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Neoliberalism, Globalisation and the New World Order

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Old Wine in New Bottles

In the bad old days of yore we had simple, if often stark, names for phenomena: we had not yet learnt to deconstruct or reconstruct, reify or deify, the commonplaces of everyday life under the aegis of the realities of European domination over the peoples, resources, and habitats, of the planet. As such, *Colonialism* and *Imperialism* were good enough as labels and got to the gist of the problem quite admirably, the academic penchant for endless refinement and pedantry notwithstanding.

For a while, in a sort of a post-war Interregnum, the duly consecrated *post-colonials* (itself an unduly hopeful term) were deceived into believing that there was a 'developing' world toward which the erstwhile imperial powers were favorably inclined, inasmuch as they routed funds in the form of 'aid' and grants in a putatively benevolent crusade christened *development policy*. The lamb and the lion, so to speak, for the nonce, lay down together and swapped entertaining stories of progress and regress, exports and imports, within a largely liberalist paradigm.

But all of it was charade, a waiting game, a grim masquerade: even as the hearts and minds of peasants, workers and women were being glibly pacified by this suave rhetoric of classical liberalism, and classical economics, the imperial world was busy in preparation for the real war to oust its competitor and arch rival, the socialist world, from the race to rule the planet. The opportunity finally came in the shape of the ultimate gull, Mikhail Gorbachev, who, confronted by an unsustainable Star Wars scenario by Ronald Reagan, in an act that is possibly unparalleled in the history of statecraft for its *naivete* stood down, blinked, and otherwise threw in the towel, of a sudden, resigning the peoples of the USSR, and its many dependencies, to the pathetic squalor that they have lived in ever since.

The dam then burst as it never had before: the imperial European world of capitalism, led by the eternally untamed United States, in a paroxysm of delight, stepped out of its unnatural shells, and, in the gaudy vestment of *Unilateralism*, showed the world how to return ever so quickly to the hoary paradigms of latter day *colonial expropriation*. The inter-war and Post-War years were quickly forgotten, and erased from memory: Europe sowed up its breeches, and the stage was quickly set to continue the four hundred year odyssey of forcible extraction of the globe's resources, for *first world*, private benefit, more efficiently this time around, given that the meddlesome state had been pushed into the background now that the cold war had been won ; and private corporate oligarchies could now run amok, quickly capturing the crumbling sites of domestic and international state power.

It is this remarkable process of restoration of the *status quo ante*, by the imperial powers, under Corporatist auspices, that is referred to today in glowing terms as *Globalisation*, which is simply the



CNN catchall for the *hothouse expansion of capitalism, the market, corporatism, and modernist institutions the world over*, without any pretense at consent or legitimation, of those sought to be so 'globalised' into the Logics of Domination.

The Ideology

The impetus, given its fierceness, required very little ideological cover, but nonetheless found its own epistemic *logos* defined in so-called *Neo-Liberalism*. As Elizabeth Martinez and Arnolando García have written:

A general characteristic of neoliberalism is the desire to intensify and expand the market, by increasing the number, frequency, repeatability, and formalisation of transactions. The ultimate (unreachable) goal of neoliberalism is a universe where every action of every being is a market transaction, conducted in competition with every other being and with every other transaction, influencing every other transaction, with transactions occurring in an infinitely short time, and repeated at an infinitely fast rate. It is no surprise that extreme forms of neoliberalism, and especially cyberliberalism, overlap with semi-religious beliefs in the interconnectedness of the cosmos.

Or, even more succinctly, in the words of Paul Treanor:

Neoliberalism is a philosophy in which the existence and operation of a market are valued in themselves, separately from any previous relationship with the production of goods and services, and without any attempt to justify them in terms of their effect on the production of goods and services; and where the operation of a market or market-like structure is seen as an ethic in itself, capable of acting as a guide for all human action, and substituting for all previously existing ethical beliefs.

The Idealisations

The slogan of '*free trade*' has provided the high justification for the low resolve of '*deregulating*' i.e. *delinking* the state from its responsibility to workers, the community, the disadvantaged, and so on , such that the only permissible function of the state now is to provide a military back up to corporate adventurism and financial stabilizations (circuit breakers) as needed in the rush to institutionalize the *rent-seeking, casino economy* everywhere.

The Agency

Movements require *agency*, i.e. the institutional means of delivery of the program: in this, the 'globalisers' have a sort of an *embarrass de riches*. The transnational corporations are their ruling demi-urge, the 'national' Governments their 'public face', and the Multilateral institutions - World Bank, IMF, WTO etc - their pliant instruments. Within the last-mentioned WTO, and the privately sponsored IIF (International Institute of Finance) take pride of place since they are ultimately destined to supplant the older Bretton Woods Institutions (which are seen as fatally flawed with the sins of old-style *Etatiste Keynesian Regulationism*) as the dominant multilaterals in the new order.



The Shadow Government

Behind the scenes, looming like a grey eminence, is the WEF, the World Economic Forum, whose corporate oligarchies, behind closed doors, debate, discuss and design policies for the globe that are then transmitted through the various National governments, public agencies, and Media.

The Agenda

The latter-day colonialist globalisers seek, in classic managerial fashion, to 'stabilize' the world's resources securely and safely under Corporate control (See Korten, 2001). This involves the call for worldwide *deregulation* and open entry to these leviathan companies: hence the agenda of *free trade* and open borders.

The Dominant *Modus* of Capital

Classical colonialism of the sixteenth, seventeenth and eighteenth centuries was led by *commercial capital*, the monopolizing trading houses that scoured the world seeking to buy cheap and sell dear: created by means of their depredations, by force, fraud, and routine commerce, the 'world market'. However, today's thrust comes from *Finance Capital*, the urbane, city slicker cousin of commercial capital that is the lead sector of capital and by far the most richly endowed with (financial) wealth amongst all the sectors of capital. In effect, the *rentier class* of coupon clippers are in firm control of global economic policy.

Numbers can scarcely capture the sweep and scope of this internal power shift but just a few may outline the emergent configuration: given an estimated global productive capacity of about \$25-30 Trillion dollars, a mere 50 Financial Corporations now have effective leverage over some 65% of it. 97% of all Patents are held by the rich nations, most in Corporatist hands. Every One Dollar of real trade is being overshadowed by some 70 Dollars that ends up financing, brokering, or leveraging it. The Central Banks of this world, on any single trading day, might summon up about 250 billion dollars, yet the private sector transacts an estimated 7.5 Trillion Dollars daily, a useful ratio of approximate power. And the dangers of rogue trading on a scale astronomical is an ever imminent reality: just one trader alone at Kidder Peabody ran up close to 1.7 Trillion Dollars in phony trades before being spotted.

The Characteristic Technology

IT (Information Technology) is the warp and woof of the drive to globalise today, principally because it is the vital tool of transmission of finance capital where a two second advantage can mean billions of dollars. Hence the *computer* is the lead driving machine of our times serving as form, focus and fetish of culture, economy and society. Appropriately, the US has now evolved a *videoculture* as the media adjunct to its globalising ambitions.

The Emblematic Market

Given the dominance of *finance capital*, it follows that we are seeing the eclipse of traditional preoccupations with *industry* and *agriculture*: the lead sector is now *services* and within services, *finance* is the



crown jewel. Hence the emblematic market is the *stockmarket*, which has become the preferred proxy for the older, smokestack concern with the real ‘economy’.

The Politics

Traditional politics is being displaced today by the much more serviceable tools of *managerialism* which is *technocratic* in nature: as such, both left wing and right wing politics is in disfavor for involving the ‘people’ in decision making. It is to be, for now, the rule of the ‘expert’ bypassing traditional political process. We might term it the onset of ‘*Technofascism*’ as the *nouvelle* political innovation of our times.

In a very real sense now, imperial politics , as conducted now by the US is one now of ONE SYSTEM FOR ALL in a globalised Las Vegas world. *There Can be No Alternative* to it – in either politics, society or economy (to say nothing of world cultures now inundated with cheap mass media exports from the US, or its clones, and near clones, in a sort of *Gresham’s Law of Cultures*).

This breathtaking attempt at total *world hegemony*, backed up by the persuasive arsenals of ICBMs , unprecedented in world historical terms as it is, is also its own undoing as even hitherto loyal ‘allies’, Germany, France, etc., are modestly, and quietly, breaking away in full realization of the hazard at hand , forming new alliances world wide with highly unlikely partners (China, Russia, etc). Given the ultimate strength of such alliances, the US venture, in this regard, is doomed to failure even amongst its own G-7 *co-hegemons*, except for its faithful, if somewhat pitiful, lackeys in Britain, and the latter’s own ex-colonial outposts enmeshed in a seemingly ineluctable time-warp of white chauvinism, such as Australia , anxious to ride the coat-tails of the US triumphantly into a *Bold New Imperium*.

The State

The *New Managerial State* is now simply the tool and rubber stamp of *Corporatism*: as such it is *executive power* that now has all but eclipsed more traditional legislative and juridical functions, because it can be run bureaucratically, and in centralized, disciplined fashion. The *sovereignty* of weaker nation-states, outside of the G-7, has been quite nearly revoked as an operational principle of modern applied international law. The *New Imperial State* is a Corporate tool of the industrialized, European (inclusive of the Anglo-Americans) world.

The History

The history of this new wave of Corporate Colonialism opens with the Reagan-Thatcher victories of the late Seventies, coinciding with an avalanche of deregulationist policy, all announcing the inauguration of the regime of finance capital. Like greased lightning, both intra-border and cross border financial transactions then took off into outer space averaging, early on, some 200-300% of their previous peaks (See Pollin, 1998; also Singh,1999). Strike One was the Savings and Loan Debacle, itself a Reagan initiative which resulted in the Greatest Ever Bank Robbery of modern times with a half a trillion dollars in tax financed bail-out wheedled regressively from unsuspecting taxpayers. The next Great Swathe was



cut by the Mexican Peso crisis, the consequence of NAFTA to be followed by the disaster of the Asian Financial Crisis, all directly related to the freeing up of financial flows.

The stage was thereby set for globalising these scams near permanently (given that private financial flows far exceed the combined financial weight of the holdings of all the world's central banks taken together) except that 9/11, of a sudden, cut short the budding revolution (which ran its giddy course roughly between 1980-2002) by necessarily bringing the State back in and forcing a now nervous financial system into a strategic retreat. Signs of the cracks within the system had started to appear right after the debacle in East Asia with the high profile, if forced, resignation of Stiglitz from the World Bank in protest at the cavalier approach to International Finance and the developing countries adopted by the various Bretton Woods Institutions.

The so-called *Washington Consensus*, the coinage of John Williamson of Harvard, was starting to crack, in particular with the dramatic departure of Stiglitz, though it may be unwise to read too much into this obviously tactical downswing of the triumphalist ideology of Neoliberalism. Indeed, recent US led actions in Afghanistan and Iraq have made abundantly clear the determination behind the bold and continuing *unilateralism* to make the world safe for Corporate greed.

The fact of the matter is that with the world in chaos, with protests led by NGO's like the one at Seattle fresh in memory, it was only to be expected that this somewhat naïve and obviously *immature coalition* of the new tribe of corporate rent seekers would seek shelter behind the State and regroup and rethink their offensive for the grim times ahead. Wars are always unsettling for finance, even when they are conducted to safeguard its larger interests, and we are seeing a somewhat more cautious approach for the time being with some breaking of ranks.

At any rate, endemic insecurity in the world economy has become now an open door for the *entre* of state power from its recent ignominious exile, and the longer it lasts the more likely it is that the deregulationist zeal will wane proportionately, until such time that corporations realize that *war is too vital a game to leave to the state* and start to raise their own privately owned and operated military forces which cannot be ruled out. Indeed, in the case of the US, with its relatively recent history of private corporate policing (the 'Pinkertons' of yore) and the more recent experiments with private penitentiaries, police forces, and such, it is a safe bet that planning is concurrent in such areas alongside the internal security crackdowns in place now.

In terms of sheer *vulgar economy*, *i.e.* on their own terms, the record of the Globalisers has been an unremittingly staggering disaster: two thirds of the globe now is either stationary, or in decline, including vast chunks of Eastern Europe and the USSR; most of sub-Saharan Africa, and almost all of the weaker economies of Asia and Latin America, short of the few NIC's, are in some or other form of *stasis*, bypassed even by those vaunted capital flows (FDI) that now head only toward a few, well situated economies concentrated mostly in East Asia (the Least Developed countries receive about 0.5% of a Gross World FDI of \$1.5 Trillion).

Even in the belly of the beast, the US, the bottom 80% face the growing risk of seeing their opportunities (especially for stable, well paying employment) decline as the system leaves them behind



both *structurally* (by increasingly cumulating high wages and secure employment at the high tech end, in particular in *Services*) and *geographically* as the corporations merrily migrate overseas seeking better pastures. It is quite a useful hyperbole to suggest that the US produces only ICBM's and Michael Jackson locally with any real enthusiasm, with most of the intermediate sectors being outsourced , or phased down/out, and/or facing destructive import competition: in the late Nineties, the average industrial wage bought only what it did in the Fifties- and the average agricultural wage in the same period barely compared to its purchasing power in the years of the Great Depression.

Thus has *generalised rent seeking* , and the unproductive crop of dot com millionaires, helped to change the face of the economic landscape of America, and its corporatist enclaves overseas, where most job creation is still in the sort of services which specialize in shining cars and having pizza delivered to doorsteps. The free trade mania of neo-liberalism has helped *de-industrialise* the US, sector by sector, offering only the alternates of Pizza Hut or Enron in the increasingly truncated menu of choices, which could serve as an instructive lesson to the wary amongst the rest of the world which, otherwise, stands put to repeat this drama under American, Corporatist, tutelage.

Of course, the powers that be gleefully continue to celebrate the headlines of neoliberalist achievement, even as entire continents are stooped in decay : the Top 100 Transnational Corporations increased their assets 697% between 1980 and 1995, even as they amassed monopoly rights over 97% of all Patents. The world's collection of Billionaires in 2001 stood at 497, exceeding the net worth of about Two and a Half Billion people. Scattered over 43 countries, led by the United States with 216, Germany with 35, and Japan with 25, this elite Club of 497 registered a combined wealth of \$1.54 trillion, well over the conjoined gross national products of all the nations of sub-Saharan Africa (\$929.3 billion) or those of the oil-rich regions of the Middle East and North Africa (\$1.34 trillion). Indeed, the collective wealth of this Club is greater than the gross combined incomes of the poorest half of humanity. A grim 2.8 Billion of *les miserables* survive now on about \$2 a day in poignant counterpoint to the daily catch of dot.com millionaires.

Asia , too, under neo-liberalist sway, has reaped a harvest of no less than 500, 000 fresh cropped millionaires even as 675 million of their fellow citizens slowly descend into absolute deprivation. Worldwide, the gluttony of the rich has never been better served: 1.1. Billion people spread across the trilateral world of North America, Japan/Asia, and Europe , and their clones in the ex-Colonial world , are living high off the proverbial hog even as about 3.3 Billion of humankind, engaged in near subsistence activities, are sinking into the mire alongside of the 1.1 Billion who live as desperate marginals on this good earth, shorn of opportunities as the conventional economy, everywhere, is bypassed by the brilliance of the Bright New Economy with its carnivals, carousels and computer chips.

The Structures Eclipsed

The Neoliberal assault has, within a decade ,put paid to both liberal rhetoric and policy , in economics and politics, as pre-existed in the so-called 'Golden Age' (1950-1970). 'Fordism' or "Wage-led' growth, Keynesian style Redistributive Demand Management, Incomes policies, National Economic Regulation, the idea of a guaranteed 'Social Contract', and the focus on the stability of the internal market are all the ephemera now of a forgotten history, together with its correlates of Social Democracy and the Welfare State , ending an important era in Euro-American Capitalist history.



The lightning fast erosion of that vital catchment area of industrial peace that had been the salve of the Capitalist West in the decades long Cold War standoff with the Socialist Bloc is, historically, a strategic blunder of gargantuan proportions. Scrofulous accretions of Power and Wealth without broad legitimacy are the bane of Empires that are indefeasibly on the brink of collapse; and America, the Prime Architect of this Corporatist Age (see Korten, 2001) finds itself increasingly standing alone, in uneasy and surly state, in a Globalised world of its own making, leaning all too clumsily on its indecent military might even as it faces dissent, derision, and revolt, on its far flung frontiers.

The Resistance

The New World Order is the apotheosis of hoary European capitalist ambitions to rule the world and plunder it on its own terms. However, it is racked globally today by the necessary dialectic unleashed by its own rampant cupidity (materialism) and its casual, almost *ad hoc*, warmongering tyranny. The rejectionist forces stem primarily today from the domain of affronted, offended *cultures* (*i.e.* from the growing *fundamentalism* in Islam, Hinduism, Buddhism, *etc.*) that are slowly flexing their vast political muscle in the early prodromes of resistance.

Thus far, it is Islam that has overshadowed the rest, but it may only be the thin end of the wedge in this regard. Significant mobilization of such forces is evident in the recent rise of the Falan Dong in China, in the ex-Soviet Asian republics, similar groups in Japan, and of course the quite surprising rise to power of the religious right in India. Modernism is likely to dismiss them all as 'irrationalist', but that is, ultimately only a word drawn from a fast fading lexicon of modernism : in the specific context of such movements, what is very real, and stirring, may well be rational in the sense of being effective in carrying out its intent.

In a somewhat less dramatic, but equally solid vein, the rise of the NGO's, the struggles of women, indigenous peoples, and, trade unionists, outline the nature of the barricades that are now slowly being built against the on-going expansion of Globalisation. The NGO's have, since their fiery baptism at Seattle, repeatedly displayed their seemingly inexhaustible powers of mobilization, thanks to the freedoms of cyberspace, and an astonishing tenacity in orchestrating world wide mass protests with great strategic planning and a real flair for public showmanship, all aimed at increasingly successful radical pedagogy.



Indeed, NGO's are the Brave New Force in the Global Economy standing eyeball to eyeball with the TNC's and the State, making up the *real* Trilateral power structure of these latter days , and is easily the fastest growing in both influence and legitimacy amongst the Triad that constitute today the inner discourse of Modernism. They have constituted the essential backbone of the World Social Forum which has been an interpid stand-up force arrayed against the machinations of the World Economic Forum (made up of the largest Corporations on earth). Whether they will serve the cause of Resistance or turn into His Corporate Majesty's Co-opted Opposition, over the long haul, remains, however, yet to be seen.

Tribalist , Peasant, and Women's movements receive little mainstream coverage but they are far from being impotent: the ecologically oriented Chipko in the Himalayan foothills of India early on curbed the high ambitions of the World Bank and the Indian Government, much as the more recent Peasant/Nativist revolts such as the Zapatist Chiapas in Mexico and the Argentinian Piqueteros (rag tag coalition of the unemployed, housewives, and trade unionists) have defined the limits of the power of the neo-liberal nation state's internal imperial policies. Chico Mendez and his rubber trappers, similarly, though at tragic cost, had blazed the way decades ago in the Amazon, leaving a legacy that awaits only revival (See Kanth, 1992; Ekins, 1992; and Brecher, 2000) The neoliberal gift to us all of a world seething with the discontent of the *sans culotte* can only bode the emergence of similar struggles worldwide.

The Prognosis

The long march of European capital accumulation, whether nominally capitalist or socialist, is now coming to a (probably cataclysmic) end Having threatened and/or destroyed culture, society and nature, in their materialist blindness, the globalisers, in classic vein of overreach and overkill, have now stoked the fiery resurgence of *communitarian values* worldwide as the victims rush to build a *plurality of shelters* against such depredations.

We are (thanks to the last straw presented them by the crass stupidity and arrogance of a US, drunk like a teenager with the heady wine of its unilateral economic and military might) thereby on the edge of radically new innovations in the domains of culture, society and politics as the *sans -culottes*, the wretched of the earth, all rise in defiant resolution across the planet to assert their rights to *autonomy* and *self-determination*, reversing the engulfing tide, and likely spelling an end to European style capitalism and its many exported variants of *modernism* (See Kanth, 1997).

The old slogan of *civilisation ou barbarism* is being posed quite immediately and obviously now in the minds of all, everywhere, excepting the acolytes and apologists . Yet it is clear that few world orders, old or new, ever go without a struggle; and the very real fear now is that the current captains of our collective fates may well test the limits of our endurance and sustainability to their very last limits before they go the way of the dodo and the dinosaurs but in an inglorious orgy of planetary destruction.



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