## FACTA UNIVERSITATIS

Series: Philosophy, Sociology, Psychology and History Vol. 10, $\mathbf{N}^{\circ} 2$, 2011, pp. 131-140

# THE RICH AGAINST THE POOR: CAN GLOBAL INJUSTICE BE RECTIFIED 

UDC 316.32

Ivana Božić - Miljković<br>Faculty of Legal and Business Affairs "Dr Lazar Vrkatić" Novi Sad<br>E-mail: ibozic@useens.net


#### Abstract

It is a fact that none of the world orders throughout history have satisfied the necessary conditions for existence - to satisfy all the participating countries. Still, it seems that none of the world orders caused controversy and opposite opinions except globalization. Some consider globalization to be a new, contemporary phase of human society development while to others it represents nothing but a great myth. Some consider it to be an objective and spontaneous planetary process, others see it as the domination of developed countries, a process which brings with it a number of divisions and a deeper economic and social gap between parts of the world. For the winners of globalization, it represents the advancement of civilization and a source of the new boon for mankind, but for the losers it is nothing but a destructive power. Both parties are right: globalization provided a new quality dimension of development but at the same time the developing possibilities are not equally allocated and available to all.


Key words: globalization, rich, poor, integration, Washington Consensus.

## INTRODUCTION

In the early 1990 s, after the cold war ended, there was a need to redefine the existing system of international political and economic relations. It meant the acceleration of the degradation of national state sovereignty processes and the minimization of their individual political and economic actions for the purpose of creating a "world without borders". Globalization, as a new world order, significantly decreased the possibility for the quality economic development of national states outside the institutions of the system and redefined the existing relations of power in the world economy and society. The cold war ended, but the block division into the developed west, the transitional east and the third world countries is still current. Such a division in the context of the XXI century means a great gap between the rich and poor which dictates the new pattern of force relations based on the mighty ruling law. A disconcerting fact, despite the huge advance in the
world economy, today, is that about $80 \%$ of the world population lives in poor countries. It is also disconcerting that the developing countries are a very important source of raw materials and primary products without having control over the exploitation of these raw materials nor participating in their pricing on the world market. The economies of developed countries have the right to access the resources of poor countries. The position of superpowers in the new force relations in the world allows them the application of different limiting development possibilities measures for poor countries. These measures are often conducted for the "general interest". The most popular measure is the demand of the economies of stronger countries to close their own markets for the products imported from developing countries, at the same time stipulating that the poor countries have to be completely open for the import of goods from highly developed countries. Thus developing countries are not in a position to take measures for providing a more equal status on the global market. Their future economy and political activities are often monitored and controlled by developed countries and are mostly conditioned by the credit policy of the IMF or the activities of the WTO. Considering that great number of developing countries are in "debt bondage" and in absolute economy, where there is technical and technological dependence on the developed part of the world there is no basis for planning activities which would decrease the gap between the rich and poor.

## 1. Globalization - Benefit for the Rich

Despite the fact that it has enjoyed greater interest world-wide, globalization is not a new phenomenon. The first wave of the globalization process started in the second half of the nineteenth century up to the beginning of the twentieth century, more precisely until the beginning of the First World War. The Renaissance of the globalization process started immediately after the Second World War, and in the eighties, at the initiative and leadership of the most developed world countries, the globalization process had great success and achieved an intensity of development which is still present. In the beginning, globalization was envisaged to be the unification of forces, a process that would eliminate the boundaries between the poor and rich parts of the world, reconcile cultural, religious, and social differences and create a new world which shall suit to everyone. Thus globalization was supposed to mean integration and unity, and yet the experience shows that it is nothing less polarizing than the cold war divisions which it replaced. The present level of globalization process development is based on two controversial processes, that is, the action of two completely different forces. The activities of these forces are explained by the answers to the following questions: whether the mission and the task of great and powerful companies is to connect the planet into a dynamic new world which will help the poor to rise from poverty; and whether ordinary people are, in the global system, only victims of merciless corporal domination of huge companies, rolling over poor from country to country searching for the new profit ${ }^{1}$. Depending on whether the answer comes from the representatives of the countries in favor of the globalization process or

[^0]from representatives of the countries which may be called losers of the globalization process, it may be different.

Statistical data and studies carried out by the UNPD, indubitably show that globalization in an economic sense contributed to the deepening of the gap between the rich and poor. This is present both between developed and undeveloped countries and also within certain social classes in some countries and regions, including the richest parts of the world ${ }^{2}$. Globalization as a process was taking root and its development was getting faster, revealing the controversy that it brings more and more intensely. At the end of the 1990s, 200 of the richest people in the world achieved, only in a few years, to double the value of their property. What is disconcerting is the statistics that, at the turn of the century, the property of the three richest people exceeded the GNP of the 48 poorest world countries with over 600 million inhabitants. One percent of the most powerful people on the planet had a revenue higher than $57 \%$ of the poorest ${ }^{3}$. Also, during the last decade of the XX century, $20 \%$ of the world population with the highest income accomplished $82 \%$ of the world export, $68 \%$ of foreign direct investments and $93 \%$ of the internet connection. On the other hand, during the same period, 1,2 billion people lived in extreme poverty ${ }^{4}$.

The trend of the economic polarization of the world continued into the XXI century despite the clear facts that the envisaged globalization process was in favor of the already developed countries' development and the enrichment of already rich parts of the world, whereas the poor are not given a chance to improve the quality of their economies and the living standard of their population. Regardless of the consequences of the world economy crisis which started in 2008, in the American market and spread over the whole world, the USA survived and remained the center of the globalization process, creating and leading it. And not only this, the consequences of the crisis which included the decrease of GNP, the increase of unemployment, the decrease of production and export activities, did not influence the decrease in the population of the USA whose revenue exceeds several dozens of million dollars ${ }^{5}$.

[^1]According to the Consulting House Merrill Lynch, the millionaire club in the world is increasing, and its members are getting richer. In 2010, 10,1 million of millionaires were registered in the world or $6 \%$ more than in $2009 .{ }^{6}$ Doubtlessly, the crises made the rich richer. The greatest absolute and relative increase in wealth is in North America and Asia, followed by Latin America. Europe, in 2009, defended the title of the richest world region with 37,1 trillion dollars, that is the third of the total world wealth ${ }^{7}$. In the same year, besides the USA and Europe, a significant increase in the number of millionaires was in three countries, members of BRIKS: India, China and Brazil ${ }^{8}$. The achieved growth rates are: in India $22,7 \%$, China $20,3 \%$ and Brazil $19,1 \%{ }^{9}$. It is predicted that by 2014 number of millionaires and their revenues will have grown about $6 \%$ annually. Also, in terms of the rapid growth trends of China, India and Brazil it is expected that in the future the Asia-Pacific region will have a much larger part of the world wealth than today.

## 2. Poverty as the Reverse Side of Globalization

Until recently, the term "poverty" was used in the sense of insufficient revenues for the purchase of the minimal goods and services basket. Today, in the sense of globalization, the term poverty is treated as multi dimensional phenomenon which, besides insufficient income for the satisfaction of living needs, also comprises the inability to offer employment, inadequate housing conditions and inadequate approach to social protection, health, education and utilities ${ }^{10}$. The other poverty key aspects include the inability to exercise one's right to a healthy environment and natural wealth, first of all clean water and air. Pursuant to the definition of the World Bank, the line of poverty is defined by the average amount of money that one household has per a day ${ }^{11}$. According to the categorization of poor countries issued in 2001 by the United Nations, the line of poverty is defined by annual income per capita not exceeding $905 \$$ and high infant mortality, a lack of food and education ${ }^{12}$.

Patrick Ducasse, Carol Liao (2011), Navigating the New Consumer realities: Consumer Sentiment 2011, page 11, http://www.bcg.com/expertise_impact/PublicationDetails.aspx?id=tcm:12-79400\&mid=tcm:12-7939
${ }^{6}$ Source: Internet: http://www.ml.com/index.asp?id=7695_15125_17454
${ }^{7}$ Source: internet: the same
${ }^{8}$ BRIK is the common economy area formed by Brazil, Russia, India and China. This group of countries produced over half of the GNP computing according to the parity principle of purchase power. It is predicted that these four countries until 2050 will be richer than most of today leading economy powers. For more details see: Adamovic, Svetlana (2009) Economy globalization and crises, in: Yearbook of the Faculty for Political Science, Belgrade, pgs.355-366; This year, South Africa joined BRIK, thus new (BRIKS) group of these countries develop interactive economy and other forms of cooperation and try to change the actual state in the world economy where the USA has the dominating role.
${ }^{9}$ Source: Internet: http://www.biznisnovine.com/cms/item/stories/sr.html?view=story\&id=13588
${ }^{10}$ Michel Chossudovsky (2010), The Globalization of Poverty and the New World Order, Artist, Belgrade, pp. 56
${ }^{11}$ According to that definition, the poor are those families who live with less than $2 \$$ a day, while consumption of $1,25 \$$ a day is considered to be the extreme poverty. Source: The World Bank (2001), World Bank Special Focus: Poverty Reduction and International Development Goals, 27.03.2001. pp.1-9 Internet: http://www.worldbank.org/reference/
${ }^{12}$ According to this categorization, of 48 the poorest countries, 33 are from Africa, 14 from Asia, and on the list is also Haiti located in Middle America. In the previous 10 years, as long as this categorization exists, Botswana, Cape Verde and Maldives improved enough to be take off the list of the poorest countries. United Nations, Percent of Population Living Below Poverty Line,
Internet: http://www.un.org/esa/sustdev/natlinfo/indicators/isdms2001/isd-ms2001socialA.htm, accessed 11/04/2011

It is an indisputable fact that the main controversy of the globalization process is the increase in the number of poor people on the planet. There is the question if the globalization process itself is the cause of the poverty increase or the poverty increases because of the resistance to globalization? Proponents of globalization think that by encouraging the world economy growth, globalization reduces poverty. The opponents of globalization, ironically perceive that "the rich will evolve into a separate kind" and point to the fact that the reduction in poverty in the world is very low in comparison to accomplished rates of world economy growth and that with concrete activities a lot may be done.

WORLD POVERTY MAP 2010

http://labs.harvestchoice.org/2010/08/poverty-maps/
The data illustrate the real picture of extreme poverty in the world. According to the population living below the limit of extreme poverty, first place goes to the countries of Sub-Saharan Africa, where the inhabitants are faced every day with a lack of food, drinking water, elemental hygiene conditions, with the problem of HIV and malaria spreading and with a great rate of new born and child mortality. Permanent health and social education of the population and creation of the basic vital ambiance in that part of the world is condition sine qua non for its further development. Besides Africa, the inhabitants of Southeast Asia (Laos, Cambodia, Myanmar, Vietnam, Indonesia, Malaysia, New Guinea) and South America (Chile) are faced with the problem of extreme poverty. A moderate form of extreme poverty is present throughout the world: in Middle and South America, Southeast Europe, Asia and North Africa. In these regions, the number of people who live with $1,25 \$$ a day does not exceed $50 \%$, which are not encouraging statistics, but the alarming fact that calls to focusing our forces to reduce this number in the future. Irrespective of whether it seems that poverty is the state "reserved" only for developing countries, in reality it is not so. The problem of poverty is present in developed countries with the difference in parameters which exceed the defined international standard of consumption of $1,25 \$$ a day ${ }^{13}$ that are used for ranking such categories of the population.

[^2]The results of the research of the relation between globalization and poverty unequivocally shows that globalization brings benefits to the majority of the population, but harms the most endangered population, i.e. to the poorest part of the population. ${ }^{14}$ The globalization architects are right when say that the international economic integration is the essential process that helps the poor to overcome the developing problems with mutual forces and with the help of developed countries. Special expectations lie in international trade integration. In these integrations, the developing countries are subordinate parties and, are often forced to perform some activities harmful for them for the higher objectives of the powerful states that are leaders in integration. ${ }^{15}$ In the long term none of the countries developed without trade. From the middle of the seventies up to now, Japan Korea, Taiwan, China and their neighbors pulled out 300 million people from poverty with trade. However, anti globalists are also right: none of the countries had long term development according to the rules which are imposed on countries of the third world by the institutions which control and direct the globalization process. ${ }^{16}$ For example: USA, Germany, France and Japan have become rich using protectionism. East Asia built its export industry by protecting its market and banks from competition and by demanding from foreign buyers to purchase local products and train the local workers to perform certain jobs. If any of the countries try to develop in accordance to this recipe, it will be discouraged and the model of development based on the Washington Consensus will be imposed. ${ }^{17}$
crisis, only in a year, from 2008 and 2009, in there were 3,7 million people in the poverty category, which is a direct result of the high rate of unemployment (between 9 and $10 \%$ ) which resists despite the stimulus and other measures to change it. The official measure for poverty is the income below the $1.830 \$$ a month for the fourmember family, i.e. $930 \$$ a person. In reality, these poor people may have big houses and two cars but without cash for everyday life. Up to now, the greatest number are black people and Latino Americans - more than $25 \%$. Daily paper "Politika, Politika newspapers and magazine, Belgrade, 18.09.2010, pp. 12
${ }^{4}$ Mattias Lundberg and Lyn Squire, 2003, The Simultaneous Evolution of Growth and Inequality, Economic Journal, Royal Economic Society, vol. 113, pages 326-344.
${ }^{15}$ Before Mexico joined the NAFTA Agreement, corn was planted on $60 \%$ of the land. Corn originates from Mexico and is still its symbol and everyday source of bread of most Mexicans. However, the NAFTA program made Mexico (was forced - author's note) to open its market for subsidized American corn and that policy broke the small corn breeders. Under the NAFTA Agreement provisions, Mexican corn had to compete with the American corn, grown by the most modern methods and subsidized for export upon $20 \%$ lower price that the production price. Subsidized American corn now makes almost half of the world corn offer. American corn producers are in the situation to dictate the world price which is so low that Mexican small farmers cannot live from selling corn. Liberal trade, that is, forcing Mexico to open its market for the American corn import led to the paradox: Mexico, rich with corn, spends foreign exchange for import of American corn. Instead, money may be spent on providing farmers with modern irrigation systems, technical support and loans. Source: Tina Rosenberg: "The Free Trade Fix", The New York Times Magazine, 18. August 2002., Internet: http://www.nytimes.com/2002/08/18/magazine/18GLOBAL.html
${ }^{16}$ In the interview, Benjamin Mapa, the President of Tanzania from 1995 - who closely cooperated with the World bank and IMF - was asked the following question: What is his opinion about the argument that the global capitalism will finally expand and be useful to all, rise standard throughout the world? He answered: No, because the way it develops, it gives the possibilities to developed countries to have easier access to the resources of developing countries ...We are not asked about the conditions for exploitation of these resources. For example, the next step we are talking about within the WTO is the opening of our market for industrialization by big multinational companies, so they can perform industrialization here, but without limits of the conditions under which these resources are used. They may without limits open new factories without having any liabilities for the country whose resources they use. They actually want the work force and not market for themselves. This is how we see the development of globalization." The interview was published March 17, 2001. See: Adamovic Svetlana (prepared), (2008) Economic Dialogues, Official Gazette, Belgrade, pp. 82
${ }^{17}$ The Washington Consensus is the set of measures and suggestions of the institutions located in Washington

## 3. Is Integration the Solution to the Problem

The integration of developed and developing countries is, doubtlessly one of the imperatives for the globalization process development. However, the present concept of integration deviates from the primary humane mission whose aim it was to help less developed countries to reduce poverty and gradually reduce developing disproportions. It may be said that the basis of the actual global integration of the countries is the "law of the mighty" and that less developed countries are in a subordinate situation, often dependent on the decisions and activities of developed neighbors. For example, in the relations between industrially developed countries and developing countries, with the help of international organizations, developing countries are forced to totally liberalize their goods and services export from the developed parts of the world, at the same time being prevented from launching their products on the market. Such a system creates the inequality which causes poverty and misery in the great part of the world. The opening of the market, removal of customs and trade liberalization are good only for big and rich markets, states and regions. Namely, very hypocritically, the western countries persuaded and admonished that only the liberalization process of foreign trade which includes abolition of customs duties and barriers for goods import and export is the "right way" for achieving global good. ${ }^{18}$ The source of this hypocrisy lies in the fact that those loud speakers of liberalization acted to the contrary, and strong barriers stopped the penetration of agricultural and other goods from undeveloped countries on their markets. The USA was the leader which, at the same time was an ardent supporter of free foreign trade exchange. It seems that the USA has forgotten that it developed its economy greatly thanks to jealously keeping its economy resources from the conditions of more developed and often ruthless competition, and protecting them as long as it is sure that in the developed world market they will not become food for "big fish". ${ }^{19}$

The increase in integration, as one of the basic factors of globalization, brings very little benefit to workers - those who immediately and importantly contribute the creation of wealth. Their position is especially unfavorable in third world countries, poor countries and export production zones no matter where they are. ${ }^{20}$ The work day often extends the law regulated eight hours, fees are insufficient for living, the work process does not re-

[^3]quire special skill, and often a great number of workers are children - which are thus denied the right to education. In the effort to attract foreign capital, the developing countries additionally reduce the protected lowest fee, working standards of protection at work and introduce tax cuts for the investors. All these things hinder the economic and social rights of the employed and those looking for a job. Such a policy is in favor of big capital which easily, in these situations, finds cheap laborers, reduces expenses and increases profit. On the other hand, poverty among employed is on the increase, and from this core the trend spreads onto the whole state.

In the long run, globalization, in the way it has been developed and conducted, may destroy itself by production and the deepening of economic and social inequality in the world and be the source of permanent conflict. The solution must be sought in the direction of more equal division of its benefits on different regions in the world, between different classes of the population, between countries (with differently developed economic systems and with different economy potentials) etc. Here the international organizations (global and regional) have an irreplaceable role in lessening the negative consequences of the globalization process. It can be achieved by an appropriate system of measures and activities by which the less developed countries in the region may use their resources and develop their economies, which includes easier access to the global market, investments and technology. The economy status of the individuals and social groups which are endangered seriously by globalization may be changed in this situation, that is, brought to the level on which they can with their own work provide a favorable economic status and a more secure social future.

The special problem of developing countries is the extent of external debt. Natural resources are exhausted for loan repayment, instead for the development of their own economy. Allocations of the countries from Sub-Sahara Africa for the loan repayment to the developed countries are much higher than the funds these countries, as members of different integrations, receive as help. The stabilization programs impact the poorest classes the most of the population. ${ }^{21}$ In these situations there is often social unrest which causes the people suffering, destruction and greater misery.

## Conclusion

In order to solve the problem of poverty increase and the creation of a greater gap between the rich and poor parts of the world and population classes, the need for making a new international economy order is imposed, which would be founded on the new international division of work, development stimulation of the underdeveloped, the removal of barriers for the access of developing countries to the world market, etc. This imposes a change in the existing economic situation and the creation of world unity on a new, more harmonious basis.

The provision of the new economic unity of the world demands, first of all, the rapid industrial development of developing countries and adjustment to the new work division

[^4]of the economic structures of developed and developing countries. This means the creation of such conditions in the world economy and on the world market where the countries will not necessarily base their developments on the recommendations of the Washington Consensus, but will be able to choose their own way of economic development which is most suitable for their economic possibilities and wider social needs. In this context, they should be given the possibility to use available developing potentials and with their products equally participate on the global market. So, a system should be created which will allow and support the industrial development of developing countries and on this basis their economy development will be increased. The consequence of economic development is the increase in the living standards and the spending power of the population which further leads to a number of positive effects on the social development of individuals and the community. Such changes, in the long run, lead to a reduction in poverty and necessarily rearrange the relation of forces in the globalization process.

## References

1. Adamovic Svetlana (prepared), (2008) Economic Dialogues, Official Gazette, Belgrade, pp. 82
2. Adamović, Svetlana (2009) Economy Globalization and Crises, in: Yearbook of the Faculty for Political Science, Belgrade, pgs.355-366;
3. Catherine Roche, Patrick Ducasse, Carol Liao (2011), Navigating the New Consumer realities: Consumer Sentiment, The Boston Consulting Group, 2011
4. Krugman, Paul and Obstfeld Maurice (2009) International Economics, the eight edition, Data Status, Belgrade
5. Lukić Đorđe (1999), Globalization and the Developing Countries, Belgrade
6. Mattias Lundberg and Lyn Squire, 2003, The Simultaneous Evolution of Growth and Inequality, Economic Journal, Royal Economic Society, vol. 113, pages 326-344.
7. Michel Chossudovsky (2010), The Globalization of Poverty and the New World Order, Artist, Belgrade
8. Stiglitz E. Joseph (2002), Contradictions of globalization, translation in English, SBM-x, Belgrade, pgs 20-22
9. Tina Rosenberg: "The Free Trade Fix", The New York Times Magazine, 18. August 2002.
10. The daily newspaper "Politika" from July the 6th 2009, and from September the 18th 2010, Politika Newspapers and Magazine, Belgrade
11. The New York Times from the August 18th 2002, and November the 26th 2007, New York
12. UNDP, Human Development Report, for various years, Internet: http://hdr.undp.org/en/reports/ available 02/06/2011
13. United Nations, Percent of Population Living Below Poverty Line, Internet: http://www.un.org/esa/sustdev/natlinfo/indicators/isdms2001/isd-ms2001 socialA.htm, available 11/04/2011
14. The World Bank (2001), World Bank Special Focus: Poverty Reduction and International Development Goals, 27.03.2001. pp.1-9 Internet: http://www.worldbank.org/reference/
15. http://www.biznisnovine.com/
16. http://www.ekonomist.rs/teme/index.html
17. http://labs.harvestchoice.org/2010/08/povertymaps
18. http://www.theglobalfund.org/en/hivaids/background/.

# BOGATI PROTIV SIROMAŠNIH: DA LI SE GLOBALNA NEPRAVDA MOŽE ISPRAVITI <br> <br> Ivana Božić - Miljković 

 <br> <br> Ivana Božić - Miljković}

Činjenica je da nijedan svetski poredak kroz istoriju nije zadovoljio potrebne uslove za postojanje - da zadovolji sve države koje obuhvata. Ipak, čini se da nijedan svetski pored nije izazvao kontroverzu i oprečna mišljenja sem globalizacije. Neki globalizaciju smatraju novom, savremenom fazom razvoja ljudskog društva dok za druge ona predstavlja samo jedan veliki mit. Neki smatraju da je ona objektivan i spontani planetarni process, drugi je vide kao dominaciju razvijenih država, process koji sa sobom nosi brojne podele i dublji ekonomski i društveni jaz među delovima sveta. Za pobednike globalizacije, ona predstavlja napredak civilizacije i izvor novih dobilit za čovečanstvo, ali za gubitnike ona je destruktivna sila. Obe strane su u pravu: globalizacija pruža novu dimenziju razvoja ali u isto vreme mogućnosti koje se razvijaju nisu podjednako podljene niti dostupne svima.

Ključne reči: globalizacija, bogati, siromašni, integraciju, Vašingtonski konsenzus.


[^0]:    ${ }^{1}$ Tina Rosenberg: "The Free Trade Fix", The New York Times Magazine, August 18, 2002, internet:
    http://www.nytimes.com/2002/08/18/magazine/18GLOBAL.html

[^1]:    ${ }^{2}$ According to the data that describe the period from XIX until the end of XX century, the scope in revenue between the fifth of the world population from the top and the fifth from the bottom was $3: 1$ in 1820, 11:1 in 1913, 30:1 in 1960, 60:1 in 1990 and 74:1 in 1999. More precise statistics referring to the period of the second half of the XX century reveals the fact that from 1979 to 1997 the revenue of the $60 \%$ of the world population was significantly decreased, $20 \%$ from the top had enormously increased income. Sixty-eight belonged to this group of the richest in $1999-86 \%$ of the world gross national product, goods and services export and foreign direct investments, whereas the fifth from the bottom accomplished only $1 \%$. This year, the index of human development applied in the UNPD Human Development Report for the first time decreased in 30 countries of the world which illustrates the tendency of the increase of absolute poverty. Source: UNDP, Human Development report for different years, Internet: http://hdr.undp.org/en/reports/ available 02/06/2011.
    ${ }^{3}$ Lukić Djordje (1999), Globalization and the Developing Countries, Belgrade
    ${ }^{4}$ Source: http://www.ekonomist.rs/teme/index.html
    ${ }^{5}$ The statistics analysis in the post crisis period shows that in 2009 , the households living in absolute luxury increased. Their total number is 11,2 million which is even $14 \%$ more than in 2008. The greatest number live in the USA ( 4,7 million ), then Japan ( 1,2 million), China ( 670.000 ), Great Britain ( 485.000 ) and Germany (430.000). In Singapore, the households with million property increased even for $35 \%$, then come Malaysia, Slovakia and China. According to population density the greatest number of millionaires live in Singapore, Hong Kong, Switzerland, Kuwait, Qatar, United Arab Emirates. In this category on the seventh place, despite the size of the territory, there is the USA pointing to the real consequences of the economy crisis which obviously did not have a significant impact the rich. Source: The Boston Consulting Group, Catherine Roche,

[^2]:    ${ }^{13}$ The latest statistics of the US Census Bureau says that in 2009, up to 43,6 million people of working age lived below the official "line of poverty", or $14,3 \%$ of the population. Because of the consequences of the economic

[^3]:    with the aim of helping the countries in transition to quickly overcome that process and take part in the market economy. The main disadvantage of the Washington Consensus is that it ignores the social and political effects of individual institutional arrangements as well as the inter dependence of the economy and political sphere.
    ${ }^{18}$ Stiglitz E. Joseph (2002). Contradictions of globalization, translation in English, SBM-x, Belgrade, pgs 20-22
    19 "The crisis showed that the world economy is integrated globally, and that most important decisions are made, on the national plan instead of the global one. Each country looks for its own interest. Everyone wants to achieve maximal gain for themselves from the incentives leading to protectionism. This destroys international norms. That is why one of our most important conclusions is the necessity for coordination and international regulation.", Stiglitz E. Joseph, interview for the daily newspaper Politika, column World, pp3, July 6, 2009.
    ${ }^{20}$ The tank with molten metal often sparked. In one moment a part of the worker' clothes caught fire, precisely, the skirt like a cloth that usually covers the lower part of man's body in India. He quickly, without thinking extinguished the flame by rubbing it with the other part of the cloth which was alight, and went on with the metal to the nearest mould... The workers were very badly paid for taking such a risk.... The foundry workers in India are paid only a few dollars a day, but foundry workers in USA earn about 255 a day." The New York Times (2007), article: Lids for shafts in New York make the barefoot in India", 26.11. 2007, according to: Krugman, Paul and Obstfeld Maurice (2009) International Economy, the eight edition, data Status, Belgrade, pp. 279

[^4]:    ${ }^{21} 32$ million HIV positive people in the developing countries are not in a position to have treatment because the medications cost between five and fifty average incomes per annum in these countries. Internet: http://www.theglobalfund.org/en/hivaids/background/

