Adopted as a resolution in a Conference of the Nature-Human Centric Peoples Movement at Jaipur on 25-27 November 2005

State Of Inequality In The Free And Open Corporate Capitalist Society

Demonstrates Increasing Gap Between Rich And Poor, Exposes Its Slogan Of Justice And Equity And Shows Its Inhuman Face

Corporate Capitalists and their hangers on go on constantly chattering that they had established the most just and equitable society on this earth, unheard of in the past and a model for the future. But over 200-year historical experience and social practice of this society proves that this has been the most unjust and inequitable social formation with a monstrous face in human society.

A). Rich Getting Richer, Poor Becoming Poorer

The September 2005 issue of world famous corporate magazine *Forbes* (which every year publishes a list of top 500 richest persons in the world) has said that for the third year in succession, the rich got richer and the collective net worth of the 400 wealthiest persons has risen by $125 billion, totaling $1.13 trillions (it may be interesting to mention here that the annual income of the entire world people comprising above 6.5 billion, was $37 trillion last year).

This year again Bill Gates leads the pack of richest persons in the US for the 11th year in running with a total worth of $51 billion.

By some accounts, the Walton family is considered the richest in the world. About five members of this family are worth $20 billion each, making up a total of $1 trillion.

It is worth remembering here that over one billion poorest people, living below the poverty line, do not have a combined income of even one-third the amount owned by the world's top 500 richest persons.

The 2004-world wealth report complied by Merill Lynch Co and Consultancy and Capgemini group said, the US and Canada last year added more millionaires than Europe, Asia, Latin America and the West Asia together.

A total of 2.27 billion people are "high net worth" individuals in the US, defined as having one million dollar or more. US and Canadian millionaires held 8.5 trillion dollars in 2002.

In Europe, a total of 2.6 million people were millionaires, a rise of 2.4 percent, holding assets of 8.7 billion dollars.

Asia added 2 million millionaires, a rise of 8.4 percent. In Latin America, a rise of 1.3 percent meant 3,00,000 people belonged to the rich club, while in West Asia 2,00,000 people were considered high net worth.

Africa, having a total population of 60 crore, had 1,00,000 millionaires up 14.9 percent.

In India, it has reported that the number of high net worth individuals with financial assets of over $1 million has gone up considerably. It has further reported an increase of 22 percent in the wealth of these persons to $267 billion this year. It has estimated that the number of wealthy in India has also increased from 50,000 in 2003 to 61,000 this year—an increase of 22 percent.

The Human Development Report (HDR), 2005 tells us that growing inequality is part of India's reforms story is an established fact. A democracy that offers civil liberties but cannot ensure physical survival, in a country that is not poor anymore, is a curious thing indeed.

The World Development Report, 2006 does say India and China's high growth rates have resulted in declining inequalities of global income levels between the developing and developed world. But that's just the big picture.

Within the country, it says, "The best available estimates suggest that inequality in India has been rising, but with no solid assessment of by how much."

B). Resources Control And Disparities

A handful of the developed countries with hardly 15 percent of the world population, today control over 80 percent of the world's material and financial resources, leaving less than 20 percent for 85 percent of world people, living in over 130 developing countries.

In 1993, the poorest 10 percent of the world people had only 1.6 percent of the income of the richest 10 percent. The income of the richest 1 percent added upto that of poorest 57 percent. The richest 10 percent of US population (around 25 million people) had a combined income greater than that of the poorest 43 percent of the world people (around 2 billion people).

(The 2001 United Nation Human Development (UNHD) Report)

In 2000 Brazil had nine billionaires with a collective worth of $20 billion, India had nine billionaires worth $23 billion, Malaysia had 5 worth $12 billion, Mexico had 13 worth $25 billion and Saudi Arabia had 5 worth $41 billion. *(The 2002 UNHD Report)*

The assets of the 200 richest people exceed the combined income of 41 percent of the world's total population.

Condemning a dangerous polarisation between those able to take advantage of the system and those who are forced to suffer its effects, the report stressed the need to rewrite the rules of globalisation.

86 percent of expenditure for personal consumption is made by just 20 percent of the world people.

About $11 billion worth of ice-cream is consumed in Europe while spending on pet foods in Europe and the USA is in the region of $17 Billion. Another $12 billion is spent on perfumes in the US and Europe, while Japan spends $35 billion on business entertainment. *(1996 UNHD Report)*

The report disclosed that just three of the worlds richest people have the combined GDP of the 48 least developed countries. The world's 225 richest people have a combined wealth of over $1 trillion which is also the total income of 47 percent of poor who number 2.5 billion. The wealth of 32 of the world's richest persons exceeds the GDP of South Asia (7 countries including India) plus Iran and Afghanistan.

(1996 UNHD Report)

World Bank points a bleak picture of the developing world. It says the "trickle-down economics"—the practice of cutting taxes for the rich hoping it would benefit the poor in society—does not work.

The world's richest 1 percent receive as much in terms of income as poorest75 percent.

(2002 UNHD Report)

The fifth of the world's people living in the highest income countries had 86 percent of world GDP—the bottom fifth just 1 percent. *(1999 UNHD Report)*

C). Income Differences

Around 1.2 billion people live on less than $1 a day (1993 PPP US$) and 2.8 billion on less than $2 a day. Such deprivation is not limited to developing countries. In OECD (organisation for economic co-operation and development) countries, more than 130 million people are income poor.

(The 2001 UNHD Report)

Interestingly, the Mughal Emperor at Delhi (Jahangir, Shahjan, etc.) during his climax of power used to have an annual income of Rs 15,000 at the present day prices according to an expert's estimate.

In 89 countries, 77 percent or more than three-fourth saw their per capita rate of growth fall by at least 5 percent point from the period 1960-80 to period 1980-2000. Only in 14 countries 13 percent saw their per capita rate of growth rise by that much from 1960-1980 to 1980-2000.

(The Washington, DC -based centre for economic and policy research CEPR).

The combined wealth of 200 richest persons in the world is $1.1 trillion upwards in 1999. Bill Gates wealth stood at $90 billion worth. *(UN joint publication with OECD+IMF+WB)*

Today, 1.5 billion people live on an income of less than $1 a day, up from 1.2 billion people in 1987. It forecasts the numbers living at that lowest of income would reach 1.9 billion in 2015.

This reveals that the gap between the rich and poor has also widened. Between 1970 and 1985, the average per capita income for the world's poorest countries rose to just 1.9 percent.

(1999 World Development Report)

A well known economic historian, A. Madison, has stated that the gap between the richest and poorest countries in 1820 was about 3to 1 which became 11 to 1 in 1993, 35 to 1 in 1950, 44 to 1 in 1973, 72 to 1 in 1992 and in 1997 it was roughly 74 to 1—a heart-rendering figure.

Earth-shaking is the disparity that today exists between a richest and a poorest person in the world. While Bill Gates the richest American of our world owns a total wealth of $51 billion and Azim Premji of India possesses assets worth $9.81 billion, a starving person, with an empty pocket and deprived of every source to get even a loaf of bread, has no option but to go begging, subsist for some time on alms and then quit for the next world. The medical experts pronounce such deaths as a result of defective stomach bowls or some other physical ailment.

In 1999, Bill Gates wealth stood at $90 billion. Even today he ranks first among the world's richest person, with $80 billion.

The 2nd richest man, Larry Ellison, is worth 47 billion. And Paul Allen worth $28 billion. There are about 482 billionaires in the world. Contrary to this, the combined income of 582 million people living in 43 least developed countries of the world is $146 billion during 1999.

Wide gap exists in the GNP of rich and poor countries. While US, Canada, Australia and Brtain have GNP of $29,080, $19,640, $20,870, $20,650 respectively. Sri Lanka and India have GNP of $800 and $370 respectively (All 1997 figures)

(UN Joint Publication with OCED+IMF+WB)

D). Human Deprivation

Of 4.6 billion people in the developing countries more than 850 million are illiterate, nearly a billion lack access to improved water resources and 2.4 billion lack access to basic sanitation. Nearly 325 million boys and girls are out of school. And 11 million children under age 5 die each year from preventable causes, equivalent to more than 30,OOO a day.

In OCED countries more than 130 million are income poor, 34 million are unemployed and adult functional illiteracy rate average 15 percent. *(2001 UNDR Report)*

Global consumption at $24 trillion this year (1997-98) is 6 times the figure of 1975. But 3/5th of 4.4 billion people in developing countries are living in communities without basic sanitation.

Almost 1/3rd are without safe drinking water, 1/4th lack adequate housing, 1/5th live beyond the reach of modern health sources, 1/5th of the children don't get as far as grade five school. About 1.4 billion people continue to be absolute poor the world over. *(World Bank)*

Hunger or hunger-related diseases take on annual toll of 18 million people.

Malnutrition kills about 13 million children under the age of 5 every year. About 60,000 women die each year in pregnancy and child birth and 30 times the number suffer injuries. *(UNICEF)*

1.7 billion people go without pure water supply and 3 billion have no access to sanitary facility. In cities alone about 600 million people are either homeless or living in "life and health threatening environment." *(UN centre for Human Settlement)*

Out of current global force of 2.6 billion, 120 million are totally unemployed and 680 million are under employed. Crime has increased in manifold. In US alone, about 15 million criminal cases are reported to the police authority.

E). Regionwise Inequality

Shameful inequality exists between rich and poor in America. In fact, the US had the world in "inequality of incomes" where 1 percent population owns more than that possessed by 95 percent of US population. The only difference between the US and other country's poverty is that the poorest American enjoys higher living standered than the poorest European or Asian counterpart. On an average, income per person in America is 45 percent higher than in Europe and 20 percent higher than Japan. Still in US, one crore people today live in poverty. Wide gap exists in the GNP of rich and poor countries.

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Over the last two decades, Latin America has experienced stagnant growth and African countries have seen income plummeted. The only developing countries that have done well in last two decades are those Asian countries that ignored the standard prescription of IMF and World Bank.

(The Washington-DC based Centre for Economic Policy Research, CEPR)

Besides, the above-stated economic disparities, a number of other vicious inequalities still mark the social life within the existing self-styled fair and reasonable society whose only trade mark is individual efficiency (or creativity) which it considers as the supreme value in human society.

Widespread unemployment, involving 55 crore unemployed (2005-ILO Report) haunts millions of families in the world.

Gender inequality exists all over the world. Leaving 10 percent of women belonging to rich and ruling families, all the rest, forming a part of urban middle and poor and rural peasent families, are denied equal human rights as enjoyed by man all over the world.

Urban-rural divide, with the former enjoying considerable civic privileges than the latter has become a normal phenomenon in every country.

Literate-illiterate differentiation operates in all walks of social life.

F). Cause

The cause of the existing inequalities and disparities in the present society lies in its unjust and irrational system which cares for the rich and mightly and shuns the have-nots and weak.

G). Immediate Solution

The immediate solution lies in setting up a justice-based society by involving the people in the management of political, economic and cultural processes.

H). Basic Solution

The long-term solution resides in the replacement of present Corporate Capitalist System by the Nature-human Centric system.

I). Present Task

The present task is to raise the peoples awareness about the state of inequalities and disparities existing in the ongoing unjust and inequalitarian society. 15-11-2005