to effectively exercise their rights.

By opposing state redistributive intervention, neoliberalism today perpetuates and increases traditional socioeconomic inequality. It introduces the criterion that only the market possesses the virtue of efficiently assigning income levels to the diverse social actors. Social justice efforts through a progressive tax structure and public spending that privilege the least privileged are abandoned, as are attempts to democratize property ownership or promote integral agrarian reform.

The Precariousness of Social Capital. Social capital is understood as the accumulated human, natural, infrastructural and institutional wealth of a society. Social capital is, therefore, the culture, knowledge, education, natural resources, communications and roads that a nation offers its inhabitants. This capital is slowly configured with those private and state investments that raise the potential and the creativity of all men and women. Social capital is founded above all on the participation of civil society and the state in expanding opportunities.

A look at the social capital in our countries shows that educational offerings are scarce and of low quality for almost half of Latin America and the Caribbean. Investment in science and technology is marginal in the majority of national budgets. Health conditions are bad. There is a huge vacuum in transport infrastructure for the majority of poor urban and rural homes. The destruction of natural resources is advancing and, with the implementation of administrative decentralization processes in all countries, the great fragility of local institutions is clear, especially in poor communities.

It could be said that the poor in Latin America have always lived with this vacuum of social capital, but it has now been aggravated by neoliberal policies, by the state's withdrawal in favor of private initiative, by public spending cuts, and by the abandonment of support for natural and cultural heritages and for peoples' organizations.

Markets Without Social Control. As an historical expression of human beings' need to support each other in order to open current and future possibilities, the market is neither good nor bad, neither capitalist nor socialist. It is proposed for all as a relationship that must be controlled, in freedom, solidarity and skill, to achieve an acceptable existence for all. As in all types of relations, the market can be used perversely to destroy people and communities, but the fact that it can be perverted in this way should not allow us to forget the heritage of knowledge and culture that humanity throughout history has built around the market. The challenge is not to destroy the exchange relationship, but to put it at the service of the fulfillment of human beings in harmony with creation; to place it within a framework of equality of basic opportunities for all people and free them from the forces of domination and exploitation that have distorted the general Western mode of production.

With the entry of neoliberalism, the inequalities produced in a society where the market is not under the control of civil society and the state have been accentuated. In effect, by neglecting the production of social capital, the market remains at the service of the most educated, those who possess infrastructure and put the institutions at their service, and those who concentrate information. With the deregulation of labor and finances, the market easily transfers the value produced to national and international nuclei of accumulation.

In many cases, people have not been incorporated into the vigorous production of added value. And in processes like the *maquila* (plants that assemble imported inputs for re-export) or the informal economy, people have not been allowed to participate in the wealth generated. There has been no process of incorporating the poor, the popular sectors and middle class in the economic relations in an increasing fashion, with the ability to retain the value added by themselves and climb out of poverty.

The labor market is a central element in the integration of the world economy. In current neoliberal competition investments seek cheap labor. Their production costs thereby drop to the detriment of both Latin American workers, who are poorly paid, and workers from the North, due to the unemployment created because factories move to the South. Furthermore, workers from poor countries are systematically denied access to wealthier countries.

In an unrestricted financial market, so-called "swallow capital" flits from place to place with no other goal than to take advantage of banking and monetary systems; it can completely destabilize any country, producing devastating effects even on the strongest economies of Latin America.

The effects of the market without social control have been particularly grave for rural populations, who strongly felt the blow of the market openings that pushed millions of peasants out of production. There the lack of social capital is much more critical.

A general rending of society can be perceived throughout Latin America.

Neoliberalism and the General Social Crisis

It is very important to reflect on the relationship between neoliberalism and the general crisis of our societies, because we perceive that, alongside the persistence of poverty and growth of inequalities, old problems with premodern and modern roots take on new strength in our societies. We are dangerously propelled by a culture based on the ambition to possess, accumulate and consume, which substitutes personal fulfillment in participatory communities with individual success in markets.

A general rending of society can be perceived throughout the continent; it has multiple causes and evidences itself in family instability, multiple and growing forms of violence, discrimination against women, environmental destruction, manipulation of individuals by the media, harassment of the peasantry and indigenous communities, the growth of inhospitable cities, corruption among leaders, privatization of the state to groups with economic power, the loss of governability by the state apparatus, the penetration of alienating consumption like drugs and pornography, and the complexity of the secularization processes and of spiritual searches lacking community commitment and the practice of solidarity.

Neoliberalism exacerbates this crisis by eliminating the common good as a central objective of politics and the economy. The common good is replaced by the search for equilibrium of market forces. Contrary to the social thinking of the Church, which believes that there should be as much state as is required for the common good, neoliberalism coldly proposes that it is best to have less state, only what is required for macroeconomic functioning and the promoting of private enterprise.

Concern for the population's general quality of life now and in the future, which was expressed through earlier welfare states, disappears as a goal in this context. With the disappearance of the good of all as a goal, the sense of the common or public home disappears.

There is thus no need to care for the family as the nucleus and cell of a common good that no longer matters. Women become simply a cheaper source of labor, nature a source of rapid enrichment for present generations, and the peasant an inefficient citizen who must emigrate.

In this horizon, into which what is public tends to disappear, political parties as a way of building society and nation lose their reason for being. Political and administrative competition is reduced to demonstrating that the candidate or the president is the one most capable of creating the necessary conditions for the free and open play of markets. All are subordinated to the programs of adjustment and opening, imposed by international market necessities.

It is not surprising that in this context, where community is irrelevant and the common good useless, violence would grow, drug production and consumption would skyrocket, and the elements most contrary to human fulfillment contained in today's culture would be reinforced, casting aside the most valuable contributions of modernity and postmodernity.

Overcoming Social Exclusion, At Whatever the Cost

Given this reality, which goes against the work of the Creator, a demand of faith calls us, so that God may be God among us, to resist the dynamics that are destroying our brothers and sisters and to work with many others for a change, to contribute to the building of a society closer to the kingdom of solidarity and fraternity in the Gospel.

The cost we have to pay in this determination doesn't matter. We have no alternative. It is our loyalty to Jesus Christ that is at stake. It is the foundation of the conditions for the possibility of fraternal living, for which the Jesuit martyrs gave their lives in diverse points throughout Latin America....

We face an immense pedagogical task. In a context where the common good is disappearing as a goal and eve-

ryone is seeking their own fortune in the market, social exclusion is deepening. Formal and informal educational efforts must be undertaken to transform the institutions, enterprises and projects that are exclusionary, the policies that exclude, and the men and women who are actors in this exclusion, many times without being aware of it. We must begin by examining ourselves, our preferences and the groups we frequent. We also may be part of the dynamic of exclusion. And the excluded also must change, because many times they are the counterpart of the national and international society we have created.

Latin America's poor can demand nothing, for they have no market value.

The challenge is to begin with those who have been left out and, from there, at the side of the poor and walking with them, to propose the most inclusive or including societies that are possible and viable for all. This task calls for a structural transformation of our societies, one which goes beyond resisting the disturbing elements of neoliberalism. At issue is not to include the excluded in a system that generates exclusion. Rather it is a slow and patient task to create a communal society that does not currently exist.

Overcoming the Culture of Poverty

This expression does not allude to the culture of the poor, with its values and ambiguities. It refers to a way that all of society behaves in the national and continental venue. A society whose leaders, whose social, political, educational and religious institutions, and whose grassroots sectors, have grown accustomed to living with poverty as something normal. Even though the means exist to overcome this situation, there is no interest in putting them in practice.

It can be said that this culture of poverty has existed for many decades in Latin America, but with the promotion of neoliberalism in all of our countries, this way of seeing and feeling things finds a perverse justification. In effect, the existence of millions of poor people in Latin America produces no scandal for neoliberalism. These people have nothing they can demand, because they have no market value. And the economy is not there to pull them out of poverty, but to produce more, sell more and earn more.

The Search for Viable Economic Alternatives

One of the most urgent responsibilities is to move from critical analysis to proposals. We must present viable alternatives for human and sustainable development oriented to the common good, that guarantee fulfillment for all of our current and future brothers and sisters in harmony with nature.

In very general terms these are some of the issues that should be studied:

The Goods that all Deserve. We should pay particular attention to getting the state and society to guarantee to all the goods they deserve for being God's children. Goods should be guaranteed as basic citizen rights, independent of whether families are or are not able to buy these indispensable elements in the markets. Such goods are health care, education, security, home and housing. These are really public goods. We do not seek a welfare society dedicated to satisfying the insatiable demands of consumer citizens. We want a just society, where every person has the essential ingredients to live in dignity.

Natural Resources. Sustainable development requires environmental security and equity between the men and women of today and of the future. It is indispensable to present alternatives so that the economy gives these resources a different treatment than the one imposed by neoliberalism, which does not incorporate long-term ecological and social costs and benefits. We have the enormous responsibility of finding new ways to guarantee the quality of life for all, within consumption and extraction patterns that are different from the countries of the North and the rich elite of our societies, who destroy the environment and appropriate the goods of the earth to the point that they, 20% of the earth's population, consume 80% of the earth's resources.

Gender Equity. In recent years, with the drop in salaried incomes and rise in unemployment, various family members have frequently been obliged to work in the informal economy. In these informal labor market conditions, middle class and grassroots women find themselves forced to work a triple day: contributing to the family income, doing the bulk of the domestic labor and raising the children. Women are also used as publicity objects and articles of commerce. In this context it is worth remembering the reflections of General Congregation 34, which speaks of "a systematic discrimination against women" and proposes that we contribute to this task (of gender equity), which "is at the center of all contemporary missions that claim to integrate faith and justice."

The Congregation's statement makes full sense in the Latin American situation: "There is a feminization of poverty, a feminine face to the oppression." It is indispensable

to heed the call to align ourselves in solidarity with women. Listening particularly to women, explicitly teaching the essential equality of women and men, supporting liberation movements that oppose women's exploitation, and having them present in Society activities.

Rural Policy. The neoliberal opening has left devastation among peasants throughout the continent. Small and medium farmers represent the majority of agricultural producers in almost all our countries. Undertaking a different process demands a complex combination of measures that implies, among other things, the participation of peasants in modernizing productive structures; research on their particular systems; access to the new technologies and technical assistance; linkage to the national and international market, without forsaking self-consumption; caring for the typical conditions and necessities of diverse products and localities; agricultural credit; land tenure, distribution and deeding; deconcentration of the market, distribution and information channels; credit; roads; rural energy; and public health and education services. All of this within a framework of sustainable agriculture and food security.

Industrial Policy. In the neoliberal economic framework, the export industry is the motor force of development. Although this has grown, however, it does not propel the rest of the economy because it is not sufficiently linked to the other sectors and is highly import-dependent. Ways must be found to diversify manufacturing and agroindustrial production that support medium and small enterprise and not only large enterprise, that satisfy the population's basic needs, strengthen society's accumulated technology, and promote equity and sustainable growth.

Labor Policy. Existing economic dynamics tend to compete internationally by lowering labor costs and paying bad salaries. Strategies need to be fostered that lead to competitive insertion in markets based on people's skills and the expansion of their creativity, and change the concept of enterprise into a true community of labor. And there must be an outlook of overcoming unemployment and underemployment.

The Foreign Debt. The Pope invites us, in the spirit of the book of Leviticus, to make the 2000-year Jubilee a good time to think about "a notable reduction, if not a total condoning, of the international debt." We cannot lose sight of the fact that the foreign debt constitutes a serious limitation to the potential for equitable and sustainable development from Mexico to Chile. We cannot ignore this issue of international justice which affects the daily life of the popular majority and continues to concern the Church. Out of this grows the need to contribute well-founded proposals so that Latin American and Caribbean societies and governments can negotiate the pardon of an important portion of the debt, particularly the part caused by the abrupt rise in interest rates. And so that the part of the debt that cannot be condoned be examined to assure that its payment at least not jeopardize social spending. And it is indispensable to help formulate alternatives so that our people can confront this common problem together based on joint investigations and with a general understanding of the dimensions of the problem and its repercussions in the daily life of the poor.

Dialogue with the World Bank and International Monetary Fund. The challenge is to advance the dialogue and study of rigorous proposals that our Jesuit brothers throughout the continent have put forward through the initiative taken by the Center of Concern in Washington.

With respect to the North American economy, we should help support a dialogue around the decisions that most affect Latin America: the financial system, institutions, and multinational businesses. The private financial sector should be studied with particular care in our universities and social centers. This sector is mobilizing billions of dollars that concentrate credit in rich countries and produce destabilizing effects in the main Latin American economies.

Overcoming Society's Crisis. The crisis of our societies has an historic origin and many causes, and is growing because of neoliberalism. For this reason, we cannot fail to touch on fundamental aspects of the common good when we try to present alternatives to the neoliberal political economy.

Constructing Civil Society. The Church, whose mission we share, does not exist for itself but for humanity. Affirming their Christian roots, and respecting the autonomy of earthly realities, our communities of solidarity should be put at the service of the collective citizenry in the construction of spaces where public issues can be discussed. This is becoming even more urgent as pressure mounts in our countries toward silence and the disappearance of the citizenry's responsibilities for solidarity and the common good.

Invigorating the Political Vocation. To overcome the crisis of governability and dignify public service, and to put economic policy and the markets under social control to protect the common good, we should contribute to the formation of men and women with a political vocation, so that they will work to build states that guarantee the dignity of all citizens and care for their poor.

Transforming the State. We should contribute to an interdisciplinary study that clarifies the state's role as an important agent in an alternative equitable and sustainable development model, with human beings at the center, one that presents alternatives to the neoliberal concept that asks the state to be reduced to a minimum. The successful examples of development today show effective and efficient state action to prioritize objectives and spending, restricting and distributing losses, with an important role for the state in strategic projects and in the adequate provision of goods that all deserve.

The Elaboration of a Public Ethic. Taking into account that neoliberalism subordinates moral behavior to the

market and produces destructive effects in the community, we, as followers of the Lord Jesus who is our final moral law, should contribute to establishing a public or civil ethic, a task in which we are simple citizens with all others, believers and nonbelievers,who are responsible for establishing the moral values pertinent to a reality in profound change, values without which our societies cannot survive and guarantee everyone's fulfillment. Along with many others in this effort, we will be pedagogues of life, the search for truth, justice, human rights, the fight against corruption, peace and the protection of creation's integrity.

For us as Jesuits, this ethical task has a deeper dimension. It is to know, to seek apostolic strategies so that our dialogue about the policies of the economic system carries the sense of the gospel to the depths of cultural experience: where we find or reject God, build or destroy human identity and nature, where we open or close the door to the Kingdom. That is the place of deep discerning where we must put ourselves with lucidity, knowledge and liberty, and collaborate with others in building new social relations in transparency, justice and solidarity.

As a specific task, it is indispensable that, with an Ignatian attitude of searching for the greatest universal good, we finally touch the conscience of those leaders who make financial and economic decisions, so that their technical determinations have positive effects on the transformation of the culture of poverty and death into a culture of shared life.

A Latin American Perspective

While making these reflections it is important to look at all of Latin America and the Caribbean. This territory, with common cultural and spiritual roots, has been considered a mosaic of nations with distinct destinies. It is no longer possible to see things that way. It would be like going to a past that no longer exists.

We still do not know what this Latin American unity means. But the accelerated process leading toward it is vigorous and irreversible....

Such a vision must lead us to continental solidarity. A lucid solidarity that allows us to dialogue with our North American friends: to do studies and seek the common good, to seek alternatives to problems like those of multinational corporations that compete based on low salaries in our countries, hurting workers from both parts of the continent. We must unite, when poverty promotes Latino migration to the United States and Canada; when the North sells arms to our countries to intensify fratricidal violence and war becomes a reason for displacement to other borders; when money from US workers' pension funds are invested in volatile Latin American financial markets; when there is also a drop in social solidarity and poverty grows in the United States and Canada; when putting a stop to the expansion of cocaine and heroine is only possible by working to stop demand in the North and supply in the South simultaneously ...

Conclusion

We want to seriously assume the promotion of justice that emerges from our faith and deepen it according to the changing needs of our peoples and cultures and to the peculiarities of our continent's historic moment. Men and women will always be threatened by greed for wealth, ambition for power and the insatiable search for sensory satisfactions. Today this threat is made concrete in neoliberalism, and tomorrow it will have other ideological expressions and there will be other idols. We have been called in the Church to contribute to the liberation of our brothers and sisters from human disorder and we will remain there, in this task at the service of all, placing ourselves at the side of our friends the poor because that is what our Lord Jesus did....

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Latin America in the " New World Order" *

Xabier Gorostiaga **

I Far-reaching Structural Changes
II Worldwide Political Changes
III A Crisis of Civilization
IV Latin America: Harvest of the 1980s
V Debt, Neoliberal Adjustment and the Bush Initiative
VI The Revolution of Civil Society
VII Popular Agenda for the 1990s

A series of international meetings and seminars held in Latin America and elsewhere in 1990–1991 indicate a common evaluation of the nature of Latin America's crisis, its dominant tendencies and countertendencies, and a constellation of surprisingly coinciding alternatives. All this takes place at a historical moment dominated by the crisis of model and of theory and the crisis of an alternative vision of society and history itself.

The depth and speed of the changes throughout the world make the 1990s very strategic. The structural and all-encompassing nature of these changes have the character of a " fourth long wave" in the cycles described by the Soviet economist Kondratief. It is thus in this decade that the correlation of international forces that will dominate the first part of the 21st century will be defined.

We are also experiencing a crucible of Copernican changes, greater than those seen in the 1914–1917 period. The 20th century started late, in 1914, with the great confrontation between capitalism and socialism, and ended early in 1989, with the toppling of the Berlin Wall and the end of the Cold War. The 21st century has begun with a confrontation between North and South, between capital and labor. While this is a longstanding confrontation, it is entering a new phase with qualitatively different parameters.

The coming year, 1992, is symbolic. The " discovery" of Latin America cannot be celebrated, since the continent had its own identity and civilization when the Spaniards arrived. What was discovered in 1492 was universal history and the world as one totality. In the 1990s humanity itself is being discovered as one world, an inseparable unity, a communal home linked to a common destiny. That destiny is the product of a technological revolution, a revolution in information, social communication and transportation, and also of a growing consciousness of the threat of collective suicide for having overstepped the bounds of the planet.

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* Speech to the Conference of the Latin American Sociology Association, Havana, May 1991. Revised edition.

** President of the Regional Coordinator of Economic and Social Research (CRIES).

In addition to symbolism, 1992 represents a tremendous challenge for Latin Ame self-discovery and self-construction, for overcoming these last 500 hidden years. challenge, however, comes in these "times of cholera," * which reflect the depth o economic and political crises facing Latin America. We are also witness to the ma exodus of the Kurdish people, the ecological disaster in Bangladesh, the civil war Yugoslavia and the threat of disintegration of the Soviet Union. Persistent and grow starvation in Africa surpasses all these other human tragedies in drama, all at a momen which both "the end of history" and the "New World Order" are being irrespons proclaimed.

In this essay, we hope to underscore the contradictory, dialectic and global charac of the changes taking place. Latin American intellectuals are debating between hope ar desperation, anguish and rage, while the people are using their ingenuity to surv increasing impoverishment.

In the first part of the essay we analyze the structural causes of this new crossroa in the broadest framework of the restructuring of capital and the new world order proclaime in the wake of the Gulf War. The second part assesses the impact of these changes in Latin America and the Caribbean and Bush's Initiative for the Americas in the context of the trilateral megamarkets and the US recession. Finally, we indicate some characteristics of the dialectic between increasing democracy and economic submission, both of which are contributing to the crisis of ungovernability and political weariness that affects both the left and right throughout Latin America.

The crisis of civilization demands a restatement of the problems from within as well as from the base and a search for new alternatives to respond to the neoliberal avalanche. The most recent Papal Encyclical reflects how far this avalanche of North against South and capit al against labor has surpassed limits until very recently considered lesser evils.

I. FAR-REACHING STRUCTURAL CHANGES

We agree with historian Paul Kennedy that never before in history has there been such a concentration and centralization of capital in so few nations and in the hands of so few people. The countries that form the Group of Seven, with their 800 million inhabitants, control more technological, economic, informatics and military power than the rest of the approximately 4 billion people who live in Asia, Africa, Eastern Europe and Latin America.

* A play on words in Spanish, since the word cólera refers both to the epidemic disease now sweeping Latin America and also means rage or extreme anger. It is also a reference to Gabriel Garcia Márquez's best selling novel, *Love in the Times of Cholera*.

is concentration of capital corresponds to the character of the new technological on in which the cycle of capital accumulation depends less and less on intensive use al resources and labor, or even of productive capital, and more on an accumulation nology based on the intensive use of knowledge. The concentration and centrali- of technological knowledge is more intense and monopolistic than other forms of increasing the gap between North and South even more.

The repercussions of this have led to the growing " dematerialization" of production, in less and less raw material is required per product produced. Over the last 20 years Japanese production process has reduced the amount of raw materials used per product 33% (Table 1). Even more significant is the accelerated rhythm of this reduction in use of raw materials per industrial product. In the 1965–76 period, raw material use k 0.6% annually; since 1980, the annual reduction has been 3%, nearly a six-fold drop.

In essence, this de-materialization is ex- ed in the tendency of real prices to fall for 33 principal raw materials, the majority of h are the South's export products. This dete- tion is even more pronounced in recent years.

Additionally, the automatization and robot- on of production means that labor loses e relative to capital, in both the North and th. Both processes lead to a permanent struc- l deterioration of value relative to what are posedly the South's comparative advantages in duction and world trade.

These phenomena coincide with the transna- nalization of systems of production, financing d marketing, which for the first time permits a uly global market.

The new areas of expansion of global accumu- tion for the end of the century – such as space, a and energy – are completely subordinated to he control of economic, technological and mili- ary power, which will provoke even greater con- centration and centralization, and thus, a greater gap and asymmetry between North and South.

TABLE 1

*Japanese Manufacturing: Relationship Between Raw Materials Use And Industrial Production * (1965-1987)*

Year	Industrial Production(IP)	Raw Materials (RM)	RM/IP
1965	32.5	3.5	1.154
1966	36.8	42.8	1.163
1967	43.9	51.8	1.180
1968	50.2	57.9	1.153
1969	58.4	67.6	1.158
1970	66.5	76.2	1.146
1971	68.3	76.2	1.116
1972	73.3	81.7	1.115
1973	84.4	95.2	1.128
1974	81.1	90.4	1.115
1975	72.1	80.2	1.112
1976	80.2	87.5	1.091
1977	83.5	89.8	1.075
1978	88.9	93.3	1.049
1979	95.5	99.9	1.046
1980	100.0	100.0	1.000
1981	101.0	94.8	0.939
1982	101.4	91.4	0.901
1983	104.9	92.2	0.879
1984	116.7	99.6	0.853
1985	122.0	101.3	0.830
1986	121.6	97.5	0.802
July 1987	126.7	98.5	0.777

* Indexes of industrial production and use of raw materials: 1980=100.

Source: Bank of Japan, "Key Statistics" in *Economic Statistical Annual* 1985 Office of Statistics of Japan, "Key Statistics" *Monthly Statistics of Japan* No. 317 (November 1987)

The revolution in telecommunications, transportation and informatics has produced management innovations that have further facilitated mergers of capital and technology, whereby private business in Latin America and the South in general is increasingly incorporated in a dependent way into the logic of centralized capital. National business, both private and state-run, is increasingly marginalized and in an asymmetric position vis-a-vis transnational industry, and thus more and more isolated from the logic of the domestic market and the survival of the large impoverished majority.

The underdeveloped countries, with 75% of the world's population, have access to scarcely 19% of the world's gross domestic product, a reduction from the 23% figure of a decade ago, and their participation in foreign stock investment dropped from 25.2% to 16.9%. This is even more serious if we consider that in the same decade the net financial transfers from the South to the North were the equivalent of 10 Marshall Plans. In the case of Latin America, according to the most recent Latin American Economic System (SELA) report, foreign debt-service payments alone were 80% more than the total amount of foreign investment. If we include Latin American capital in the North (on the order of $160 billion) and the deterioration in the terms of trade (some $100 billion), Latin America's financial and productive debacle in the 1980s could be compared to the worst years of colonial pillage.

We have described this structural phenomenon as an avalanche of North against South, of capital against labor. Never before in history, not even in colonial times, has such an extreme bipolarization of the world existed. This bipolarization, from the South's perspective, is the fundamental element of the structural changes defining the end of this century. The so-called "Africanization" of Latin America is an objective reality. In the 1980s, Latin America decreased its participation in the international market from 7% to 4%, and direct foreign investment stock dropped from 12.3% in 1980 to 5.8% in 1989, making Latin America the region of greatest backward movement in the world, even greater than that of Africa, which went from 2.4% to 1.9%.

Thus it should not be surprising that the UN Economic Commission on Latin American (ECLA) recognizes that, in the same decade, the number of people living in poverty in Latin America has jumped from 112 to 184 million people.

II. WORLDWIDE POLITICAL CHANGE

Four fundamental elements define the political characteristcs of the 1990s:

The profound crisis in Eastern Europe. This has had dramatic repercussions throughout

orld, touching off a new historic phase with the end of the Cold War. From a Third perspective, the evaluation of these changes is very complex. One concern from the American experience is whether or not there really ever was socialism – understood as alternative social, economic and political system to capitalism – in the Eastern bloc. Latin American debate tends to assert that a socialist alternative in the Soviet Union not have outlived the period of the soviets from 1923–24. Later, the USSR became a itary alternative to the Nazi regime and, after the defeat of Germany, a military alter- tive to the threat of nuclear war. The majority of the Eastern European countries never veloped a socialism indigenous to their own countries, instead forming a defensive and posed military alliance. The negative impact of this militaristic and statist socialism s tremendous in Latin America. Dogmatism, top–down organzing styles and statism im- orted from the Eastern European experience affected all the Communist parties and the jority of the Latin American left. Nevertheless, the Socialist bloc served as a coun- rbalance of sorts that permitted a geopolitical space and a rearguard of support for anges in the South.

The collapse of Eastern Europe means the loss of a paradigm, and of that economic and opolitical counterbalance. At the same time it potentially opens ideological and practi- l space for new experiences in a world leaning towards resolving conflicts by negotiation nd the use of international law.

" Real" or " state" socialism, which was successful in toppling feudalism as well as in eating an important industrial base, collapsed definitively in the face of the technologi- l revolution and consumer society. The crisis of democracy is, however, the political pot of this collapse.

The " illusion of the West" could cloud quickly in some of the Eastern countries, ncluding Poland and what used to be East Germany, under the specter of a market that does not respect social customs or habits and is unconcerned with social or cultural consequences or questions of national identity. The majority of Eastern Europe is heading towards a rapid Latin Americanization, and could easily be transformed into an area of natural resources and cheap labor for further development in Western Europe and the rest of the north. The USSR may well face even greater challenges given the threat of disintegration of the entire federation and of a military coup or ascent of populist fascism.

In the coming years, Eastern Europe will absorb Europe's political attention and much of its available financial resources, affecting both politically and economically the attention needed by the South. The impact on the South of the changes in Eastern Europe, however, could be very different over time from what they have been to date. The direct relationship between the South and the former Eastern bloc, transformed by its crisis, could

become an international source of creativity and complementarity. For this to happen, the complexities and isolation facing both civil societies will have to be overcome.

European unity. Hegemonized by German unification, this new European unity has changed the correlation of international forces. From Yalta to Malta, from February 1945 to December 1989, the world has undergone transformations in less than half a century that in other times would have required many centuries. These changes are ideological, political and economic and, for the first time, tragically, ecological. A united Europe could become the productive, financial and commercial center of the world, together with Japan and the Pacific nations. This would leave the US in an increasingly vulnerable position, and could lead to a new dividing up of world " spheres of influence." It would also open the possibility for the countries of the South to take advantage of new spaces and contradictions in the system.

Emergence of the Pacific basin bloc. As the century comes to a close, Japan and Southeast Asia are emerging as a preeminent industrial, financial and technological power bloc. Japan, however, though an economic giant, is diminutive in political stature. It has not been able to play a foreign policy role corresponding to its economic power. From the perspective of Latin America and the South, Japan's history, culture, race and religion are seen as very different than those of the North. The Japanese are not white, Western, nor christian. But the structural forces of the market and the different institutions of the Group of Seven tend to draw Japan into the northern orbit, thus increasing the avalanche of North against South and capitial against labor.

The loss of US economic hegemony. This phenomenon coincides with the three described above, but has its own clear economic roots. The US has been unable to overcome its fiscal and commercial deficits and is saddled by a gargantuan military budget. Its tendency to base the last decade's growth on a rapidly increasing debt has transformed the only country whose national currency functioned as an international reserve into the most indebted nation on the face of the earth. Under these conditions it will be very difficult to avoid a recession without an annual net inflow of more than $100 billion.

The loss in technological competitiveness and productivity means that the US will not be able to maintain its political hegemony unless it is based fundamentally in military and ideological power. This, in turn, requires a military budget of about $300 billion annually and control over some two-thirds of all media images produced in the world. The financial instability of October 1987 and the more recent savings and loan crisis, along with the growing deterioration in the US productive and social infrastructure, indicates that the debt, deficits and military budget are simply no longer sustainable under these conditions. The Gulf war could temporarily alter this, and thus the global political balance, but

anging the structural tendencies we have outlined here.

e three significant groups comprise a " neo-trilateralism," hegemonized by the Seven, with a constellation of world institutions organized under its control (the World Bank). The United Nations itself, with its financial dependence and the veto at the key economic powers hold in the Security Council, still maintains a frame- t has its origins in the Cold War, in which the majority of the member countries are benefit from equitable and democratic participation.

e threat to the South is increased by the alliance of geo-economic interests shared countries in the Group of Seven, which are incapable of attending to the cultural, and national characteristics of the many different peoples of the South, increas- bmerged in poverty and marginalization. The proposal on the table from the North ration into " market culture," with a liberalization of trade, finances and priva- which reduces state autonomy. This assumes that market forces will be able to ne poverty and achieve political and democratic stability in an increasingly unified

II. A CRISIS OF CIVILIZATION

Five hundred year ago, the world emerged as one geographic and historic unit. The in 1992 is recognized as one inseparable, although dramatically divided, entity. The ral North, which revolves around the Group of Seven, has increased and centralized r in all possible forms. The restructuring of the capitalist system tends to reinforce polarization and asymmetry given that there is no longer a countervailing weight to the The increasing division of the world, between a North of few people and many rces and a South with many people and few resources, is the axis of the current crisis. s true that the terms " North" and " South" simplify the world's problems, but they allow us to underline the dominant contradictions.

Under these conditions, the current model of society in the North – its style of devel- ent and lifestyle – cannot be reproduced throughout the world because it has definite logical and population limits and carries within it many structural conditions. One such radiction is between the model's requirement for progressive accumulation – with its ing concentration of capital, technology and power in the North – and the excluded jorities in the South who demand not only survival but also a standard of living conducive peace and democracy.

It is revealing that precisely when " the end of history" and the triumph of capitalism

are being announced, the World Bank published its *Report on World Development 1990: Poverty*, in which it emphasized poverty as " the most pressing question of the decade." The reality of a billion people throughout the world with less than a $370 annual income is not only shameful, it is unsustainable.

The crisis is not only one of distribution and equity, it is a crisis of values and the direction humanity is taking. For this reason we can call it a crisis of civilization. Society worldwide is neither sustainable nor stable under these conditions. Democracy is not possible for the majority of the world's population, and this fact is leading to increasing ungovernability in many nations of the world. Samuel Huntington, the ideologue of the Trilateral Commission in the 1970s, called the increase in Third World demands for democracy a threat. " Guiding" democratic processes in the South has become an imperial necessity if the North wants to maintain its current privileges. What we could call Low-Intensity Democracy in Latin America is more a structural than a momentary product of the inability of the material base to sustain even these incipient processes of democratization.

To lend legitimacy to this situation, an attempt is underway to ideologize the North-South confrontation, presenting the South as the new enemy, in the wake of the " evil empire's" demise. The South is portrayed as a den of evil goings-on, a dangerous place for citizens from the North. In this vision, the threats of drugs, immigration and political instability, along with regional conflicts, all come from the South.

The objective structural gap between North and South is widened with this subjective ideologization, which has deep and racist roots. Instead of confronting the causes of the crisis, this ideological view looks at the consequences, and seeks to lay blame there.

IV. LATIN AMERICA: HARVEST OF THE 1980s

The so-called " lost decade" was a complex and dialectical one. Latin America's competitive capacity in the 1990s is substantially lower than in the 1980s. Losses in foreign trade and in foreign investment, thoroughgoing decapitalization and disinvestment - both productive and social - as well as other well-known indices from this " lost decade" demonstrate profound and structural economic deterioration throughout Latin America. Most of the continent, with the possible exception of Mexico, Chile, and, in a certain sense, Brazil, Colombia and Venezuela, is simply not an attractive panorama to capital. The appearance of cholera in " the times of adjustment" symbolizes Latin America's growing " Africanization" and economic marginalization. Political marginalization is also evident as a result of the Middle East conflict and the strategic interests involved there, as well

:he growing disintegration of the Soviet Union.

The " lost decade," however, is much more complex. Latin American society is alitatively different than it was at the beginning of the 1980s. The " lost decade" .ncides with and is in part a cause of the " explosion of Latin American democracy" in : 1980s. Electoral democratization is nothing more than a reflection of a radical and ofound democracy that has touched different areas of civil society. Decades of struggle ainst oligarchies, dictatorships and militarism have gelled in this revolution of civil ciety. As representatives of Latin American political parties made clear in an April 1991 eeting in Vienna, " Incipient electoral democracy in many countries is expressed by repre- ntative democracy, which tends to transform itself, through the democratic and constitu- onal pressu.e of the majorities, into authentic participatory democracy."

This complex dialectic of the economic crisis and the revolution in civil society is ie defining characteristic of the 1980s. The democratic participation of the organized and iobilized majorities in their own civic institutions has created new historical subjects nat demand participation in the economy, politics, religion and culture.

This dynamic of civil society has obvious exceptions, including Guatemala, Argentina, anama and Peru. The culture of terror imposed by military repression in the first two ases, the US military occupation of Panama and the economic collapse of Peru explain the lisintegration of civil society in these nations. This contradictory dynamic leads to a state of ungovernability, in which the demands that arise as part of the advance of democ- racy find no material base to sustain them. This ungovernability is expressed in the rapid loss of prestige of the neoliberal political leadership that has controlled the majority of electoral democracies since the mid-1980s. Menem in Argentina, Collor de Mello in Brazil, Fujimori in Peru, Cristiani in El Salvador and Callejas in Honduras are examples of a broader phenomenon so starkly expressed in the ungovernability of Nicargua and Panama. In neither of those countries has the US-backed neoliberal project brought political stability or economic recovery. In fact, there are deep divisions within both governments. To their apparent surprise, the US has been unable to financially assist these governments, which could have been converted into showcases for " the marvels of US foreign policy."

Ungovernability is leading to a society of beggars and delinquents who seek individual survival at any cost. This unorganized mass is an important challenge for alternative projects in Latin America. It is a group easily coopted by escapist religions, drugs, and growing migration out of Latin America, as well as by violent ultra-leftism unconnected to alternative and viable proposals. Between hope and disaster: that is how this dialectic of sentiments could be characterized. In another historical moment, Pablo Neruda eloquently declared a similar feeling: They can cut all the flowers, but they will never stop the spring.

V. DEBT, NEOLIBERAL ADJUSTMENT AND THE BUSH INITIATIVE

The continuing debt crisis, the structural adjustment processes underway and Bush's new proposal for the Latin American continent allow us to visualize a project to restructure Latin American capitalism and reinsert the continent into the world capitalist market. Latin America will take its place in the " new world order" proclaimed by Bush and Baker in the heat of the Persian Gulf war.

In announcing this " new" order, Bush declared to Congress that " there are no substitutes for American [sic] leadership in the world." Secretary of State Baker said, " We remain. We are the only nation that has the political will and the military and economic tools at our disposal to control the illegality that is dominating certain areas of the world. The world has become a dangerous place and we need global reach. We are the only remaining superpower."

Debt has substituted the direct investment of the 1970s as a mechanism to extract net financial transfers out of Latin America. It puts the state and even private enterprise into a submissive position with its denationalizing effect. Latin American attempts to renegotiate the debt individually were unable to achieve equitable terms, in spite of various attempts to declare a moratorium on payments. The International Monetary Fund (IMF), the World Bank, USAOD and, more recently, the Internamerican Development Bank (IDB) have imposed overlapping conditions on national governments and enterprises, such that the adjustment policies linked to these conditions have severely weakened Latin America's negotiating capacity. It is in this context that President Bush's Enterprise for the Americas Initiative must be understood.

SELA's cogent April 1991 analysis of the Bush plan states that " the Bush Initiative for the Americas does not propose a strategy for the development of the region, but rather constitutes a mechanism to accelerate the economic reforms underway, whose principal elements have been promoted by multilateral financial institutions, with the support of the US government... It responds to economic needs and concrete strategies of the United States." SELA thus proposes a search for elements allowing mutual benefits within an identification of mutual interests that create an authentic partnership. This requires defining the rules of the game and criteria for an understanding with the United States.

We hold that the Bush plan is a product of the need for a macroeconomic readjustment of the US economy in light of its profound recession and its lack of international competitiveness. The United States needs the creation of a hemispheric " megamarket" from which to confront both a united Europe and its new zone of economic and political influence in Eastern Europe, and the megamarket of Japan and the Pacific nations.

extension of a free market from Alaska to Patagonia would permit the US to costs of its own adjustment with Canada and Latin America. At the same time, it crease US negotiating power in the debates on the new global trade agreements now ace in the Uruguay Round (the current round of GATT talks). Given the possible reach new agreements, the US needs to broaden its competitive capacity to take agreements – both bilateral and multilateral – with Europe and Japan.

, trade, and investment – the three pillars of the Bush plan – bring with them ditions that President Bush has repeatedly underscored. The SELA document hat " in all matters relative to the debt, the conditions derived from the linkage omic reforms constitutes an essential requisites." We think that this criterion will applied to trade issues and investment. Thi; is already evident in relation to echanisms which have not been used for debt reduction; in official negotiations, oroganizations refuse to accept the real, substantially reduced, market price of as set by the secondary market. By the same logic, conditions for the incorpo– f US investment in Latin America will be linked to the acceptance of conditions g the debt and the non–reciprocal and asymmetrical use of the market, which will xtend to a free flow of the work force between the US and Latin America, even in e of Mexico.

ve take as our starting point that the Bush plan should be analyzed first from the ctive of the recession and need for a macroeconomic adjustment in the United States. permit the United States to face its structural indebtedness and loss of interna– competitiveness in better conditions, and expand its market towards a zone of privi– influence to increase its strategic security and its continental supply of natural rces, particularly petroleum. This will allow the US to maintain its geo–strategic ony based on a geo–economic competitiveness that it currently lacks.

The total US debt, shown in Table 2, reflects largely fictitious nature of the US economy. depends on international transfers of over billion and on a progressive indebtedness of state, private business and consumers.

In one short decade, the United States went being the world's largest international cred– to being its greatest debtor, almost doubling budget for debt servicing and reducing the try's savings by nearly half. That has creat– an eminently unstable situation. The United

TABLE 2

Total US Debt
(in US$ billions)

	1980	1990
Debt:		
Federal	914	3.200
State	316	850
Business	829	2.100
Consumer	1.300	3.000
Total	3.400	9.150
Gross Domestic Product	2.732	5.300
Foreign debt	-180	-800
Debt service/budget	13%	20%
Savings	7%	1%

Source: US Commerce Department.

States simply cannot continue to consume 25% of the world's energy, 50% of which is imported. It cannot continue to maintain gasoline taxes six times less than those of Japan, Germany, Italy and France. If the US were to increase its gasoline tax to the level of its economic competitors, it could increase its income by $180 billion annually. This squandering of energy explains the decision to get involved militarily in the Persian Gulf.

In spite of this energy subsidy, US productivity, measured by per-capita GDP, was fourth among the world's 22 most industrialized nations by 1988. If this trend continues, the US will drop to thirteenth in world productivity by the year 2030. The fundamental reason for this decline in US productivity is that the rate of savings in the US is half that of its industrial competitors and a quarter that of Japan. The reduction in US savings, moreover, contradicts a basic tenet of neoliberal policy, which holds that a concentration of income allows for an increase in savings and investment. In the US, the concentration of income in the hands of the wealthiest top 10% of the population increased by 4% between 1980 and 1990, making that group's share of the GDP 27%. In the same decade, however, savings fell from 7% to 4%.

US military spending as a percentage of GDP is four times greater than that of other industrialized countries, while its non-military spending, including infrastructure andsocial spending, is 45% lower.

The United States' loss of international competitiveness is also notable. Table 3 shows an almost 50% decline for the key areas of US technology in the same decade that its petroleum dependency tripled. In 1990, the US held a technological lead in only a few areas, primarily biotechnology and industrial design.

TABLE 3

US Competitiveness in the International Market

	1980	1990
Optic Fibers	73%	42%
Conductors	60%	36%
Agricultural machinery	18%	7%
Petroleum dependence	12%	36%

Source: Newsweek April 1, 1991

This loss of competitiveness corresponds to a reduction in the investment rate, funds dedicated to research, productivity, and infrastructure, and even in the loss of its own internal market, which shows a growing propensity for imports. The US consumer is losing confidence in US products, particularly vis-a-vis Japanese and European design and technology. US consumer confidence in domestic products has dropped 54% since 1980, which has begun to have international repercussions. In 1990, Japan withdrew more than $30 billion from the US market. At the same time, the prolonged US recession has caused a dramatic increase in the number of the poor in the US, now some 30 million.

Maintaining such a high military budget and dedicating two-thirds of all funds to high-level military technology increases the competitive gap in terms of civil technology, particularly with Japan and Germany, which do not have such high spending levels for

chnology.

nalysis could be expanded with other data illustrating the irrevocable need for a djustment in the US economy. The topic has touched off sharp debates in nd even President Bush had to break his key campaign promise to not raise taxes. that the US needs an adjustment even stricter than those imposed in Latin Furthermore, the distortions in the US economy have multiplier effects on world markets, interest rates and stock market fluctuations and speculation. The in- institutions established to guarantee world financial stability, however, are deal with one of the most fundamental distortions of the modern economy.

Latin America, having a neighbor and key market in a structural recession and with as great as those outlined above means having a permanently destabilizing factor n economies. The Bush plan cannot be analyzed independent of the US economy's a readjustment and the urgency of increasing US geo-economic competitiveness vis- megamarkets of Europe and Japan.

ose Latin Americans who believe that the Bush plan could serve as an element of and stability, much like the motor force of growth that the US economy was in the hen the US was the world leader in technology, investment and productivity, need to their relation with the US in this new context. The US military monopoly, coupled he multipolar economic situation, does not lead to stability. As Professor Paul Kennedy ns, empires in decline tend to be more militarily aggressive to compensate for their mic weakness.

hree alternatives can be posed to the Bush Plan:

egotiate better terms with the US to overcome the lack of reciprocity and the asym- that the SELA analysis so clearly shows. This position assumes as given that the Bush Initiative is the only way out of Latin America's economic crisis.

trengthen the mechanisms of subregional integration in Latin America, integrating the ent through subregional common markets (Merco-Sur, Andean Pact, Central ica-Caribbean, with a special relation with Mexico, Colombia and Venezuela). This ation would permit the complementarity necessary to deal with the US and Canadian kets. This second alternative hopes to obtain more positive results for Latin America the Initiative by diversifying its linkage to the United States through its own ration and by opening new relations with Europe and the Pacific nations.

ut forth an alternative vision and proposal for Latin American society. The thrust of proposal would be to resolve the causes of the economic crisis and respond to the mulated demands of emerging civil society. It would seek to create the material base maintaining and deepening participatory democracy. This alternative springs from a

vision of society that has been called " the logic of the majority" and aims to overcome the historic exploitation of work, nature and sovereignty. The crisis of civilization dehumanizes both victors and vanquished in the market and thus calls for a reconstitution of equity and symmetry, both necessary to an authentically free market.

This alternative offers a medium- to long-term solution that reinforces the Latin American vision of the second proposal. For the 1990s the most viable route is to advance and deepen Latin American integration and diversification in a context of reciprocity and symmetry. Bold pragmatism, however, requires having a vision of a society that goes beyond strict market mechanisms. The Latin American agenda must not reduce itself to the agenda of the Bush plan.

This third alternative implies some strategic priorities:

(1) Develop a strategy of survival and appropriate technology based on the accumulated experience of the popular Latin American economies in which the majority of the population is barely surviving.

(2) Make significant investments in human capital, converting the poor into productive agents so that they can overcome their poverty. In classical terms this would be what Adam Smith called the wealth of the nations.

(3) Recognize local production as the economic arena of the great majority of Latin Americans, which should be integrated into the internal market and expanded to subregional projects in order to guarantee food self-sufficiency and competitive exports for the popular sectors.

(4) Selectively connect with the international market, rather than provide an absolute opening. This is important until such time as conditions of greater symmetry and competitiveness can be achieved.

(5) Design special policies for the informal sector, both urban and peasant, that would allow for the creation of an internal market with enough demand to stimulate both agro-industrialization and manufacturing. Without the incorporation of the informal sectors. national industry will be elitist and totally dependent on its transnational counterpart. This requires regionalizing this proposal throughout Latin America.

(6) Make the state - that ambiguous, yet initially essential, entiry - increasingly unnecessary as the transition to civil society is effected. State power should be decentralized to civil institutions. Use the state to create the social framework that would strengthen the growth of popular organizations and increase their negotiating capacity at both the regional and international levels.

(7) Transnationalize the labor, technology, and financial institutions of popular organizations, as required by the transnationalization of capital in the world market. The trans-

on of these experiences is aimed at democratizing the market at a national, can and international level.

opular alternative starts from the premise that a monopolistic market produces an l " economic Darwinism" in which state equilibrium disappers, given that the gressively substitutes for the state and the weakest are absorbed by capital on.

cratize the international institutions, in particular the IMF, the World Bank and This democratization is key to establishing equity in international relations. United Nations, these institutions emerged during the Cold War, and respond to the of the North. The international network of non-governmental organizations (NGOs) y an important role in opening a space for representation of the South.

analysis of the Mexican and Canadian experiences could be very instructive for he atin America. Initial evaluations indicate that the " fast track" - rapid nego- - is not permitting Mexico to negotiate in equitable, reciprocal or symmetrical ns. Moreovoer, Mexico's free trade agreement is essentially an agreement of free ent with full supranational guarantees. In other words, trade is not subject to any anges that could take place in Mexico in the future. This avoids controls in both and Mexico, while the cheap and abundant Mexican labor force reduces the negotiat- acity of its US counterpart.

he social pact that permitted political stability in Mexico after its revolution has roken with the latest electoral fraud that brought Salinas de Gortari to power. His s have meant a drastic reduction in salaries - from 40% of the GDP in 1976 to 23% 90. Superexploitation of labor, natural resources and sovereignty, all in the context so-called free market, could soon be the rule throughout the continent if the balance sed in the second and third alternatives is not achieved.

VI. THE REVOLUTION OF CIVIL SOCIETY

Columbus did not even know where he was when he " discovered" Latin America. s initial misunderstanding persists 500 years later. The " lost decade" conceals Latin erican reality, rather than allowing for its discovery.

The ungovernability that will likely continue to characterize the 1990s implies the k of a material base for the emergence of civil society through the innumerable organi- tional forms of the masses and the emergence of new historical subjects. We will try to nthesize some dominant characteristics of this new civil society whose explosion is hidden

by the economic realities of the " lost decade" and the cynical proclamation of the " end of history."

The majority of Latin American societies are qualitatively different in the 1990s. They have overcome the old oligarchic, dictatorial and military models. A broad demilitarization process is underway, even in areas of great conflict such as Central America. In most of Latin America, the military is being progressively submitted to civil society. In the face of pressures from civil society, authoritarian governments and military dictatorships have opened up to electoral processes and democracies, although these are still supervised and restricted.

Nevertheless, stagnation and submissive, asymmetrical and dependent transnationalized insertion in the world market are the 1990's key and ambiguous legacy. The harvest of the 1980s also clear up any ambiguity about foreign cooperation and the international market as motors of growth and development.

In very telegraphic fashion, we describe below some elements evolving in civil society. This takes us into the realm of hypotheses and suggestions, some provocative, which call for creativity and political honesty. The proposals are painful, because otherwise there will be no solution to the dramatic crisis in these " times of cholera."

Fiscal crisis and state disintegration. The debt, adjustment plans and generalized economic recession have weakened, and in many countries (including Peru, Argentina, Haiti, and Panama) completely destroyed the state's regulatory capacity. In its role as economic promoter and regulator, the state has become a factor of economic deregulation. The indiscriminate opening to the international market has provoked what has been characterized as transnationalized, submissive and asymmetrical insertion.

Emergence of new popular movements. These are the product of increasing impoverishment, social polarization and the weakening of traditional political parties of both the right and left. The struggle for survival has spurred reorganization in both the informal sector and the peasantry. Neither the state nor the political parties offer channels of action for this emerging social phenomenon, since neither comprehend it theoretically or in practical terms.

The Lavalás movement that brought Jean-Bertrand Aristide to power in Haiti is quite possibly the best single symbol of the ability of these popular forces to organize a social avalanche that recreates its own leaders, makes new alliances and is able to defeat a dictatorship, initiating the reconstruction of the nation and the state itself.

The coming together of a new Latin American left. In many senses, this left is returning to the historic vision shared by Latin Americans from the late 19th and early 20th centuries, including Martí, Mariátegui, Haya de la Torre, Sandino, Zapata, Recabarren and

in the nationalization of theory. It also corresponds to what was being synthesized same era by Gramsci. Undoubtedly, this new left has been affected by both the crisis ialism in the East and the stagnation of the Latin American left. Again today, ide the confusion and initial loss of spirit, a strong and creative movement is ing the issues and demands in a new historic framework, making way for what has been " socialism of the majority," " creole socialism," and " third world socialism" – them part of a search for socialism within civil society. Lula's Workers' Party in and Cárdenas – more specially than his PRD itself – in Mexico reflect similar mics. Lula, Aristide and Cádenas symbolize this phenomenon, which also has unique ssions in Colombia's M–19 and Uruguay's United Front. The profound political ucturing of the FMLN and the FSLN in their revolutionary processes would seem to ate the existence of a conscious awareness of this phenomenon, which implies new rstanding of the tasks of the party in relation to civil society, the state and the d forces.

In the innumerable encounters that have taken place among these new emerging forces, are some fundamental points of agreement. This comon profile permits a clear insight the character of this new political leadership that is filling the void left by the tional and neo–traditional parties across the political spectrum.

The radicalizing nature of democracy as culture, method, style and political project. the first time, the left has taken up democracy as a banner of struggle interwoven with rest of its demands. The goal is to bring participatory democracy to all levels of ty, respecting the independence and autonomy of different movements and transforming top–down styles and ideological rigidity that characterized past actions.

A new political language. " Forbidden to forbid" was Lula's slogan at the PT Con– s. " A President in the opposition" was Aristide's pledge to the peasant movement. se are only a few indications of a new language accompanied by a new pedagogy that pects popular rhythms and consciousness.

There is a rejection of the left's political language, as there is of the oligarchic guage Vargas Llosa used in his campaign. Collor de Mello, Fujimori and Menem himself e tried to create a new language, ultimately failing since they did not also change the tent.

It is important to make reference here to the massive invasion of the fundamentalist ngelical movement in Latin America. The " sects" indicate the need to take stock of eration theology itself, along with the pedagogy and practice used in the Christian base mmunities in the face of these expressions of popular religiosity that have become capist movements and serve as a political base for the right wing. The advance of the

fundamentalist evangelical movement points to a serious weakness and even a certain failure on the part of liberation theology. It is clear that funding for these movements comes from the United States and that the CIA has politically infiltrated them. Nevertheless, popular religiosity, in which the culture and consciousness of the impoverished masses is primarily expressed, was never taken up adequately by liberation theology. Its theological discourse was excessively abstract, theoretical and politicized. In addition, it did not leave sufficient space for celebration, for joy, for letting go, for the spontaneous participation of a people exhausted by the struggle for survival.

New, not exclusively economic, demands. These demands seek a new project of society, new values and a new civilization. They come essentially from the new historical subjects – women, indigenous people, youth – as well as from growing awareness of the deepening ecological crisis. The topics of "gender" and "political machismo" open great potential for rectification, creativity and popular mobilization. The demands of women and of different ethnic groups, as well as those calling for environmental protection, are the most radical, alternative and international ones. The technological and neoliberal paradigm is weaponless against these demands, which have long been a challenge either rejected or given short shrift by the traditional left.

New concertación and new alliances. The change in the correlation of forces within each country, resulting from the prolongation and extent of the crisis, is leading to unprecedented rapprochements between some sectors of society. At the same time, society's most extreme and ideologized groups are being polarized. Concertación, which at first glance could be seen as a centrist position, a third way, is an ambiguous and fluctuating movement. It has components of exhaustion and confusion, as well as of aspirations and demands unsatisfied by politicians from either the right or the left. It is not a third way that denies the right and left; it is a search for consensus, for a common denominator that would permit a national project hegemonizd by the popular majorities.

The economic concertación taking place in most Latin American countries has pushed ideology and even medium-term political interests off to one side, seeking instead stability and security. "Politics is the art of the possible," declared one of the most lucid modern thinkers. Politics in the 1990s needs this art, so as not to renounce values and principles, but rather deepen and purify them, adapting them to new conditions.

Non-organized sectors. Setting up links with these groups is a priority task and one of the most difficult to achieve. The widening of the cultural and political gap between organized groups and the growing unorganized masses demands new styles and leadership. For many among the unorganized, political messages and politicians are increasingly seen as old and worn out. Ethical standards are determinant in the culture of the unorganized. It

a language with much to say to a culture threatened by desperation and with no hope for the future.

The crisis of management and the problem of efficiency. In the era of the technical revolution efficiency and management are two paradigms of today's world, but they have not been the most outstanding characteristics of the parties and groups with popular objectives. Reversing the lack of credibility in the left's efficiency and, on the other hand, the mythology of the private sector's efficiency is another of the challenges of this decade.

The crisis in management is also a crisis of the rhythm and speed with which new technologies are imposed. The changes produced by consumer society have put supply in direct communication with demand, at least in the manipulated imagination of media images.

It is also a crisis of the communication media. Brzezinski correctly declared that, in addition to military hegemony, the US hegemonizes the media, given that four of every five messages or images produced in the world are controlled by the United States.

At the same time, the revolution in management implies the deideologization of this science, generally seen as bourgeois. It must be appropriated as a contribution to the socialization of available resources. The efficient and complementary linking of the macro to micro is one of the greatest contributions of technical management and is an economic, political and even military necessity.

Negotiation and alliances as political forces. The end of the East–West conflict and the new "culture of peace and tolerance," after decades of polarized ideological alliances, turn negotiation and alliances into priority instruments, both for cooping the enemy and for achieving hegemony over the pluralism and diversity of civil society. The ideological alliance that divided the world into two poles has left a void in values for the creation of a new world order. A truly global world requires an alliance of common values able to link together 21st–century civilization. It is an alliance of common material interests in the face of shared threats (ecological crisis, security and disarmament, regional crises, etc.). Without this alliance, imposed political power will determine the future within the very same parameters that have brought us to civilizations's current crisis.

VII. POPULAR AGENDA FOR THE 1990s

The 1990s is a complex decade, ushered in with the Sandinista defeat, the growing disintegration of socialism in Eastern Europe, the division of the South exacerbated by the Gulf Crisis, and the current incongruence of the Movement of Nonaligned Nations. Pax Americana implies a defeat for the "wretched of the earth" and the formation of a new

trilateralism coordinated by the Group of Seven.

The United States has overcome " the Vietnam syndrome" with the Persian Gulf victory and consolidated the already strong coalition in US economic, political and ideological power circles. The alliance of the three big US lobbies – petroleum, military and pro-Israel – around the Gulf crisis exceeds in strength the alliance called the Committee of the Present Danger that brought the new right and Reagan to power. The ideological roots of the Truman Doctrine in the 1940s and the National Security Council's foreign policy formulated in the 1950s (known as NSC 68) have also been strengthened with the Gulf victory. There even talk of establishing a special alliance between the US and Japan, which Brzezinski refers to as " Ameripon."

At the same time, the international counterweights are disappearing – first of all in the East, but also in the nonaligned movement and the international organizations. The last is particularly true for the United Nations, which has been virtually paralyzed by the veto power wielded by the five big Cold War powers.

From the perspective of the southern countries, this avalanche is a threat comparable to 1930s fascism in Europe. Confronting it will require a broad alliance within each country as well as internationally, including with the new historical subjects of the North, who, though minorities, are increasingly conscious that this crisis of civilization affects both North and South.

What is still needed is a rethinking of the global theory of socialism or of non-capitalist alternatives. The longstanding debate about socialism in one country is again demonstrating that it cannot survive, something Lenin realized at the beginning of the century when socialism did not expand throughout Europe. The lack of a global project of change and of an accumulation of forces will make any alternative project in one single country impossible, or at least extraordinarily costly.

The transnationalization of labor and the south. International social subjects are sending out calls in different forms, in all parts of the world, through political, religious, union and NGO forums and, for the first time, they have begun to link up internationally. Examples include the Japan–Asian People's Plan 21, which brings together hundreds of Japanese and Pacific organizations; the Third World Network; and the Forum for People's Economics, which draws in numerous groups of researchers from the North and South and is working on economic alternatives to neoliberal economics.

The network of NGOs and the South, the political parties that have organized around a " socialism of the future" project, which includes, for the first time, diverse tendencies from the European left – Communists, Trotskyists, Socialists – the " casa comun of socialism," originated in a meeting between Mikhail Gorbachev, Willy Brandt and Ernest Mandel

ganized by the Polish philosopher Adam Schaft. This network is trying to put to one side e historical differences within the left and create an " ecumenical humanism." Although is project has not produced more than a few relatively small ideas with relation to the outh, the significance of these examples is the growing tendency toward this transnational- ation of non-capitalist alternatives whose dominant logic is that of the majorities.

Be that as it may, there is no room in this new single world for revolutions " against" ; here must be projects and proposals " for." Anti-imperialism and non-capitalism should e rethought within the sweeping global changes taking place and within, as well, a culture f peace and democracy, where any form of imperialism loses legitimacy and remains isolat- d as an " enemy of humanity." This demands a contextualization, which could well include road sectors of the North, around an international agenda for the 1990s that puts forth ommon and viable proposals. This requires beginning a country-by-country process of opular agendas in Latin America to find the cumulative synthesis and consensus in all forums dealing with the problem of the New Order.

In the meeting of Latin American political parties in Vienna, it was proposed that the July 1992 World Conference of the United Nations, scheduled for Brazil, as well as the UN Conference on Trade and Development (UNCTAD) meeting in Colombia in February of ext year, serve as the initial platforms for the launching of alternative global proposals n the part of numerous countries and innumerable popular organizations in all continents.

What is needed is an assertive and creative attitude, going beyond " protest without roposal" to instead present " the proposals with protest" that need to be put forth now.

To think and analyze in an alternative manner in these times causes anguish. Thinking annot be done painlessly. When thought processes are not painful, it is because there is a risis of ideas and, more importantly, of alternatives. We would otherwise be agreeing with ukuyama that politics can continue, but that ideological history has ended.

In this crisis of civilization, we urgently need this alternative vision or utopia with hich to confront technological totalitarianism, which permits no space for a future or opes that are not submitted to its parameters. The crisis of civilization is not a con- ept, but a reality that cries out for a new historic synthesis. It may seem romantic to hink that the opportunity exists to begin this process in 1992, 500 years after the eginning of universal history and of racial, cultural land historical syntheses in the estizo continent of Latin America. But, as Rubén Darío would say, " who exists who is not omantic?" The dialectic of feelings that envelop us at this turning point could be synthe- ized as " between hope and disaster." At another turning point, also historic, Pablo Neruda captured this same feeling perfectly when he said, " They can cut all the flowers, but they can't stop the spring."

A

THE GLOBALIZATION A NEW FORM OF COLONIALISM?

Perception, experiences, and the search for alternatives from the Caribbean and Latin American countries

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Paper presented to the International Consultation on "Colonialism to Globalization. Five Centuries after Vasco da Gama", New Delhi, 2-5, February 1998.

The Globalization a new form of Colonialism?

Perceptions, experiences, and the search for alternatives from the Caribbean and Latin America countries.

A. Introduction. In a short telegraphic form lets present a message about our hopes, values and commitments.
India, Latin America and the Caribbean (LAC) how far apart and yet how close in their own cultures, civilizations and values.

1. The necessity of a joint effort by our people, civil societies, and governments to overcome the currently crisis of civilization, and to come up with alternative proposals for the new millenium.

2. The conviction that there exist better alternatives than the current model that has been imposed on the countries of the South. What is lacking, however, is the political power and global institutions to implement these alternatives.

3. Experiences and suggestions from the "backyard", the small, poor, peripheral countries of Central America and the Caribbean during the historical regional crisis from the Cuban Resolution in 1959, through the Panama Canal crisis, the Sandinista Revolution, the Central American regional crisis, arriving at the new "Pax Americana" and induced globalization with the end of the cold war.

4. There are alternatives. However, the main potential of the dominant system is the capacity to distort blockade and destroy the new experiences proving in this way that there is no alternative development.

B. Globalization Distinguishing Marks

As we reach the end of the millenium we live in a change of epoch rather than in an epoch of changes. This change of epoch coincides with a profound crisis of civilization, marked by the concentration and centralization of economic, technological, political and military power which excludes the world's "majorities", and destroys the environment. At the same time endangering the future of coming generations...and the planet itself.

There exists today in this "global village" a society with two classes of citizens and two distinct speeds, which serve to reproduce conflict and an increasing inability to govern. In LAC there is a rapid formation on, the one hand a "Taiwanization" of modernizing and "globalizing" enclaves, and on the other hand a "Somalization" of groups increasingly marginalized or excluded from the market, made up of the great majorities of the region, especially indigenous people, "Campesinos" and Afro-Americans. In this process there exists a distinctive and strong discrimination against women. A "superfluous population has been created by the present globalization process.

This is an antagonic civilization structurally conflictive, confronting North against South, capital against labor, rich against poor, man against woman, white against person of color, the present against the future, economic growth against the environment, consumption against shared satisfaction of basic needs. This conflictive civilization is political un-governable, economically inefficient, and environmentally non sustainable.

What is needed is a change of course, changing the direction and the objectives of the globalization. Our generation is living the transition from an era dominated by geo-politics and the bi-polarity of the "Cold War", to the present era dominated by geo-economics and the triad structure of three mega-markets, advancing towards an era based on geo-cultural development in the next millenium.

C. The rising of a new, emerging global consensus

The frustration and increasing crisis of the Washington Consensus is leading to the growing consolidation of a sort of Copenhagen Consensus as regards the World Social Development Summit (WSDS).

The triumphalism and optimism of the West occasioned by the end of the Cold War is now crumbling. The Washington Consensus faced with a neoliberal program as part of a conservative revolution, administered by the corporate establishment, the Group of 7, and the Bretton Woods institutions, is rapidly losing force, although it continues to be the dominating model.

In LAC certain elements appear which allow for new forms of consensus, and new alternative forces and social spaces but these need to be seen and tested with their counterparts in India and other parts of Asia and the South:

- Crisis in academic thinking. Intellectual retreat of the "Chicago Boys". On the other hand, a profound crisis of theory in trying to confront this change of epoch.

- The beginning of a different "official consensus" in Copenhagen (rhetoric, and lack of will to implement it?) On the other hand the alternative declarations of politicians and academics from all over the world in the Oslo Fiord Declaration; in the South Declaration in Switzerland, in the Alliances for the Sustainable Development, in the Third World Forum etc. (Compare with the Alternative Forum in Asia.)

- The frustration and failure of neoliberal policies in Africa and LAC. Internal recognition of this fact by the International Financial Institutions (IFIs). The new wave of ethical protest against Neoliberalism by Theologians, and religious leaders of the world.

- Growing confrontations between the Bretton Woods institutions and the specialized organisms of the United Nations.

- Declaration by Candessus (IMF), J. Wolfenshon (WB), Enrique Iglesias (IDB). A new rhetoric? A new phase of structural adjustment, after the crisis of "models" like Mexico and the Asia miracle countries.

- The position of the wealthiest billionaires financiers and some political leaders (George Soros, Stephan Schmidkeiny, J. Goldsmith, Erick Sakakibara, Ul Kag, Pierre Shori, Mandela) calling for a change of course as to avoid an even greater social disintegration , environmental degradation, and the ever increasing crisis of governance.

D. Elements for the new consensus

- Overcome the growing contradiction between the spaces of freedom and democracy gained during the last decades, and the tendencies toward concentration and centralization of power. This contradiction is the basis for the increasing inability to govern.

- The search for an integral development centered in people and in preserving nature, No longer can we continue to give priority to growth without specific goals/purposes, such as the creation of employment, the elimination of poverty, the preservation of the environment, improving in the distribution of income.

- The search for ways in which the state, market and civil society can work together, looking out for the interest of future generations as well as those of the present. Overcoming the simplistic dogmatism of the proposals put forth by monetarists and neoliberals.

- The necessity to democratize the market through the free and fair participation of middle and small producers and traders, democratizing credit, technology, marketing and information.

- The urgency to democratize knowledge and technology, bringing about a profound educational reform with the integration of all levels of education around a social consensus for a new education.

- The necessity to democratize the state starting with municipal and local sources of power. Regaining local "spaces", local production, and political organization, and the creation of "global linkages" of these experiences.

- Re-discover the "missing link" between the micro and the macro, the local, national and global within a gloncal strategy (global-national-local).

- The necessity to democratize multilateral organizations, demanding their transparency, accountability , and an independent evaluation of the Bretton Woods institutions – after 50 years operating without such democratic condition.

- **Working Suppositions**

There is a needed vision of society that looks for the quality of life based on the satisfaction of basic needs of all, socio-political human rights and a development that can be sustained. The world today has the resources and technology to do this. We feel that in today's world there exists a majority consensus in favor of such a vision, but the political power and will is lacking to put the vision into practice.

It's also necessary to overcome the monopoly of "one and only one way of thinking" which doesn't allow for development alternatives. For this to happen the democratization of knowledge is called for, and the joining together of successful alternatives experiences in different parts of the world – as we are trying to do in this conference.

An ethical position that maintains the essential equality of all persons, encouraging cultural diversity as part of the common heritage of all.

A sense of interdependent solidarity in this global village of which for the first time in history, we are all citizens. We travel together in this "space ship" called earth where, in spite of class differences and differences in where we find ourselves, there is possible only one sure human landing that depends on this interdependent solidarity.

We propose the necessity to work and move towards a global social contract , a new global arrangement which must emerge from a coalitions of forces, organizations, and accumulative power in the South. Previous attempts of Non-Aligned countries, the Group of 70, and regional groups did not have the objective conditions created by the current globalization process.

- **Lived experiences in LAC**

In the actual neoliberal system there are five fundamental elements that cannot be included nor find an integral solution within: employment, the environment, culture, gender equality and the new generations (over 90% of today's birth are in the South). These five elements are the current system "Trojan horses" and the source of reflection and search for new alternatives.

The need for a new paradigm must came from an epistemological breakthrough induced from the perspective of women and new gender relations; from the perspective and logic of considering the environment as a key component of growth and development; from the perspective and logic of the different cultures

and their complementary diversity; from a job-creation perspective more than from a profit perspective; from the "new generation drama" struggling to find space, jobs and hope for the majorities who are condemned to exclusion, migration, delinquency, drug dealing and condemned to different sorts of religious or political fundamentalism even terrorism.

The "Achilles tendon" of our currently system is how to integrate into its structures and logic these "Trojan horses" without destabilizing the system. This problem is even more unmanageable if we take into account the many diverse cultures and the many distinct local forces and territorial spaces.
The "trickle down effect" , that starting with the macro and general economic growth, trickles down like a "cascade" and reaches all parts of the economy as a result of "blind" market forces and the "invisible hand" has not worked nor can it work, as a result of existing structures of power, class and castes, and cultural diversity.

"The trickling up effect" or ("volcano effect"), however, takes off from below, locally, and incorporates the five elements mentioned above at territorial and regional basis. These five elements operate at the local and cultural level , the only spaces in which they can be organized within a gloncal strategy which serves to harmonize and integrate their needs and demands.

Economic accumulation continues to take place because it is necessary for development, but it takes place in a system more participatory and democratic in it's organization production conforming the institutional set up for a human and sustainable development.

This distribution and democratization of power, which is the basis for a development that is both participative and sustainable, is more radical and long-lasting than the seizure of the State by revolutionary elite that has not learned to democratize power.

We feel that Globalization– from below – from within a diversity of cultures and open to the universality of other people offers a logic and dynamism that are more suitable, democratic and sustainable.

There are successful experiences of geo-cultural development which include and spring from the local culture, globalize from below without enclosing themselves in a form of local self-sufficiency and isolation, always seeking complementary advantage and diversity sharing with other people and cultures.

This "logic of the majorities" subordinates the logic of capital. It is not opposed to the accumulation of capital because every type of system needs this accumulation, be a system more or less socialistic or capitalistic. The market also is necessary as an instrument of efficiency; equally necessary are the planning and incentives of the State. The synergy of the State and the market within a strong and active civil society will determine democratically the character and extension of both.

The organization of civil society is therefore the determining element in this logic of the majorities and of this geo-cultural development. The deepening of participative democracy is the principal dynamic in this long alternative process.

The educational system which corresponds to this logic of geocultural development will therefore be the key factor of accumulation, participation and distribution. In our change of epoch intensity and quality of knowledge is more important than natural resources or even financial capital itself. The great battle today is and will continue to be to design the quality of an educational system that corresponds to this proposal for geo-cultural development. Education is today part of the problem more tan part of the solution.