

Empire, Hegemony and Crisis

CENTRE FOR
CIVIL SOCIETY

by Patrick Bond
University of KwaZulu-Natal
School of Development Studies
and Centre for Civil Society

Presentation to Focus on the Global South
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OUR OBJECTIVE IS TO ADVANCE SOCIO-ECONOMIC AND ENVIRONMENTAL JUSTICE BY DEVELOPING CRITICAL KNOWLEDGE ABOUT, FOR AND IN DIALOGUE WITH CIVIL SOCIETY THROUGH TEACHING, RESEARCH AND PUBLISHING.

South Africa's 'Social Movements United' march from Alexandra Township to the World Summit on Sustainable Development in Sandton, 31 August 2002

HOWARD COLLEGE, ROOM F196, MTS, UNIVERSITY OF KWAZULU-NATAL, DURBAN 4001
T: +27 31 206 3577 F: +27 31 206 2502 E: CCS@UKZN.AC.ZA W: WWW.UKZN.AC.ZA/CCS

What is the scope for state sovereignty in view of internationalization, the regional pooling of sovereignty and the growing role of non-state actors? How does American hegemony shape globalization, what are the implications of the new wars (war on terrorism, Iraq, Afghanistan)? How are global justice movements reacting?

Readings:

- Bond, 'Global Civil Society Strategies for Social Justice', UKZN Inaugural Professorial Lecture, 10 October 2007.**
- Giovanni Arrighi, 'Hegemony Unravelling', *New Left Review* 32, March-April 2005**



The Shock Doctrine by Naomi Klein (and Milton Friedman)



- According to Friedman (advisor to Pinochet after 9/11/73 coup): *'only a crisis - actual or perceived - produces real change'*
- Klein: 'It was the most extreme capitalist makeover ever attempted anywhere, and it became known as a "Chicago School" revolution, as so many of Pinochet's economists had studied under Friedman there. Friedman coined a phrase for this painful tactic: economic "shock treatment". In the decades since, **whenever governments have imposed sweeping free-market programs, the all-at-once shock treatment, or "shock therapy", has been the method of choice.**'
- Other examples: Malvinas war of 1982 (Argentina, Britain), China's Tiananmen Square 1989, Eastern Europe 1990s, 9/11/01, 3/03 war on Iraq, 12/04 tsunami, 8/05 Katrina - also SA
- Psychological dynamic: 'The bottom line is that, for economic shock therapy to be applied without restraint, some sort of additional **collective trauma** has always been required.'

Key moments in globalisation

- **1492!**
- **Late 19th century British empire, and interimperial rivalries (1885 Scramble for Africa)**
- **1910s World War 1**
- **1920s – financial speculative epoch, culminating in crashes**
- **1930s – Great Depression**
- **1939-45 – World War 2**
- **1944 – Bretton Woods summit, New Hampshire, US (\$/gold)**
- **1946 – Savannah summit where IMF/WB charted out**
- **1948 – GATT founded in Havana (1995 became WTO)**
- **1950s-60s – Era of 'development', import-substitution, welfare state expansion, Keynesianism, US hegemony**
- **1971 – dollar crisis, end of \$/gold link, negative real interest rates**
- **Stagnation, falling rates of profit, and finally a decisive neoliberal turn**

5 political shifts hit US empire

- **1975 US defeat by the Vietnamese guerrilla army, which reduced the US public's willingness to use its own troops to maintain overseas interests;**
- **demise of the Soviet bloc in the early 1990s, as a result of economic paralysis, foreign debt, bureaucratic illegitimacy and burgeoning democracy movements;**
- **Middle East wars throughout the period, with Israel generally dominant as a regional power from the 1973 war with Egypt (notwithstanding its 2006 defeat in Lebanon);**
- **rise of China as a potent competitor to the West (in political as well as economic terms) during the 1990s-2000s;**
- **waning of the Third World nationalist project and a dramatic shift in class power, away from working-class movements that had peaked during the late 1960s, towards capital and the upper classes.**

Political shifts and US empire

- formal democratization arrived in large parts of the world – Southern Europe during the mid-1970s, the Cone of Latin America during the 1980s and the rest of Latin America during the 1990s, and many areas of Eastern Europe, East Asia and Africa during the early 1990s – partly through human/civil rights and mass democratic struggles and partly through top-down reform - yet because this occurred against a backdrop of economic crisis in Latin America, Africa, Eastern Europe, the Philippines and Indonesia, the subsequent period was often characterised by instability, in which ‘dictators passed debt to democrats’ (as the Jubilee South movement termed the problem) who were compelled to impose austerity on their subjects, leading to persistent unrest;
- the ebbing of Third World revolutionary movements - in the wake of transformations in Nicaragua, Iran and Zimbabwe in 1979-80 - was hastened by the US government’s explicit attacks during the 1980s on Granada, Nicaragua, Angola and Mozambique (sometimes directly but often by proxy), as well as on liberation movements in El Salvador, Palestine (via Israel) and Colombia, as well as former CIA client regimes in Panama and Iraq, hence sending signals to Third World governments and their citizenries not to stray from Washington’s mandates;

Political shifts and US empire

- after Vietnam, the US's subsequent ground force losses in Lebanon during the early 1980s and in Somalia during the early 1990s (followed by Afghanistan and Iraq in the mid-late 2000s) shifted the tactical emphasis of the Pentagon and NATO to high-altitude bombing, which proved momentarily effective in situations such as the 1991 Gulf War (decisively won by the US in the wake of Iraq's invasion of Kuwait), the Balkans during the late 1990s, the overthrow of Afghanistan's Taliban regime in 2001 and the initial ouster of Saddam Hussein in Iraq in 2003;
- the 1989-90 demise of the Soviet Union had major consequences for global power relations and North-South processes, as Western aid payments to Africa, for example, quickly dropped by 40 percent given the evaporation of formerly Cold War patronage competition (until the resurgence of Chinese interest in Latin America and Africa during the 2000s);

Political shifts and US empire

- the consolidation of European political unity followed corporate centralization within the European Economic Community, as the 1992 Maastricht treaty ensured a common currency (excepting the British pound which was battered by speculators prior to joining the euro zone), and as subsequent agreements established stronger political interrelationships, at a time most European social democratic parties turned neoliberal in orientation and voters swung between conservative and centre-right rule, in the context of slow growth, high unemployment and rising reflections of citizen dissatisfaction;
- persistent 1990s conflicts in 'Fourth World' failed states gave rise to Western 'humanitarian interventions' with varying degrees of success, in Somalia (early 1990s), the Balkans (1990s), Haiti (1994), Sierra Leone (2000), Cote d'Ivoire (2002) and Liberia (2003), although other sites in central Africa - Rwanda in 1994 and since then Burundi, northern Uganda, the eastern part of the Democratic Republic of the Congo, Somalia and Sudan's Darfur region - have witnessed several million deaths, with only (ineffectual) regional not Western interventions;

Political shifts and US empire

- the 2001 attack on the World Trade Center in New York City and the Pentagon near Washington (followed by attacks in Indonesia, Madrid and London) signalled an increase in conflict between Western powers and Islamic extremists, and followed earlier bombings of US targets in Kenya, Tanzania and Yemen which in turn received US reprisals against Islamic targets in Sudan (actually, a medicines factory) and Afghanistan in 1998 and Yemen in 2002; and
- the early-mid 2000s rise of left political parties in Latin America included major swings in Venezuela (1999), Bolivia (2004) and Ecuador (2006), as well as turns away from pure neoliberal economic policies in Brazil, Argentina, Uruguay and Chile, and were joined during the mid-2000s in Europe by left coalitions in Norway and Italy.

Political shifts and US empire

- **social and cultural change, including postmodernism, the ‘network society’, demographic polarizations and family restructurings;**
- **new technologies brought about by the transport, communication and computing revolutions;**
- **major environmental stresses including climate change, natural disasters, depletion of fisheries and worsening water scarcity; and**
- **health epidemics, such as AIDS, Bovine Spongiform Encephalopathy, anthrax, drug-resistant tuberculosis and malaria, severe acute respiratory syndrome and avian flu.**

Key moments in neoliberalisation

- in 1973, the Bretton Woods agreement on Western countries' fixed exchange rates - by which from 1944-71, an ounce of gold was valued at US\$35 and served to anchor other major currencies – disintegrated when the US unilaterally ended its payment obligations, representing a default of approximately \$80 billion, leading the price of gold to rise to \$850/ounce within a decade;
- also in 1973, several Arab countries led the formation of the Oil Producing Exporting Countries (OPEC) cartel, which raised the price of petroleum dramatically and in the process transferred and centralized inflows from world oil consumers to their New York bank accounts ('petrodollars');
- from 1973, 'los Chicago Boys' of Milton Friedman – the young Chilean bureaucrats with doctorates in economics from the University of Chicago - began to reshape Chile in the wake of Augusto Pinochet's coup against the democratically-elected Salvador Allende, representing the birth pangs of neoliberalism;

Key moments in neoliberalisation

- in 1976, the International Monetary Fund signalled its growing power by forcing austerity on Britain at a point where the ruling Labour Party was desperate for a loan, even prior to Margaret Thatcher's ascent to power in 1979;
- in 1979 the US Federal Reserve addressed the dollar's decline and US inflation by dramatically raising interest rates, in turn catalyzing a severe recession and the Third World debt crisis, especially in Mexico and Poland in 1982, Argentina in 1984, South Africa in 1985 and Brazil in 1987 (in the latter case leading to a default that lasted only six months due to intense pressure on the Sarney government to repay);
- at the same time, the World Bank shifted from project funding to the imposition of structural adjustment and sectoral adjustment (supported by the IMF and the 'Paris Club' cartel of donors), in order to assure surpluses would be drawn for the purpose of debt repayment, and in the name of making countries more competitive and efficient;

Key moments in neoliberalisation

- the overvaluation of the US dollar associated with the Fed's high real interest rates was addressed by formal agreements between five leading governments that devalued the dollar in 1985 (Louvre Accord), but with a 51 percent fall against the yen, required a revaluation in 1987 (Plaza Accord);
- once the Japanese economy overheated during the late 1980s, a stock market crash of 40 percent and a serious real estate downturn followed from 1990, and indeed not even negative real interest rates could shake Japan from a long-term series of recessions;
- during the late 1980s and early 1990s, Washington adopted a series of financial crisis-management techniques - such as the US Treasury's Baker and Brady Plans - so as to write off (with tax breaks) part of the \$1.3 trillion in potentially dangerous Third World debt due to the New York, London, Frankfurt, Zurich and Tokyo banks which were exposed in Latin America, Asia, Africa and Eastern Europe (although notwithstanding the socialization of the banks' losses, debt relief was denied the borrowers);

Key moments in neoliberalisation

- in late 1987, crashes in the New York and Chicago financial markets (unprecedented since 1929) were immediately averted with a promise of unlimited liquidity by Alan Greenspan's Federal Reserve, a philosophy which in turn allowed the bailout of the Savings and Loan industry and various large commercial banks (including Citibank) in the late 1980s notwithstanding a recession and serious real estate crash during the early 1990s;
- likewise in 1998, when a New York hedge fund - Long Term Capital Management (founded by Nobel Prize-winning financial economists) – was losing billions in bad investments in Russia, the New York Fed arranged a bailout, on grounds the world's financial system was potentially at high risk;

Key moments in neoliberalisation

- starting with Mexico in late 1994, the US Treasury's management of the mid- and late 1990s 'emerging markets' crises again imposed austerity on the Third World while offering further bailouts for investment bankers exposed in various regions and countries – Eastern Europe (1996), Thailand (1997), Indonesia (1997), Malaysia (1997), Korea (1998), Russia (1998), South Africa (1998, 2001), Brazil (1999), Turkey (2001) and Argentina (2001) - whose hard currency reserves were suddenly emptied by runs; and
- in addition to a vastly overinflated US economy (with record trade, capital and budget deficits) whose various excesses have occasionally unravelled – as with the dot.com stock market (2000) and real estate (2007) bubbles – the two largest Asian societies, China and India, picked up the slack in global materials and consumer demand during the 2000s, but not without extreme stresses and contradictions that in coming years threaten world finances, geopolitical arrangements and environmental sustainability.

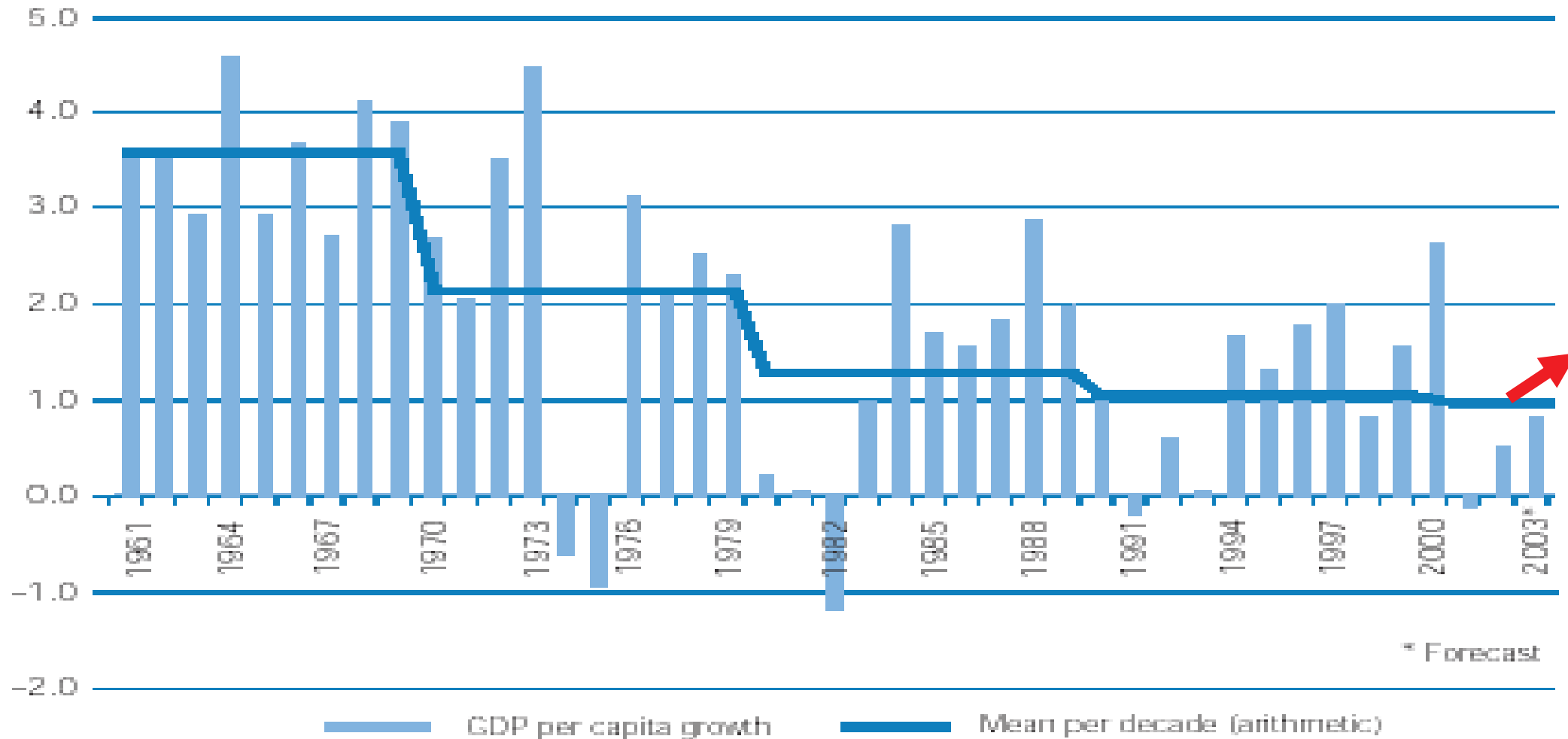
Three core processes behind neoliberalisation

- first, the durable late 20th century condition of 'overaccumulation of capital' - as witnessed in huge gluts in many markets, declining increases in per capita GDP growth, and falling corporate profit rates - was displaced and mitigated ('shifted and stalled' geographically and temporally) at the cost of much more severe tensions and potential market volatility in months and years ahead;
- second, the temporary dampening of crisis conditions through increased credit and financial market activity has resulted in the expansion of 'fictitious capital' – especially in real estate but other speculative markets based upon trading paper representations of capital ('derivatives') - far beyond the ability of production to meet the paper values; and
- third, geographical shifts in production and finance continue to generate economic volatility and regional geopolitical tensions, contributing to unevenness in currencies and markets as well as pressure to 'combine' market and non-market spheres of society and nature in search of restored profitability.

Context: Stagnation of world GDP growth

(‘overaccumulation’ thesis of Walden Bello, David Harvey, Robert Brenner)

World GDP per capita growth, 1961-2003 (annual change in per cent)



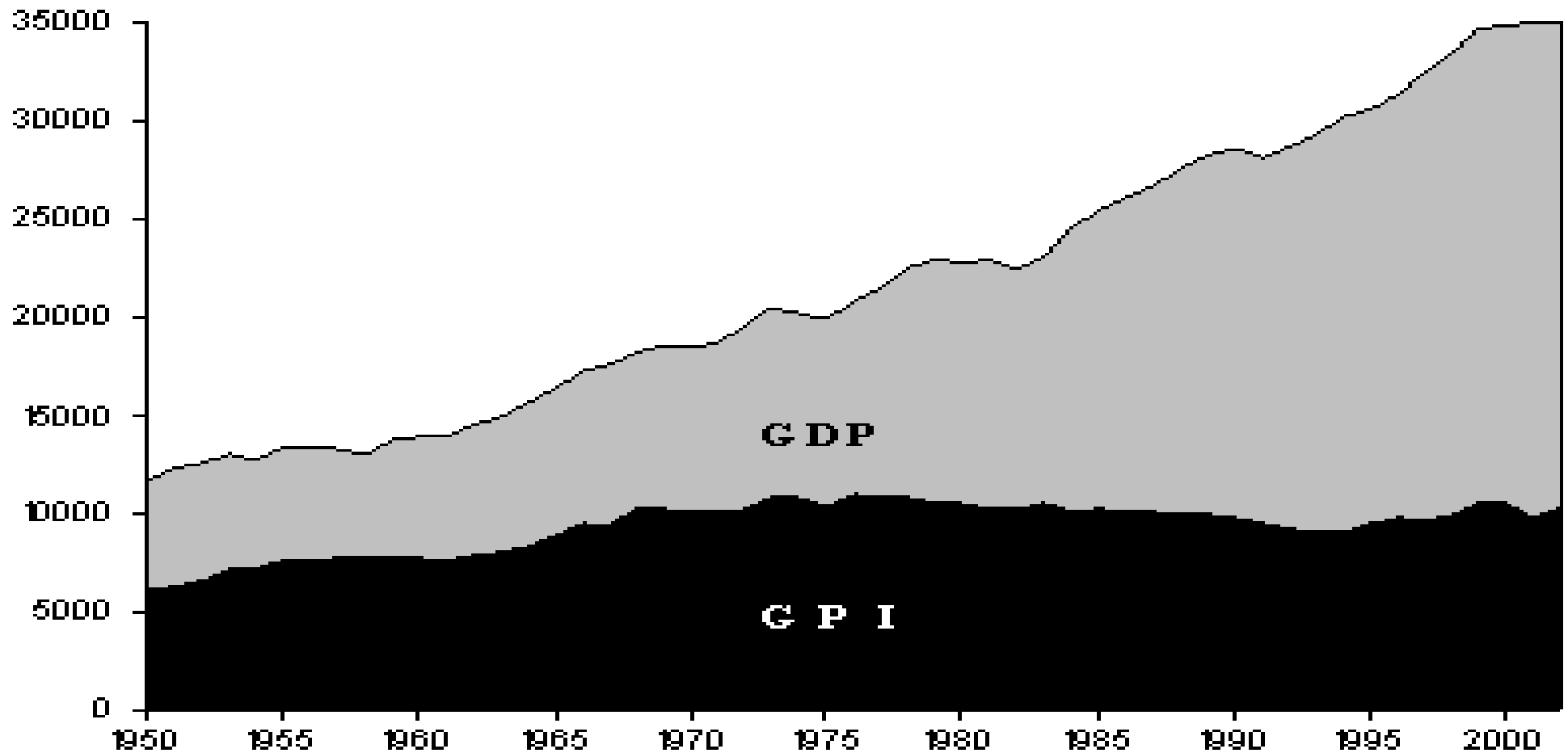
* Forecast

Sources: World Bank, *World Development Indicators 2003* (online version) and World Bank, *Global Economic Prospects 2004*.

Dubious data: Adjusting the GDP statistics

- **Subtract resource depletion;**
- **Subtract pollution;**
- **Subtract long-term environmental damage (climate change, nuclear waste generation);**
- **Add household and volunteer work (gender implications);**
- **Correct for income distribution (rewarding equality);**
- **Subtract crime and family breakdown;**
- **Add opportunities for increased leisure time;**
- **Factor in lifespan of consumer durables and public infrastructure;**
- **Subtract vulnerability upon foreign assets.**

Dubious data: Correcting the GDP bias (global)

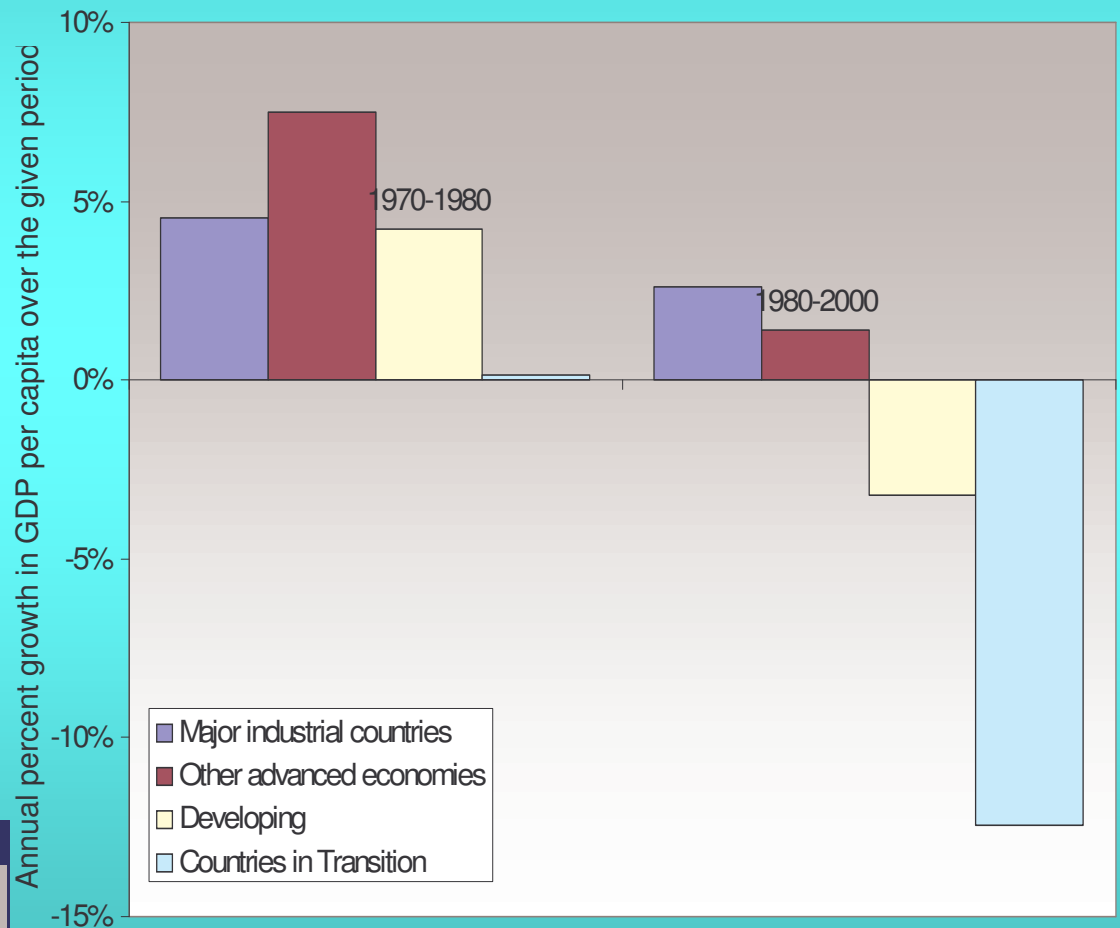


Source: redefiningprogress.org

Especially low growth since 1980, and extremely uneven development

- **Dramatic differences in annual % change of per capita GDP** (note: constant 1995\$, not PPP values)

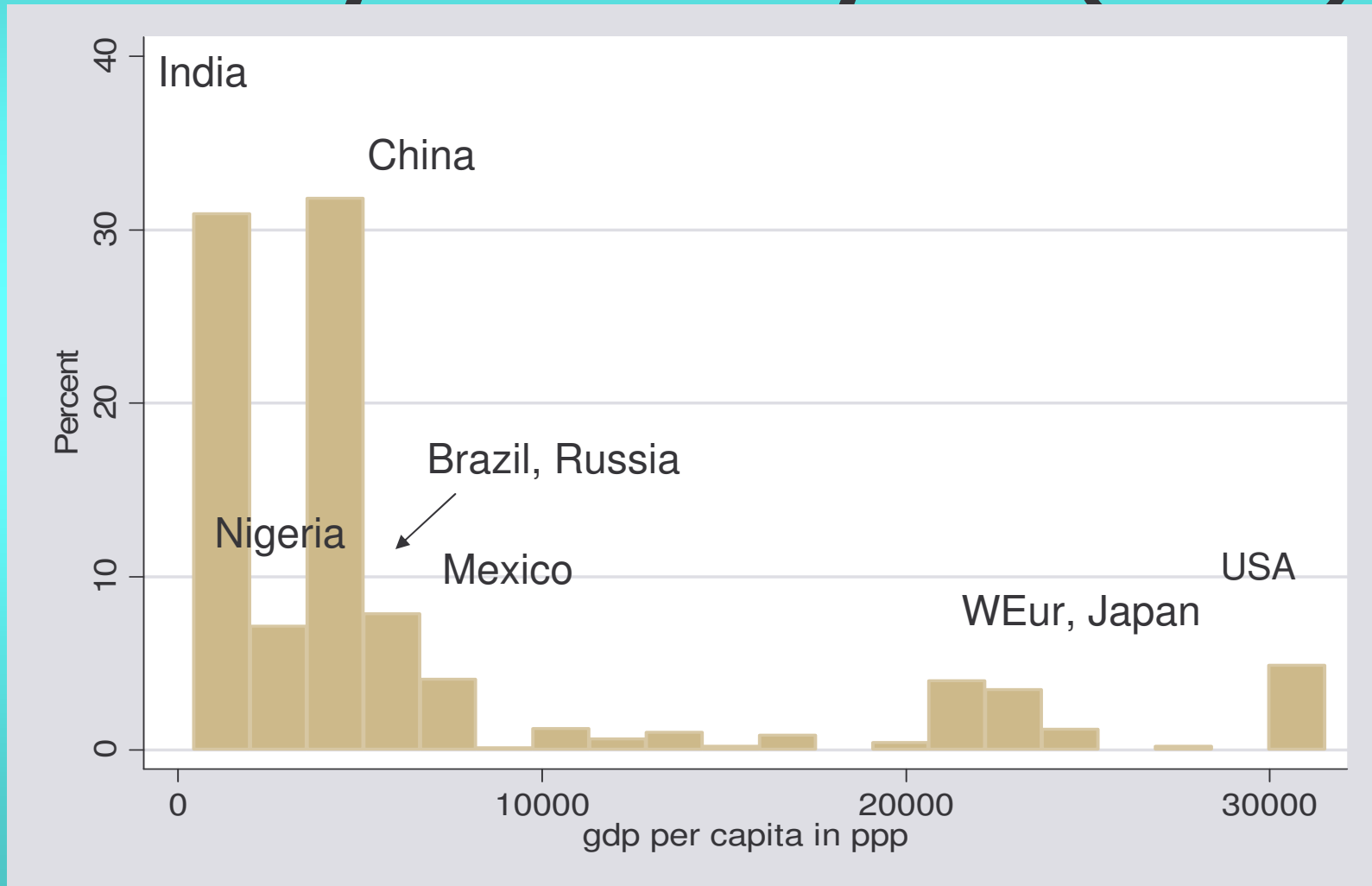
Source: Alan Freeman



GDP per capita in 1995 dollars, 1982-2000

	1982	2000
Rest of the World	1,457	1,116
Advanced or Advancing Countries	15,383	26,134

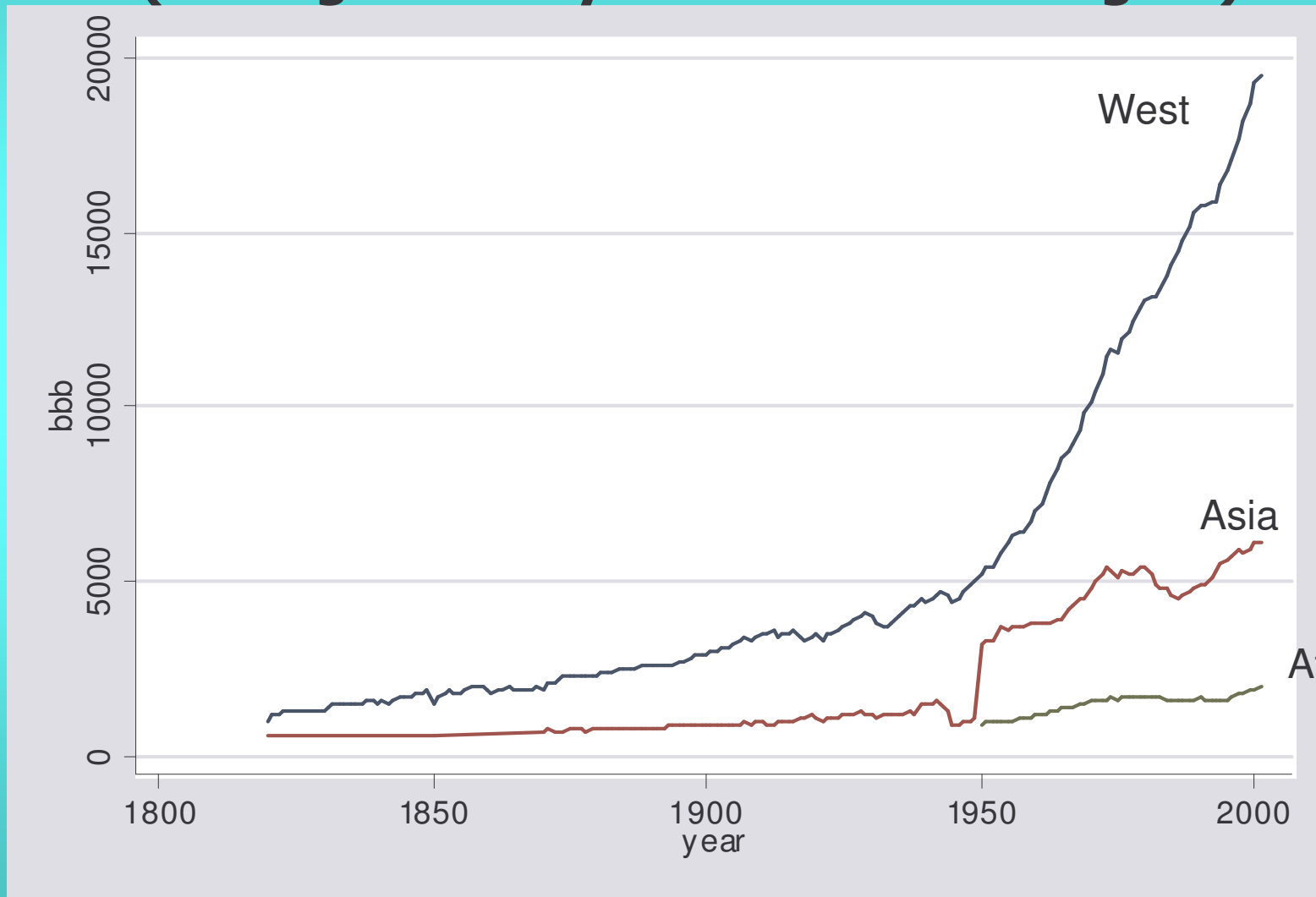
Old and new powers: Population according to income of country where they live (2000)



Source: Branco Milanovic

Increased differences between regions

(average country income in each region)

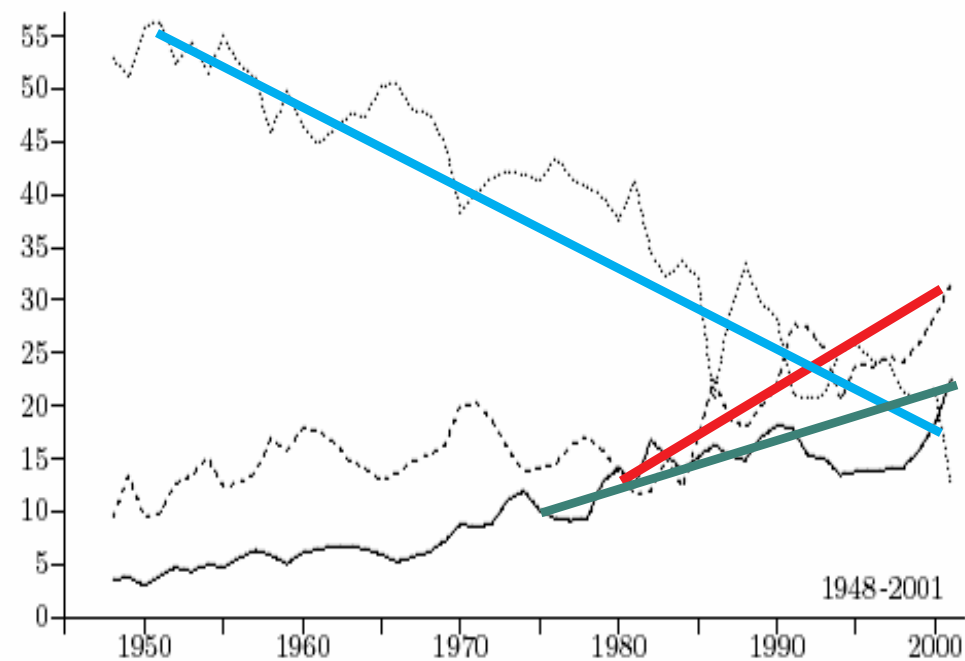


Source: Branko Milanovic

Root 'overaccumulation' process: Source of US profits changed during globalisation/finance era

- US corporate profits derived **much less from manufacturing products**;
- much greater sources of profits **came from abroad**;
- profits also came more from returns on **financial assets**.

Source: Gerard Dumenil and Dominique Levy

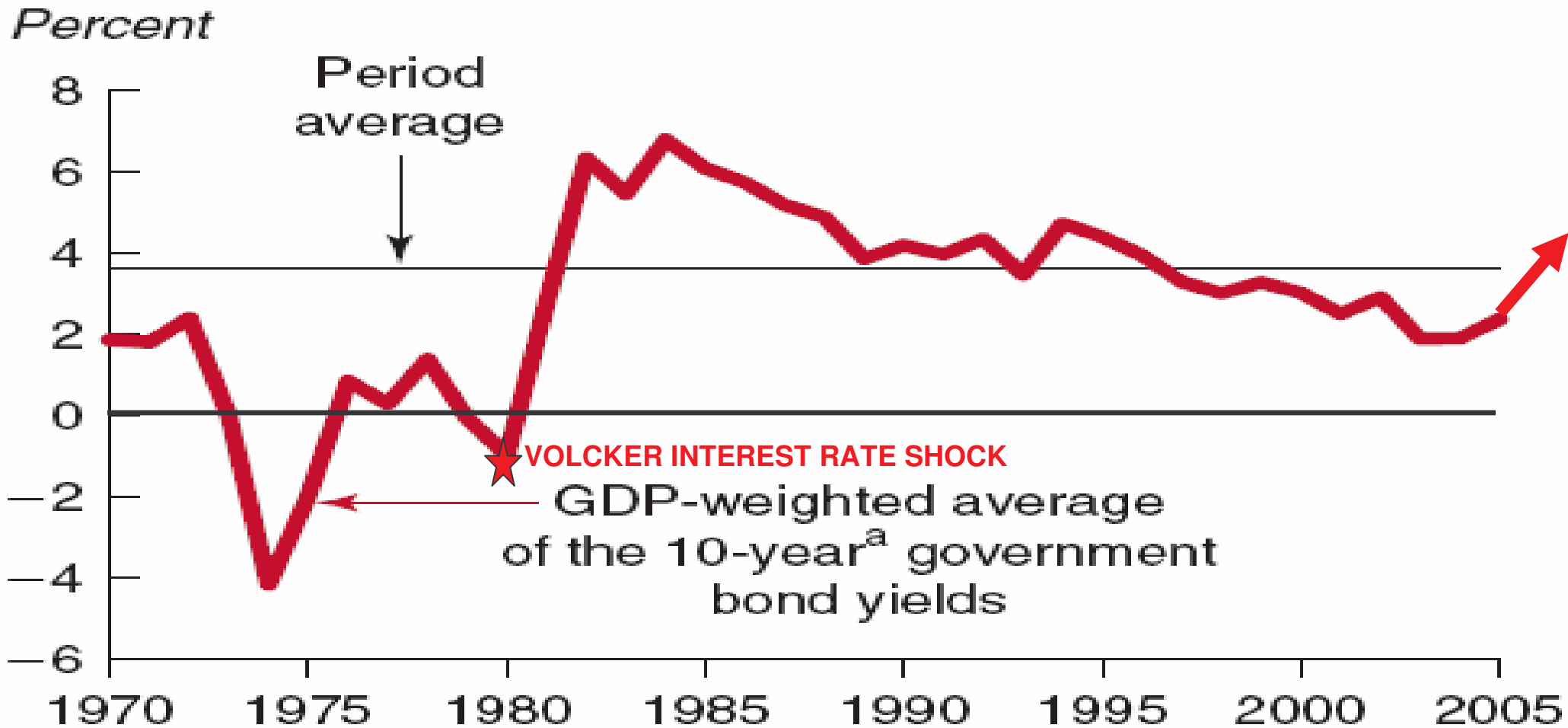


Rest of the world: (—); Financial sector: (.....); Manufacturing: (.....)

Profits are measured before profit taxes. The *rest of the world* corresponds to the excess of profits made on US investments abroad over the profits made by the rest of the world on foreign direct investment in the US. (These profits may remain in the country where the investment is made.) Trade, Construction, Public Utilities, Transportation and Communications, and services are not represented.

Source: NIPA (BEA).

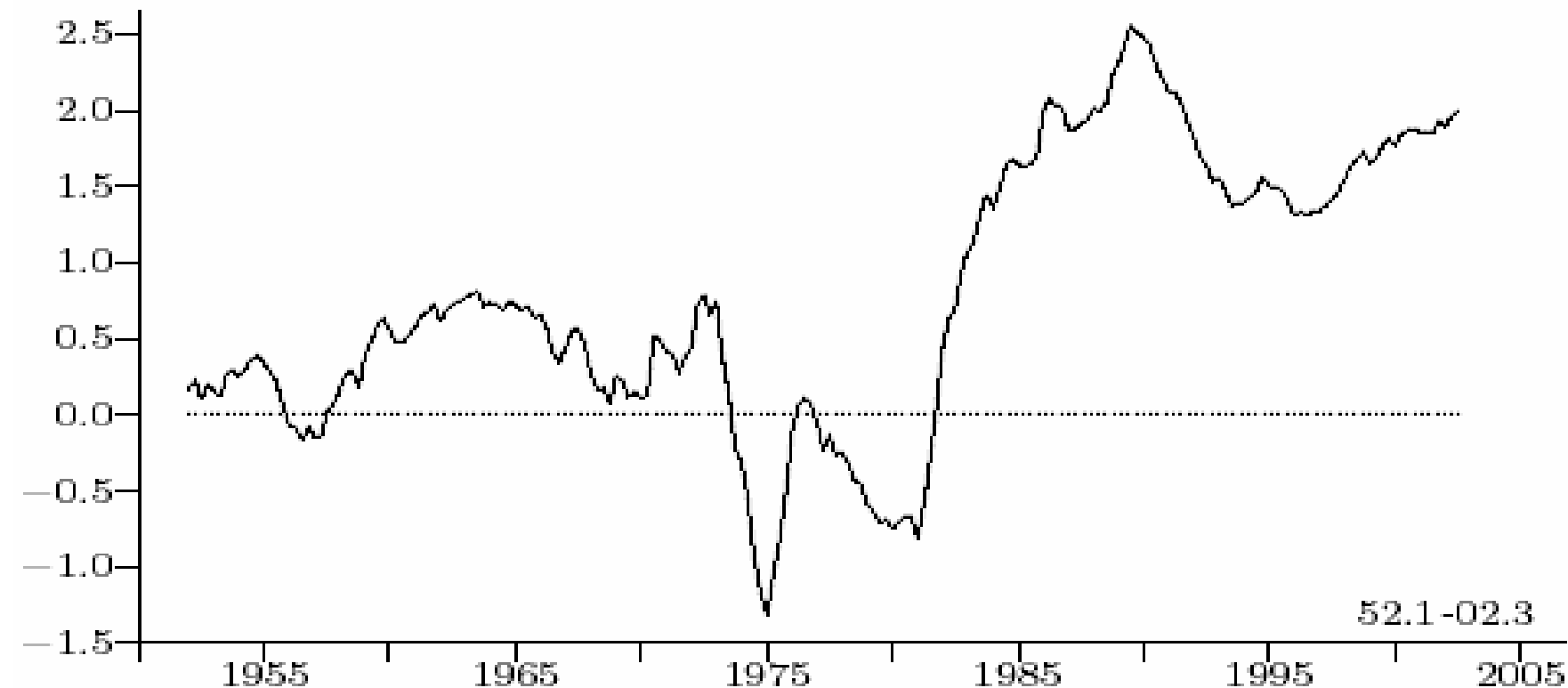
US reversion to **high interest rates** during 1980s-90s



Source: World Bank.

Corporations spent 1980s-90s paying off historically high debt

Ratio of the charge of net interest of nonfinancial corporations to their net worth (quarterly data, %)

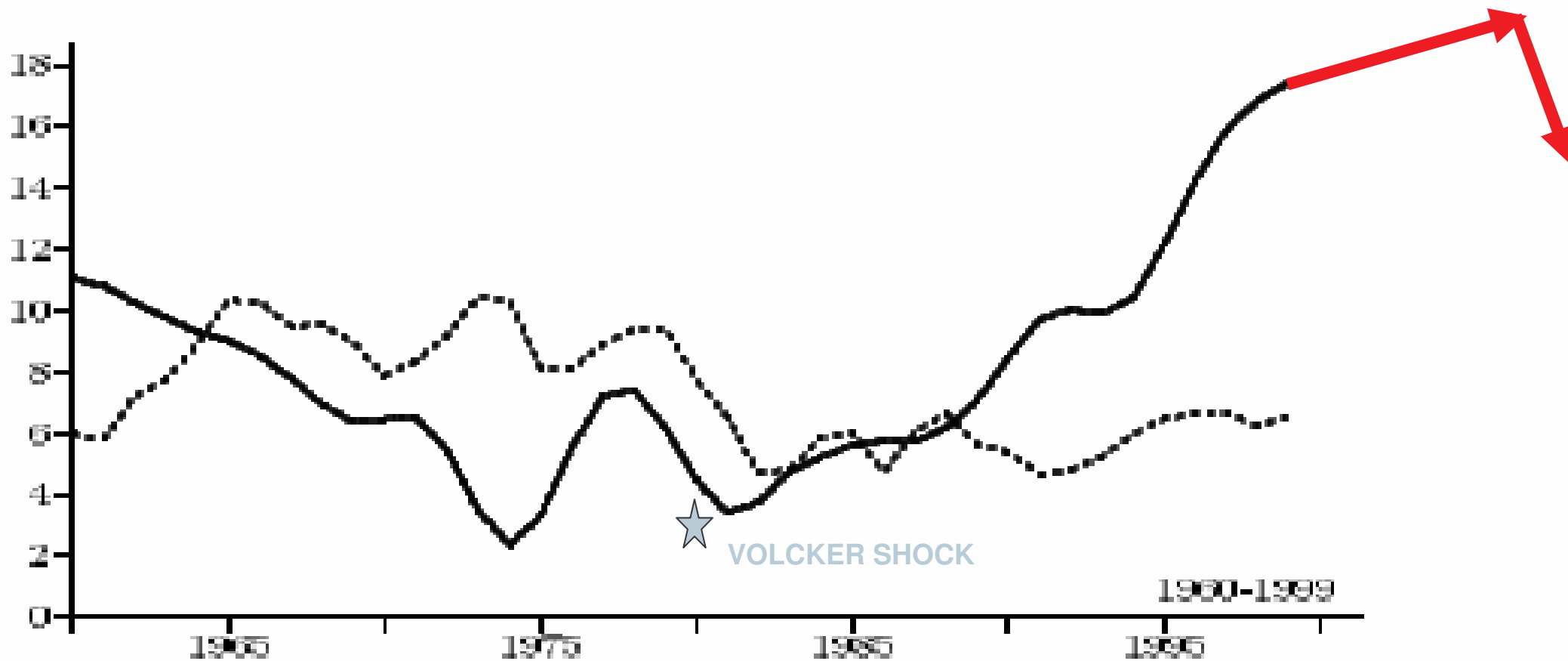


n is made for the devaluation of the debt by inflation.

Source: Gerard Dumenil and Dominique Levv

Credit/stock market bubbles: US financial profits

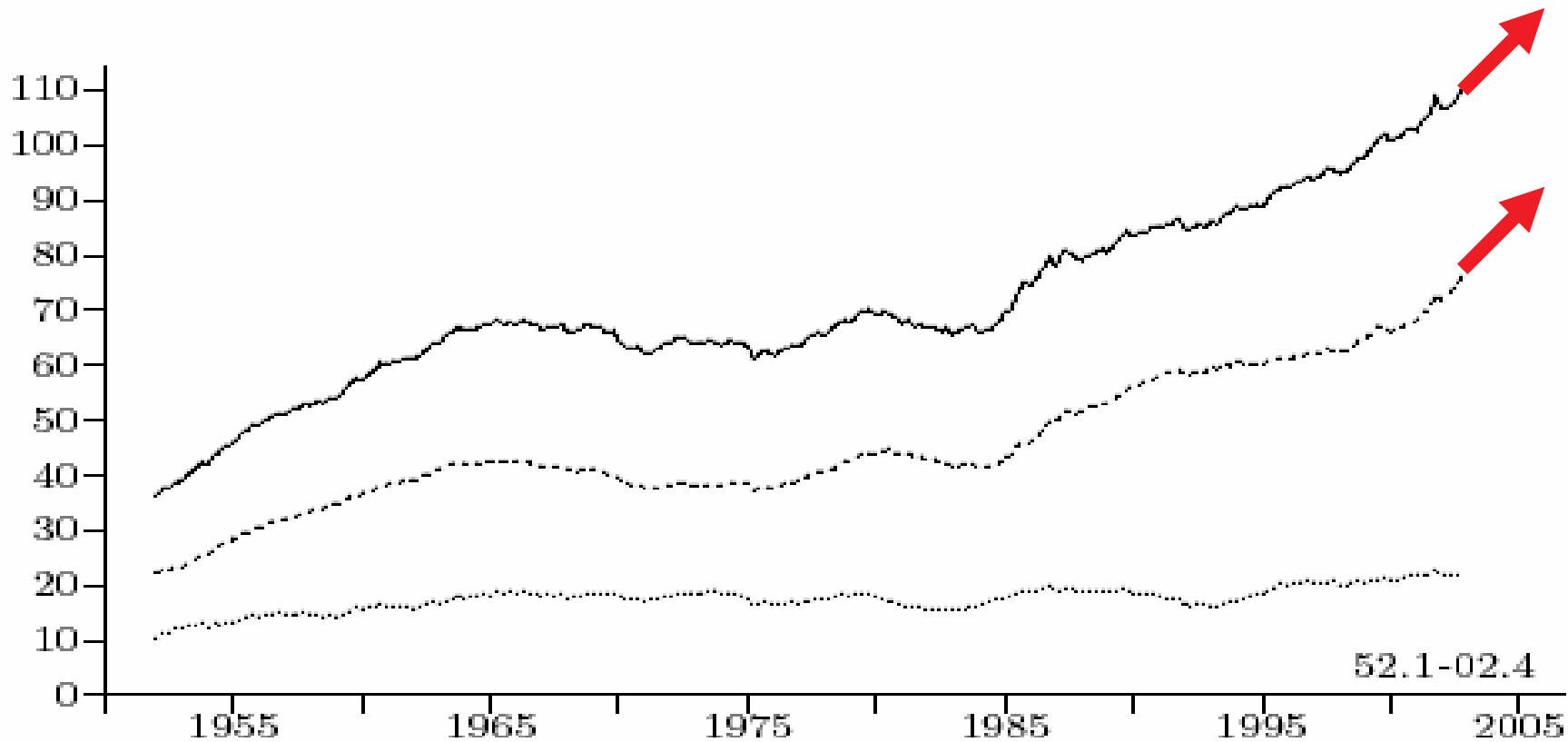
US: Profit rate of nonfinancial (-----) and financial corporations (—), %



Source: Gerard Dumenil and
Dominique Levy

Another feature of the credit bubble: Is US household debt sustainable?

Ratio of the debt (total liabilities and its components) of households to their disposable income (quarterly data, %): US



ities: (—); Home mortgages: (-----); Consumer credit: (.....)

Source: Gerard Dumenil and Dominique Levv

Are US households now so indebted that they cannot save?

Ratio of savings* to disposable income (quarterly data, %): Households in the US



Source: Gerard Dumenil and Dominique Levy

US 'economic calamities'

- **radically overvalued dollar**, still 12% above its 1995 low (was 30% too high in 2002)
- **rapidly rising trade deficit, which in 2006 grew to more than \$760 billion**, or nearly 6% of GDP
- **since 2001, loss of 3 million manufacturing jobs**, or more than a sixth of the entire sector
- **unchecked growth of the housing bubble**, with short-term interest rate down to 1.0% in 2001; by 2006, prices were 73% higher than their pre-bubble values: \$8 trillion in unsustainable 'wealth'

(source: Dean Baker, *Harpers*, June 2007)

US trade deficit

Ratios of imports, exports, and balance of trade to the GDP (%): US



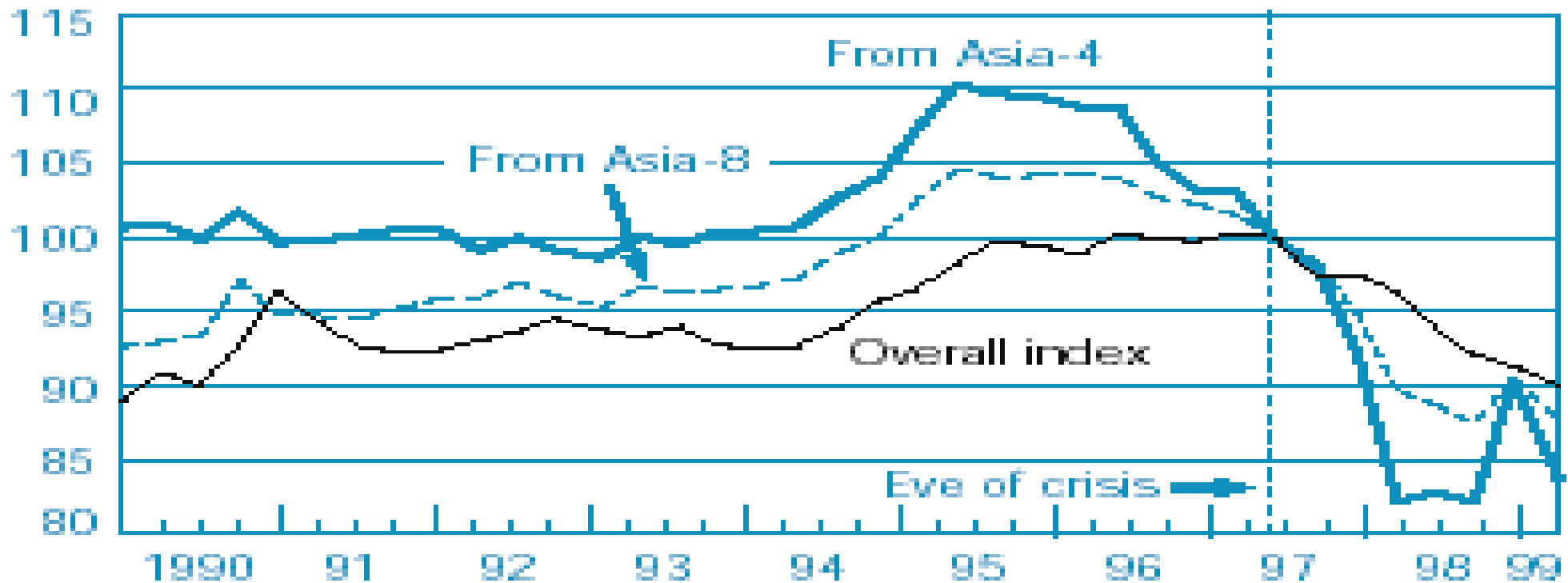
Balance of Trade: (—); Exports: (-----); Imports: (- - -)

Source: Gerard Dumenil and Dominique Levy

US trade benefits from East Asian crisis: currency-induced import boom

Real U.S. Import Price Indexes Relative to the GDP Deflator

Index: 1997:2 = 100

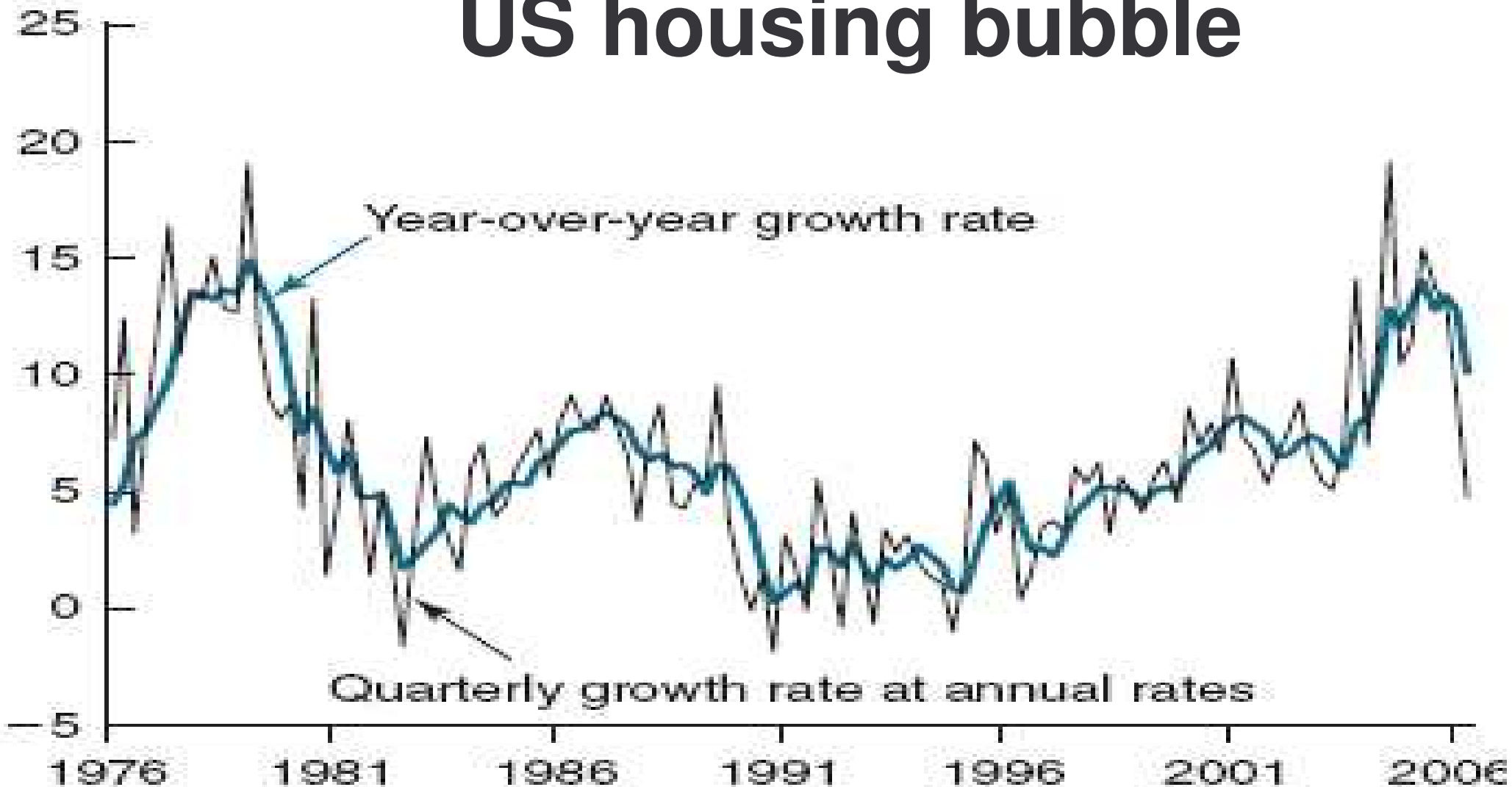


Source: Federal Reserve Bank of NY

Increase in the price of existing U.S. houses

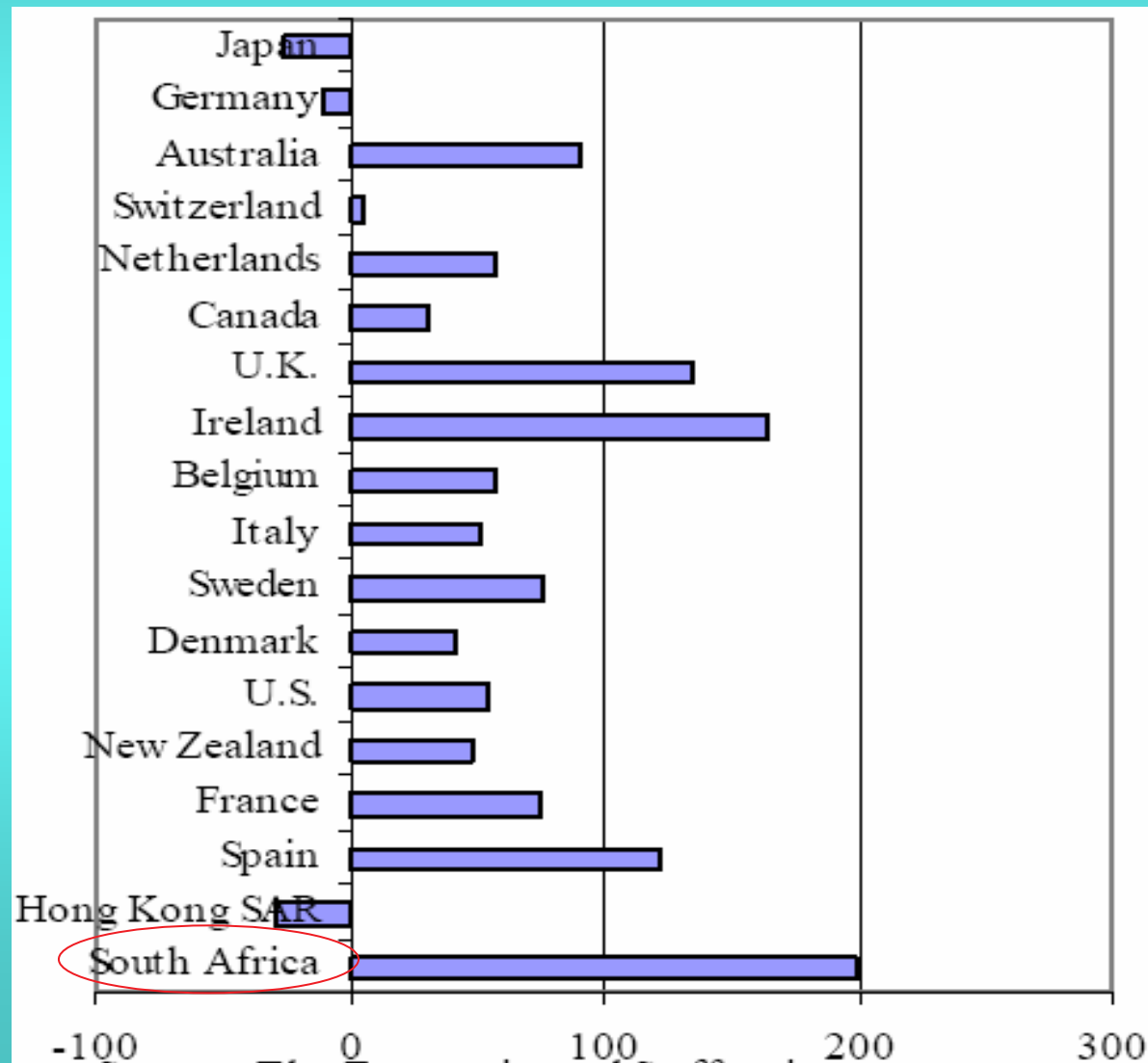
Percent

US housing bubble



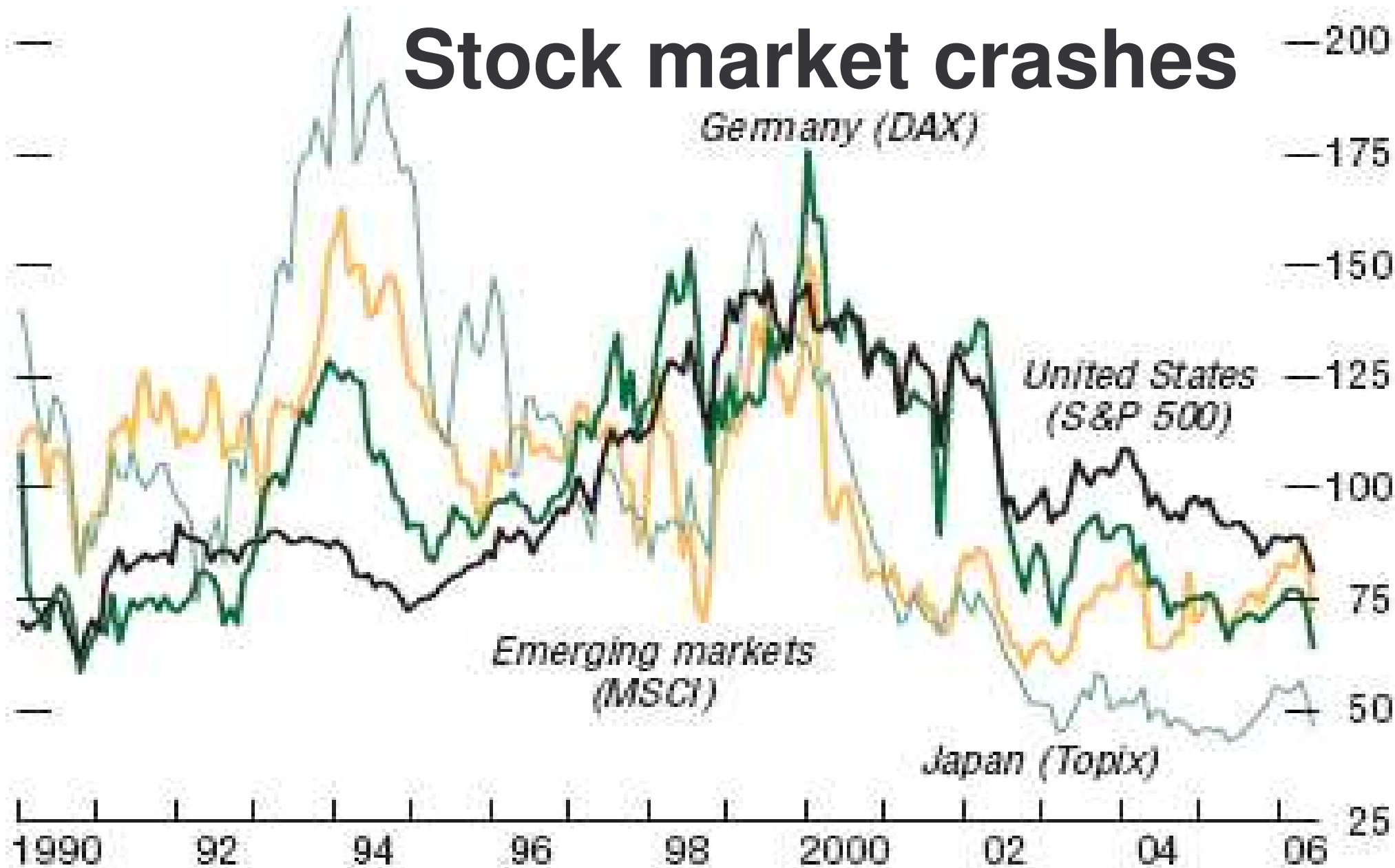
Sources: World Bank; Office of Federal Housing Enterprise Oversight.

Change in house prices, 1997-04 (%): SA has world's most speculative real estate



Source: IMF, 'South Africa:
Selected Issues', September
2005

Stock market crashes



Sources: Thomson Financial I/B/E/S; and IMF staff estimates.

Stock market volatility: emerging markets

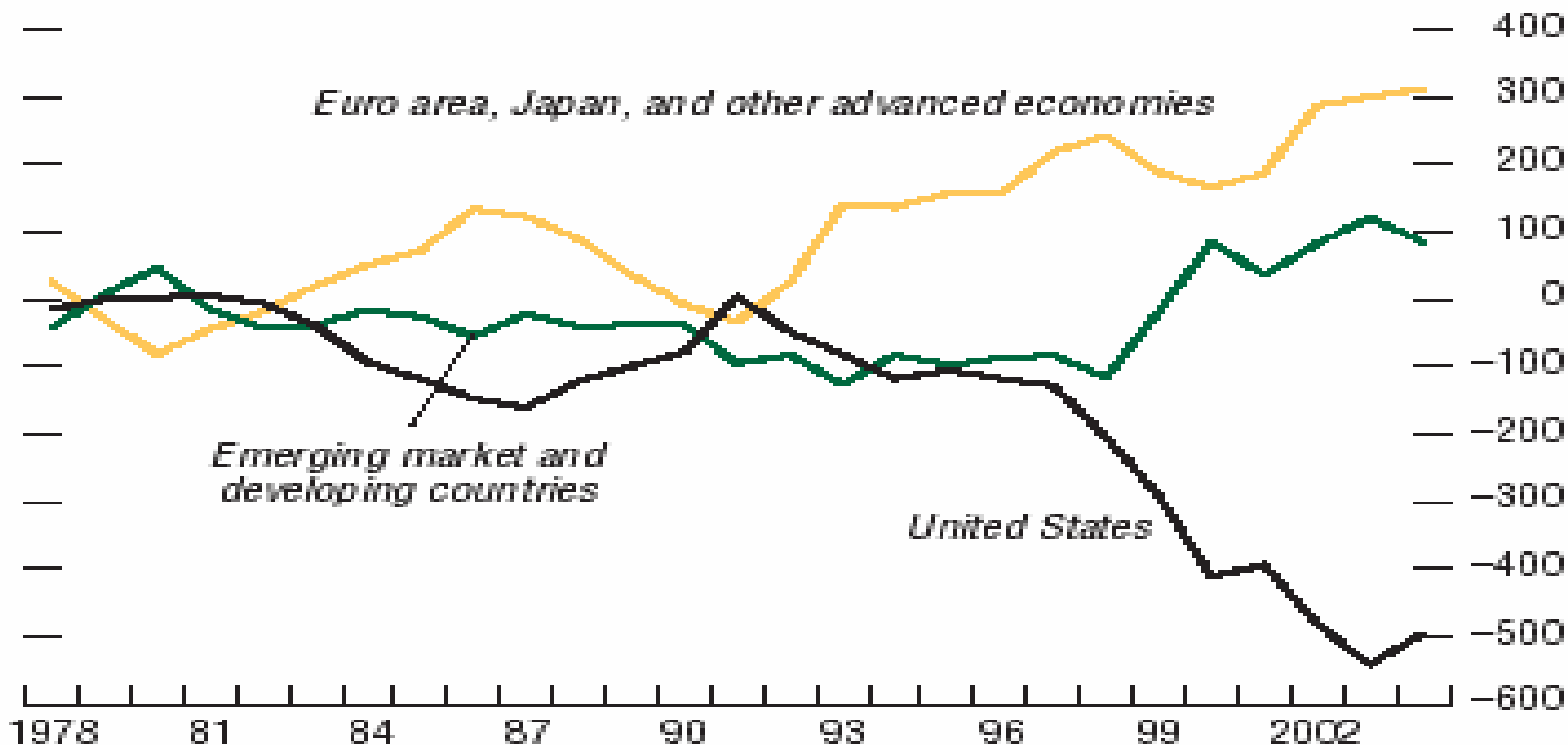
Emerging Market Equity Volatility
(In percent)

MSCI Emerging Markets index²



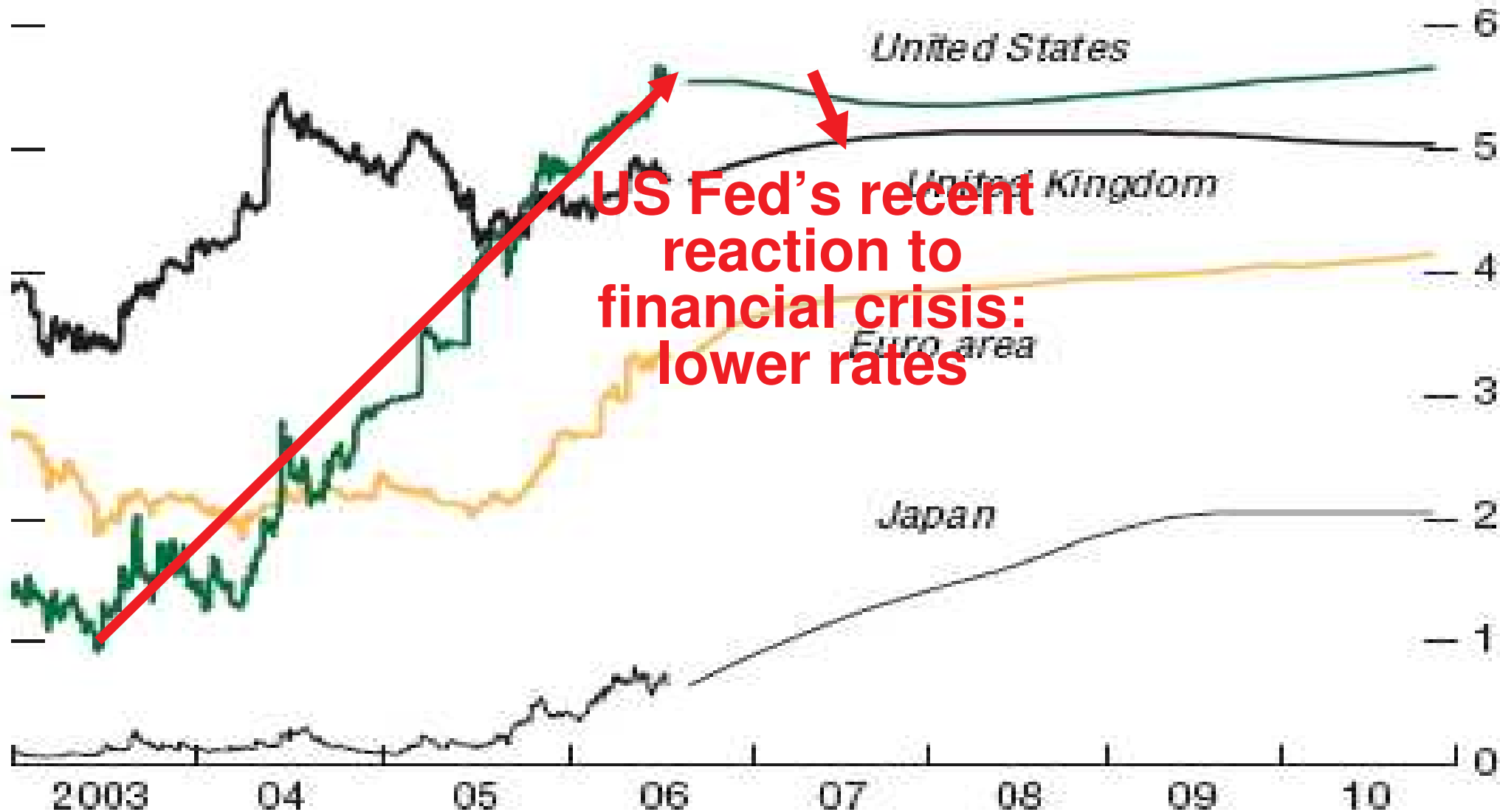
Financing of US capital inflows

(In billions of U.S. dollars)



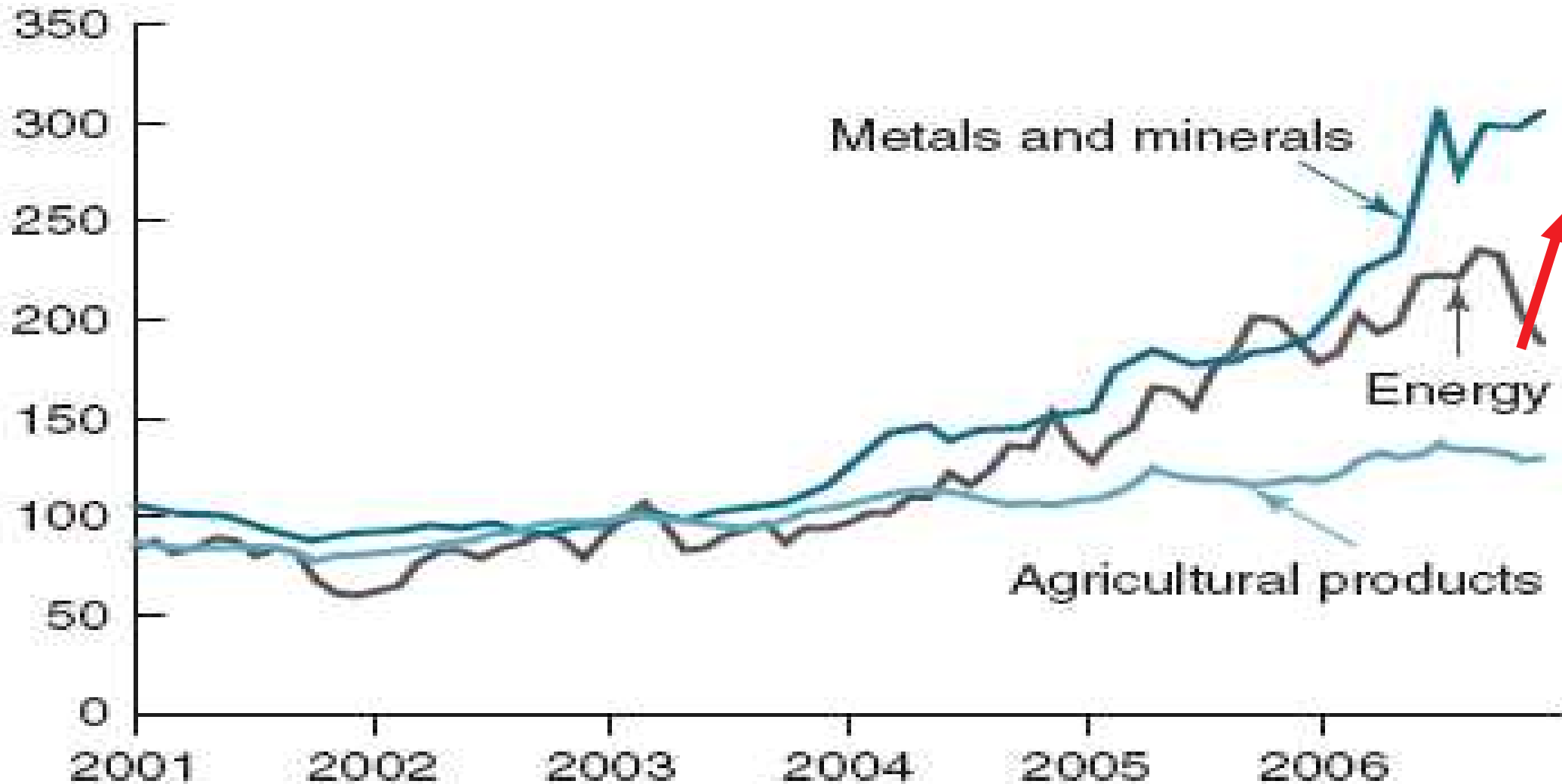
Source: International Monetary Fund
Global Financial Stability Report 2004, p.148

Higher interest rates to attract funding, but what happens when bubble bursts?



Since 2002, substantial commodity price increases

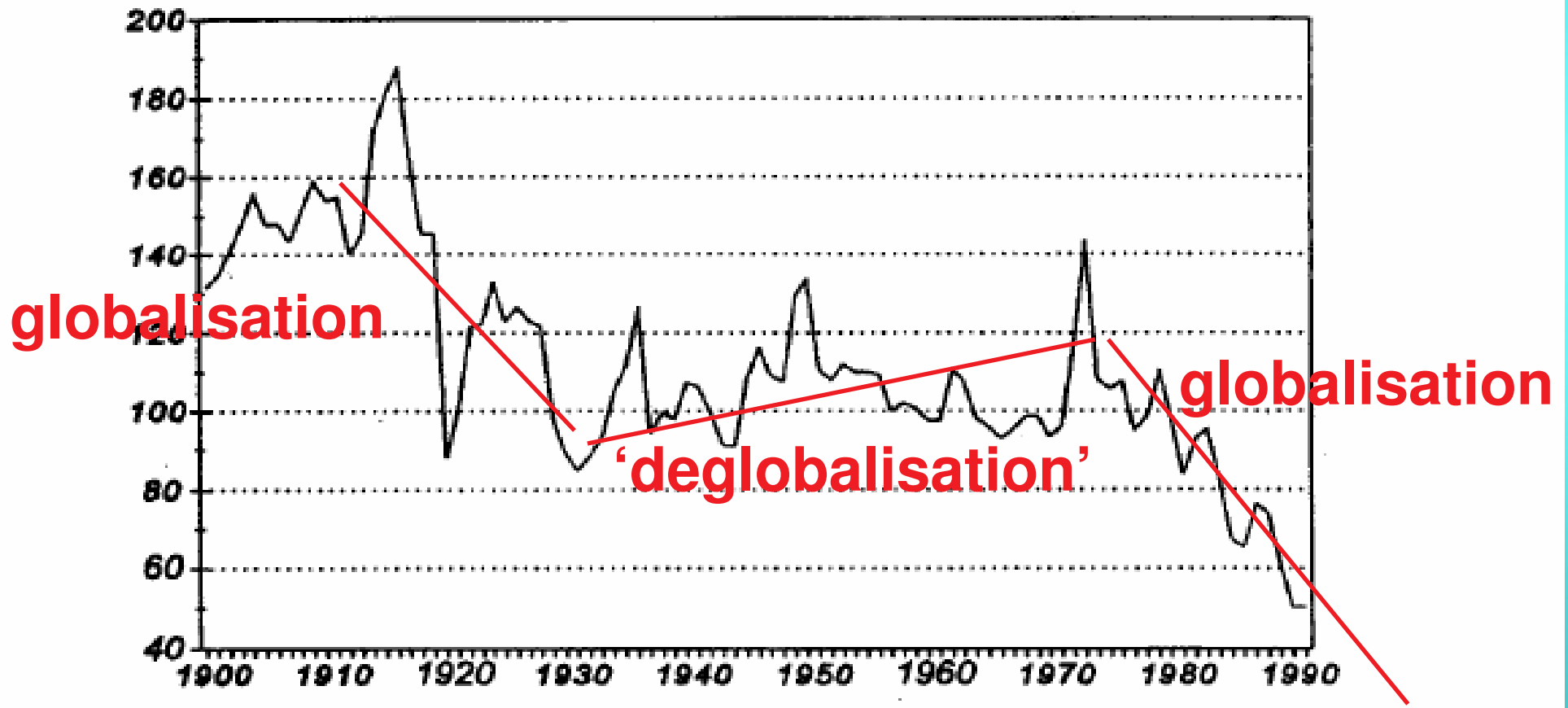
Index, Jan. 2003 = 100



Source: World Bank.

But longer-term commodity export value trends are negative

Aggregate Commodity Price Index, 1900-1990
1970=100



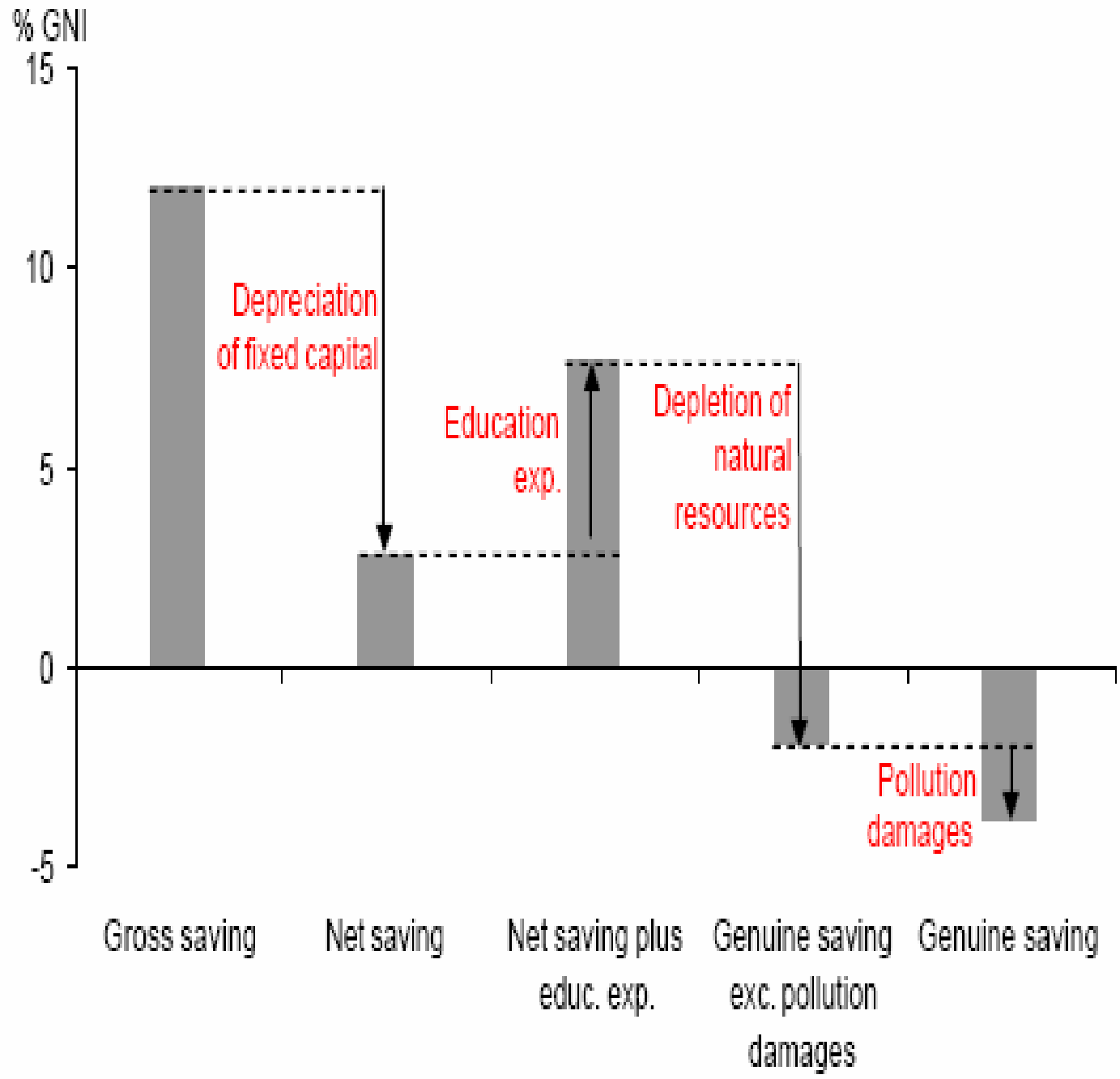
Source: : Javier León and Raimundo Soto, "Structural Breaks and Long-Run Trends Commodity Prices," *Journal of International Development*, 9, 1997, 347-66, p. 350.

Jubilee South: ecological debt is
'the debt accumulated by
Northern, industrial countries
toward Third World countries on
account of resource plundering,
environmental damages, and the
free occupation of environmental
space to deposit wastes, such as
greenhouse gases, from the
industrial countries.'

Types of ecological debt

(Joan Martinez-Alier):

- unpaid costs of reproduction or maintenance or sustainable management of the **renewable resources that have been exported**;
- actualised costs of the **future lack of availability of destroyed natural resources**;
- compensation for, or the costs of reparation (unpaid) of the local **damages produced by exports** (for example, the sulphur dioxide of copper smelters, the mine tailings, the harms to health from flower exports, the pollution of water by mining), or the actualised value of irreversible damage;
- (unpaid) amount corresponding to the commercial use of information and knowledge on **genetic resources**, when they have been appropriated gratis ('biopiracy');
- lack of payment for environmental services or for **disproportionate use of 'Environmental Space'**, e.g. (unpaid) costs of free disposal of gas residues (carbon dioxide, CFCs, etc) assuming equal rights to sinks and reservoirs (\$75 billion/year);
- (unpaid) reparation costs or compensation for the impacts caused by **imports of solid or liquid toxic waste**.



World Bank (minimalist) adjustments to derive 'genuine savings'
 fixed capital (-), education (+), natural resource depletion (-), and pollution damage (-)

Where *is* Africa's wealth?

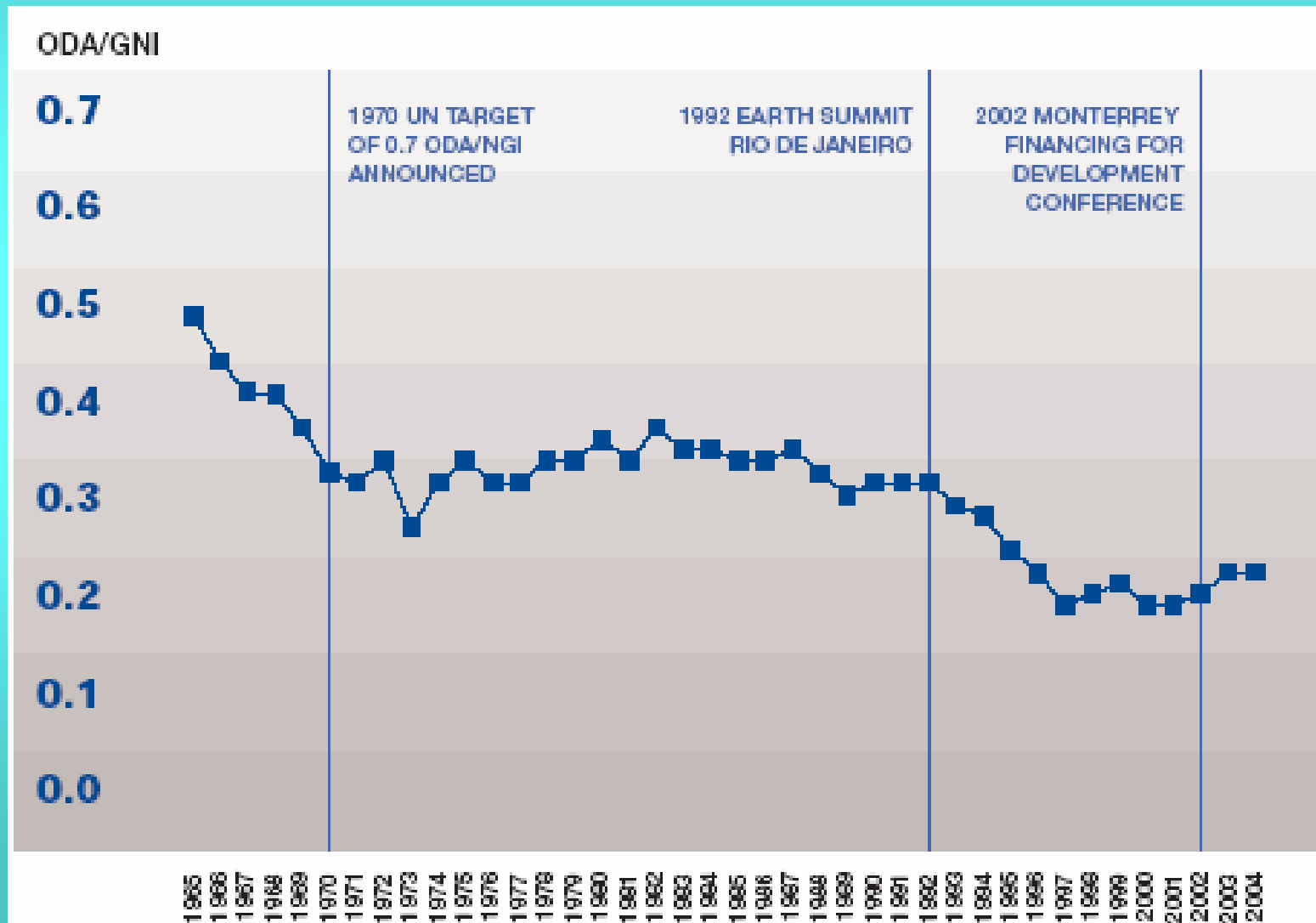
World Bank recording of African countries' adjusted national wealth and 'savings gaps', 2000

	GNI per capita	Population growth rate (%)	Adjusted net saving per capita	Change in wealth per capita
Benin	360	2.6	14	-42
Botswana	2925	1.7	1021	814
Burkina Faso	230	2.5	15	-36
Burundi	97	1.9	-10	-37
Cameroon	548	2.2	-8	-152
Cape Verde	1195	2.7	43	-81
Chad	174	3.1	-8	-74
Comoros	367	2.5	-17	-73
Congo, Rep. of	660	3.2	-227	-727
Côte d'Ivoire	625	2.3	-5	-100
Ethiopia	101	2.4	-4	-27
Gabon	3370	2.3	-1183	-2241
Gambia, The	305	3.4	-5	-45
Ghana	255	1.7	16	-18
Kenya	343	2.3	40	-11
Madagascar	245	3.1	9	-56
Malawi	162	2.1	-2	-29
Mali	221	2.4	20	-47
Mauritania	382	2.9	-30	-147
Mauritius	3897	1.1	645	514
Mozambique	195	2.2	15	-20
Namibia	1820	3.2	392	140
Niger	166	3.3	-10	-83
Nigeria	297	2.4	-97	-210
Rwanda	233	2.9	14	-60
Senegal	449	2.6	31	-27
Seychelles	7089	0.9	1182	904
South Africa	2837	2.5	246	-2
Swaziland	1375	2.5	129	8
Togo	285	4.0	-20	-88
Zambia	312	2.0	-13	-63
Zimbabwe	550	2.0	53	-4

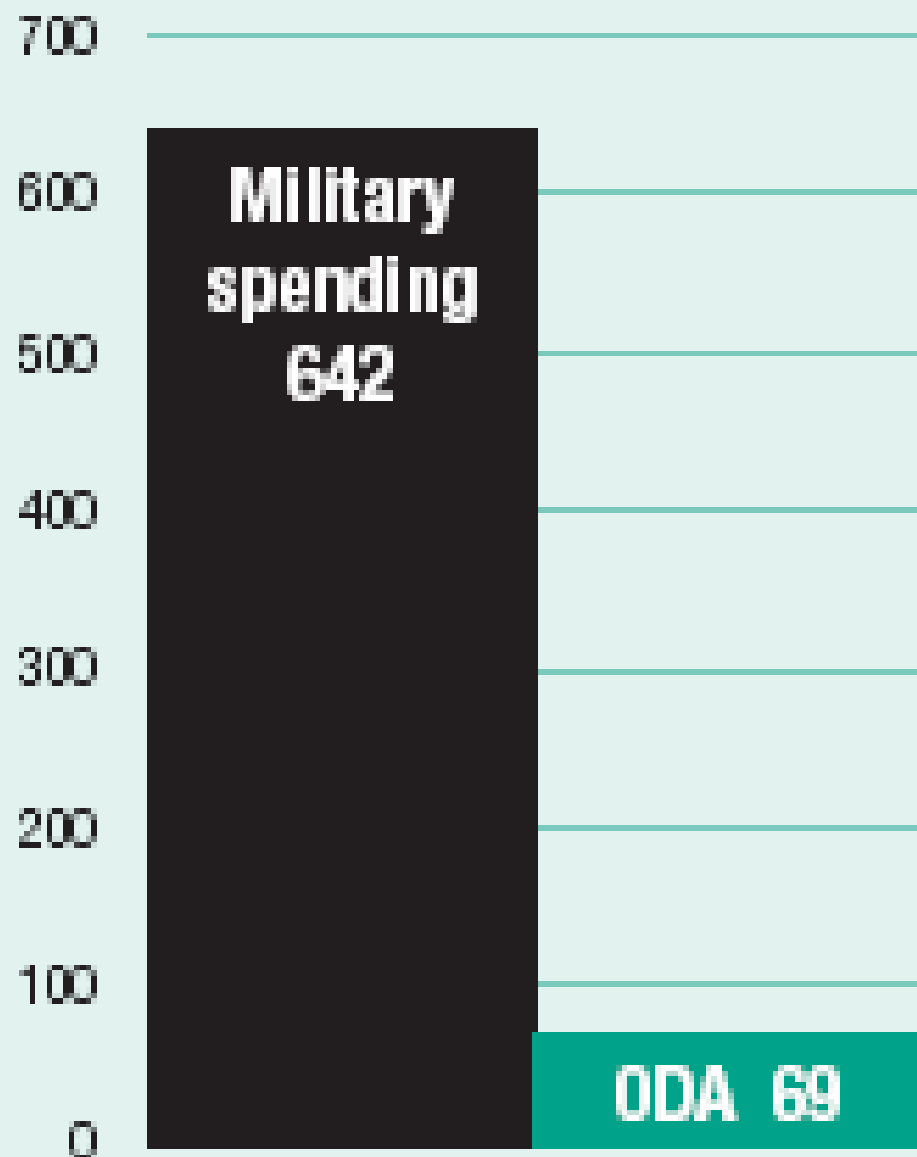
Note: All dollars at nominal exchange rates.

AID: Declining commitments

Source: World Development Movement



Spending by OECD donors, 2003
(US\$ billions)



**Aid in context:
Far less than
military spending**

Source: UNDP HDR 2005

Reconstitution of global ruling class ideology: neocon-neolib fusion, 2004-present

- EU chose Spanish neocon **Rodrigo Rato** as IMF director in mid-2004;
- new head of UNICEF, chosen in January 2005, was Bush's agriculture secretary **Ann Veneman**, although the US and Somalia are only two countries which refused to ratify UN Convention on Rights of the Child;
- in February 2005, outgoing neoliberal head of the WTO, **Supachai Panitchpakdi** from Thailand (who served US and EU interests from 2003-05), was given UN Conference on Trade and Development;
- **Paul Wolfowitz** – architect of the disastrous, illegal US/UK war against Iraq – was appointed to head the World Bank in March 2005;
- EU's hardline trade negotiator **Pascal Lamy** made WTO director;
- neoconservative ideologue **John Bolton** was US Ambassador to the UN from mid-2005-2006, replaced by US-Iraqi neocon **Zalmay Khalilzad**;

Global ruling elite: neoccon-neolib fusion, 2004-present

- neoliberal former World Bank spokesperson **Mark Malloch-Brown** took up a central job in Kofi Annan's office and then became top UK official;
- neoconservative US State Department official **Christopher Burnham** became UN undersecretary-general for management;
- another State Dept official and former *Washington Times* editor, **Josette Sheeran**, directs UN World Food Programme;
- **Ban-ki Moon's** first act as UN secretary general in January 2007 was to applaud US bombing of Somalia;
- replacing Wolfowitz after the sex/money scandal is even more dangerous **Robert Zoellick**, formerly US Trade Rep;
- new IMF head – promoted by EU with no consultation - is former French finance minister **Dominique Strauss-Kahn**.

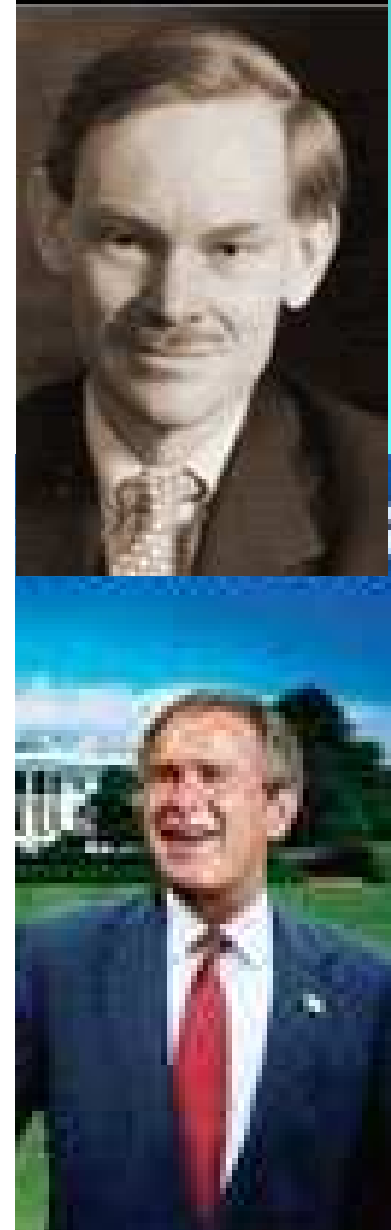
The global array of forces: categories for the typology

- The five currents are recognisable by:
 - a) their political-economic *agenda*;
 - b) internal *disputes* over strategies/tactics and alliances;
 - c) leading *institutions*; and
 - d) exemplary *proponents*.

5) Resurgent rightwing: neoconservatism

- Agenda: **unilateral petro-military imperialism**; crony deals, corporate subsidies, protectionism and tariffs; cultural 'conservatism'; reverse globalisation of people via racism and xenophobia; religious extremism; patriarchy and social control; homophobia
- Disputes: over **extent of imperial reach**, and over how to protect **residual national cultures** and **patriarchy**

Robert Zoellick, George W. Bush



5) Resurgent rightwing

- **Institutions: Republican Party populist and libertarian wings; Project for New American Century; right wing think-tanks (AEI, CSIS, Heritage, Manhattan); the Christian Right; petro-military complex; Pentagon; rightwing media (Fox, *National Interest*, *Weekly Standard*, *Washington Times*); and proto-fascist European parties--but also Israel's Likud and perhaps Islamic extremism**

4) Washington consensus

- Agenda: maintain and perhaps rename **neoliberalism** (PRSPs, HIPC and PPPs) but with some provisions for 'transparency' and self-regulation; more effective bail-out mechanisms; (hypocritical) financial support for US-led Empire
- Disputes: differing reactions to US imperialism, based in part upon **divergent national-capitalist interests** and **internal political dynamics**

Clinton, Gates, Mbeki, Blair, Bono, Obasanjo



4) Washington consensus

- Institutions: US state (Fed, Treasury, USAid); corporate media and big business; World Bank, IMF, WTO; elite clubs (Bilderburger, Trilateral Commission, World Economic Forum); some UN agencies (UNDP, Global Compact); universities and think-tanks (U. of Chicago economics, Cato, Council on Foreign Relations, Adam Smith Inst., Inst. of International Economics, Brookings); and most G8 governments**

3) Post-Washington consensus



- Agenda: fix 'imperfect markets'; add '**sustainable development**' to existing capitalist framework via UN and similar global state-building; promote global Keynesianism (maybe); oppose US unilateralism and militarism
- Disputes: some look **leftward** (for broader alliances) and others look to the Wash.Con. (for **resources and legitimacy**)

Joseph Stiglitz, George Soros

3) Post-Washington consensus

- **Institutions: some UN agencies (e.g., Unicef, Unifem, Unrisd); some int'l NGOs' (e.g., Care, Civicus, IUCN, Oxfam, TI); large enviro. groups (e.g., Sierra and WWF); big labour (e.g., ICFTU and AFL-CIO); liberal foundations (Carnegie, Ford, MacArthur, Mott, Open Society, Rockefeller); Columbia U. economics department; the Socialist International; and some Scandinavian governments**

2) Third World nationalism

- Agenda: increased (but fairer) global integration via **reform of interstate system**, based on debt relief and expanded market access; democratised global governance; regionalism; rhetorical anti-imperialism; and Third World unity
- Disputes: **political alignments**; degree of **militancy** vis-à-vis North; **internecine rivalries and egos**

Thabo Mbeki, Robert Mugabe



2) Third World nationalism

- Institutions: Non-Aligned Movement, G77 and South Centre; self-selecting regimes (often authoritarian): Argentina, Brazil, China, Egypt, India, Iraq, Libya, Malaysia, Nigeria, Pakistan, Palestine, Russia, South Africa, Turkey, Zimbabwe with very few – Cuba and Venezuela – that lean left; and supportive NGOs (e.g. Third World Network, Seatini)**

1) Global justice movements

- Agenda: '**deglobalisation**' of *capital* (not *people*); 'globalisation-from-below'; anti-war; anti-racism; indigenous rights; women's liberation; ecology; 'decommodified' state services; radical participatory democracy
- Disputes: the role of the **national state**; **party politics**; fix-it v. nix-it strategies for int'l agencies; and **tactics** (e.g. symbolic property destruction)

Arundhati Roy, Walden Bello, Dennis Brutus & Trevor Ngwane



1) Global justice movements

- **Institutions: social movements; environmental justice activists; indigenous people's and autonomist groups; radical activist networks; leftist labour movements; leftwing think-tanks (e.g. Focus on the Global South, FoodFirst, GX, IBASE, IFG, IPS, Nader centres, TNI); leftist media and websites (Indymedia, Pacifica, zmag.org); and sectoral or local coalitions allied to World Social Forum**

Summary: core poli-econ ideologies dominant in the world

- **THE RIGHTWING RESURGENCE** is the way to describe Bush/Cheney/Rice/Wolfowitz agenda & far-right Euro parties;
- **WASHINGTON CONSENSUS** is still the dominant neoliberal approach in the economic field -- e.g., WB/IMF/WTO, most economists;
- **THE POST-WASHINGTON CONSENSUS** is the (so far unsuccessful) attempt to reform -- e.g., Soros, Stiglitz, Sachs, Krugman, Lula, some UN agencies;
- **THIRD WORLD NATIONALISM** includes some authoritarians who oppose the system (Mugabe, Gaddafi) and others who still want to work within its confines (Mbeki)
- **THE MOVEMENTS FOR GLOBAL JUSTICE** oppose globalisation of capital but support globalisation of people

The most obvious near-future re-alignment of the forces:

- It is likely that -- as in the 1930s -- **RIGHTWING RESURGENCE** will continue growing, and that it will increasingly fuse with the interests of the **WASHINGTON CONSENSUS** (and its corporate backers), notwithstanding obvious ideological contradictions;
- It is likely that the **POST-WASHINGTON CONSENSUS** will seek increasing alignment with 'responsible' **THIRD WORLD NATIONALISTS** -- and that both will fight against the more principled, radical forces within the **MOVEMENTS FOR GLOBAL JUSTICE**.

SA reforms global apartheid? (2001-02)

What was actually accomplished?

- at WCAR (9/01), Mbeki rejected NGO and African leaders' demands for **slavery/colonialism/apartheid reparations**;
- NEPAD (10/01) merely **'homegrown' Washington Consensus**;
- at Doha WTO (11/01), Alec Erwin **split African delegation** to prevent consensus-denial by trade ministers (as at Seattle, '99);
- in Monterrey UN FFD (2/02), Trevor Manuel was summit co-chair and **legitimised ongoing IMF/WB strategies**;
- from Kananaskis G8 (6/02) - and later meetings (Evian, Sea Island, Gleneagles), Mbeki departed with **nothing**, yet declared that the meeting 'signifies the end of the epoch of colonialism and neo-colonialism';
- at WSSD (8/02), Mbeki **undermined UN democratic procedure, facilitated the privatisation of nature, and did nothing to address the plight of the world's poor majority**;

SA reforms global apartheid? (2003-07)

what was accomplished?

- in Iraq (3/03), no prevention or even delay of **war** (Mbeki sold \$250 mn in weapons to Bush/Blair);
- for hosting a leg of Bush's Africa trip (7/03), Mbeki became the US' '**point man**' on Zimbabwe;
- Cancun WTO Ministerial Summit (9/03) collapse caused Erwin '**disappointment**';
- at Dubai (and subsequent) IMF/WB meetings (9/03), with Manuel chairing Development Committee, no BWI **debt relief, democratisation (Rato and Wolfowitz appointments), or Post-Washington policy reform** – and Manuel left DevCommittee with no governance progress (9/05);
- no progress on **US Security Council reform** (9/05), and backsliding on MDG commitments at the UN.
- **Hong Kong WTO Summit** left SA in the cold (India & Brazil broke ranks), and was highly adverse for Africa (12/05).
- 2006: '**Progressive Governance Summit**' (2/06) and **G77** leadership
- 2007: **BWI leadership changes** with no influence; **G20** hosting but no agenda

'Another world is possible!'

SA examples of decommodification

- SA activists are at cutting edge of several ongoing struggles to turn basic needs into *human rights*:
 - *thorough-going land reform*;
 - *free antiretroviral medicines to fight AIDS*;
 - *free water (50-60 liters/person/day)*;
 - *free electricity (at least 1 kiloWatt hour/person/day)*;
 - *free basic education*;
 - *Renationalisation of Telkom for lifeline phone services*;
 - *prohibition on services disconnections and evictions*;
 - *a 'Basic Income Grant' ; and*
 - *the right to a job!*
- All such services should be *universal*, and financed in a redistributive manner partly by *penalizing luxury consumption*.
- Strategy requires *deglobalisation of capital – through globalisation of people*