

Sand in the Wheels

N° 181 - Wednesday 16 July 2003



THE W. WORLD

Content

But Where is the WTO Sign ?

On May 30th, two metal signs were removed from the portal of the World Trade Organisation in Geneva. They were passed from person to person and were decorated by several hands. They will end most probably in Cancun at the beginning of September where mobilizations will sink them. In preparation of this mobilizations will take place in July in Montreal (<http://montreal.resist.ca>) and 8, 9 and 10 august in the Larzac region, France (see www.larzac2003.org) We would like to follow the plaques' travel all over and therefore show picture on their whereabouts. If they are passing next to your home, or if you them here or there, please send us a picture. (pass the word around) journal@attac.org



1. The Crisis of the Globalist Project and the New Economics of George W. Bush (Walden Bello)

We have, in short, entered a historical maelstrom marked by prolonged economic crisis, the spread of global resistance, the reappearance of the balance of power among center states, and the reemergence of acute inter-imperialist contradictions. We must have a healthy respect for US power, but neither must we overestimate it. The signs are there that the US is seriously overextended and what appear to be manifestations of strength might in fact signal weakness strategically.

2. Iraq: descending into the quagmire (By Colonel Daniel Smith)

American military strategy from the horse's mouth, so to speak: A retired US colonel analyses the US military response to guerrilla or "small" war methods and the reasons for their disastrous lack of success. The purely military response, ignoring the ideological basis of such wars, led to defeat in Vietnam, and is presently allowing a dreaded "quagmire" develop in Iraq.

3. The Two Faces of George Bush in Africa (By Russell Mokhiber and Robert Weissman)

President Bush is doing a barnstorming tour of Africa to call attention to his administration's commitment to addressing the HIV/AIDS pandemic on the continent. One problem: He's simultaneously trying to impose on African countries enhanced patent protections that would undermine their ability to gain access to affordable medicines.

4. Whether To Be Loved or Feared (By Mark Engler)

The news, simply put, is that the world hates us. Less than two years ago, following the attacks of 9/11, outpourings of sympathy for the United States flowed from around the globe. Yet those in power in Washington have swiftly converted that goodwill into distrust and contempt.

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The Crisis of the Globalist Project and the New Economics of George W. Bush

By Walden Bello. Professor of sociology and public administration at the University of the Philippines and executive director of the Bangkok-based Focus on the Global South

(Prepared for the McPlanet Conference, Berlin, June 27, 2002. The original version of this piece will appear in the Fall issue of New Labor Forum.)

"Capitalism constantly erodes man and woman's being-in-nature (creature) and being-in-society (citizen) and, even as it drains them of life energy as workers, it moulds their consciousness around one role: that of consumer. Capitalism has many "laws of motion," but one of the most destructive as far as the environment

goes is Say's law, which is that supply creates its own demand. Capitalism is a demand-creating machine that transforms living nature into dead commodities, natural wealth into dead capital." Walden Bello, McPlanet Conference, Berlin, 27-29 June 2003

I would like to thank the Heinrich Boll Foundation, ATTAC Germany, and all the other organizers of this conference for inviting me to this very important meeting. What I would like to do in this introductory talk is to discuss the key elements of the global conjuncture. I would like to paint, in broad strokes, the global political and economic context in which we must situate our environmental activism.

Let me begin by taking you back to 1995, the year the World Trade Organization was born. The offspring of eight years of negotiations, the WTO was hailed in the establishment press as the gem of global economic governance in the era of globalization. The nearly 20 trade agreements that underpinned the WTO were presented as comprising a set of multilateral rules that would eliminate power and coercion from trade relations by subjecting both the powerful and the weak to a common set of rules backed by an effective enforcement apparatus. The WTO was a landmark, declared George Soros, because it was the only supranational body to which the world's most powerful economy, United States, would submit itself. In the WTO, it was claimed, the powerful United States and lowly Rwanda had exactly the same number of votes: one.

Triumphalism was the note sounded during the First Ministerial of the WTO in Singapore in November 1996, with the WTO, International Monetary Fund (IMF), and the World Bank issuing their famous declaration saying that the task of the future was the challenge now lay in making their policies of global trade, finance, and development "coherent" so as to lay the basis for global prosperity.

THE CRISIS OF THE GLOBALIST PROJECT

By the beginning of 2003, the triumphalism was gone. As the fifth Ministerial of the WTO approaches, the organization is in gridlock. A new agreement on agriculture is nowhere in sight as the US and the European Union stoutly defend their multibillion dollar subsidies. Brussels is on the verge of imposing sanctions on Washington for maintaining tax breaks for exporters that have been found to be in violation of WTO rules, while Washington has threatened to file a case with the WTO against the EU's de facto moratorium against genetically modified foods. Developing countries, some once hopeful that the WTO would in fact bring more equity to global trade, unanimously agree that most of what they have reaped from WTO membership are costs, not benefits. They are dead set against opening their markets any further, except under coercion and intimidation. Instead of

heralding a new round of global trade liberalization, the Cancun ministerial is likely to announce a stalemate.

The context for understanding this stalemate at the WTO is the crisis of the globalist project--the main achievement of which was the establishment of the WTO--and the emergence of unilateralism as the main feature of US foreign policy.

But first, some notes on globalization and the globalist project.

Globalization is the accelerated integration of capital, production, and markets globally, a process driven by the logic of corporate profitability.

Globalization has had two phases: the first lasting from the early 19th century till the outbreak of the First World War in 1914; the second from the early 1980s until today. The intervening period was marked by the dominance of national capitalist economies characterized by a significant degree of state intervention and an international economy with strong constraints on trade and capital flows. These domestic and international constraints on the market, which were produced by the dynamics of class conflict internally and inter-capitalist competition internationally, were portrayed by the neoliberals as having caused distortions that collectively accounted for the stagnation of the capitalist economies and the global economy in the late seventies and early eighties.

As in the first phase of globalization, the second phase was marked by the coming to hegemony of the ideology of neoliberalism, which focused on "liberating the market" via accelerated privatization, deregulation, and trade liberalization. There were, broadly, two versions of neoliberal ideology--a "hard" Thatcher-Reagan version and a "soft" Blair-Soros version (globalization with "safety nets.") But underlying both approaches was unleashing market forces and removing or eroding constraints imposed on transnational firms by labor, the state, and society.

THREE MOMENTS OF THE CRISIS OF GLOBALIZATION

There have been three moments in the deepening crisis of the globalist project. The first was the Asian financial crisis of 1997. This event, which laid low the proud "tigers" of East Asia, revealed that one of the key tenets of the globalization--the liberalization of the capital account to promote freer flows of capital, especially finance or speculative capital -- could be profoundly destabilizing. The Asian financial crisis was, in fact, shown to be merely the latest of at least eight major financial crises since the liberalization of global financial flows began in the late seventies. How profoundly destabilizing capital market liberalization could be was shown when, in just a few weeks' time, one million people in Thailand and 21 million in Indonesia were pushed below the poverty line.

The Asian financial crisis was the "Stalingrad" of the IMF, the prime global agent of liberalized capital flows. Its record in the ambitious enterprise of subjecting some 100 developing and transitional economies to "structural adjustment" was revisited, and facts that had been pointed out by such agencies as the United Nations Development Program (UNDP) and United Nations Conference on Trade and Development (UNCTAD) as early as the late eighties now assumed the status of realities. Structural adjustment programs designed to accelerate deregulation, trade liberalization, and privatization had almost everywhere institutionalized stagnation, worsened poverty, and increased inequality.

A paradigm is really in crisis when its best practitioners desert it, as Thomas Kuhn pointed out in his classic *The Structure of Scientific Revolutions*, and something akin to what happened during the crisis of the Copernican paradigm in physics occurred in neoclassical economics shortly after the Asian financial crisis, with key intellectuals leaving the fold--among them Jeffrey Sachs, noted earlier for his advocacy of "free market" shock treatment in Eastern Europe in the early 1990s; Joseph Stiglitz, former chief economist of the World Bank; Columbia Professor Jagdish Bhagwati, who called for global controls on capital flows; and financier George Soros, who condemned the lack of controls in the global financial system that had enriched him.

The second moment of the crisis of the globalist project was the collapse of the third ministerial of the WTO in Seattle in December 1999. Seattle was the fatal intersection of three streams of discontent and conflict that had been building for sometime:

- Developing countries resented the inequities of the Uruguay Round agreements that they felt compelled to sign in 1995.
- Massive popular opposition to the WTO emerged globally from myriad sectors of global civil society, including farmers, fisherfolk, labor unionists, and environmentalists. By posing a threat to the well being of each sector in many of its agreements, the WTO managed to unite global civil society against it.
- There were unresolved trade conflicts between the EU and the US, especially in agriculture, which had been simply been papered over by the Uruguay Round agreement.

These three volatile elements combined to create the explosion in Seattle, with the developing countries rebelling against Northern diktat at the Seattle Convention Center, 50,000 people massing militantly in the streets, and differences preventing the EU and US from acting in concert to salvage the ministerial. In a moment of lucidity right after the Seattle debacle, British Secretary of State Stephen Byers captured the essence

of the crisis: "[T]he WTO will not be able to continue in its present form. There has to be fundamental and radical change in order for it to meet the needs and aspirations of all 134 of its members."

The third moment of the crisis was the collapse of the stock market and the end of the Clinton boom. This was not just the bursting of the bubble but a rude reassertion of the classical capitalist crisis of overproduction, the main manifestation of which was massive overcapacity. Prior to the crash, corporate profits in the US had not grown since 1997. This was related to overcapacity in the industrial sector, the most glaring example being seen in the troubled telecommunications sector, where only 2.5 per cent of installed capacity globally was being utilized. The stagnation of the real economy led to capital being shifted to the financial sector, resulting in the dizzying rise in share values. But since profitability in the financial sector cannot deviate too far from the profitability of the real economy, a collapse of stock values was inevitable, and this occurred in March 2001, leading to the prolonged stagnation and the onset of deflation.

There is probably a broader structural reason for the length of the current stagnation or deflation and its constant teetering at the edge of recession. This may be, as a number of economists have stated, that we are at the tail end of the famous "Kondratieff Cycle." Advanced by the Russian economist Nikolai Kondratieff, this theory suggests that the progress of global capitalism is marked not only by short-term business cycles but also by long-term "supercycles." Kondratieff cycles are roughly fifty to sixty-year long waves. The upward curve of the Kondratieff cycle is marked by the intensive exploitation of new technologies, followed by a crest as technological exploitation matures, then a downward curve as the old technologies produce diminishing returns while new technologies are still in an experimental stage in terms of profitable exploitation, and finally a trough or prolonged deflationary period.

The trough of the last wave was in the 1930s and 1940s, a period marked by the Great Depression and World War II. The ascent of the current wave began in the 1950s and the crest was reached in the 1980s and 1990s. The profitable exploitation of the postwar advances in the key energy, automobile, petrochemical, and manufacturing industries ended while that of information technology was still at a relatively early stage. From this perspective, the "New Economy" of the late 1990s was not a transcendence of the business cycle, as many economists believed it to be, but the last glorious phase of the current supercycle before the descent into prolonged deflation. In other words, the uniqueness of the current conjuncture lies in the fact that the downward curve of the current short-term cycle coincides with the move into descent of the Kondratieff supercycle. To use the words of another famous economist, Joseph Schumpeter, the global economy

appears to be headed for a prolonged period of "creative destruction."

ENVIRONMENTAL CRISIS AND CAPITALIST LEGITIMACY

I have been talking about moments or conjunctural crystallizations of the crisis of the globalization project. These moments were manifestations of fundamental conflicts or contradictions that were unfolding unevenly over time. A central smoldering contradiction was that between globalization and the environment. I would now want to devote a few words to how the environmental crisis has proven to be a central factor unravelling the legitimacy of the globalization project, indeed of capitalism as a mode of economic organization itself.

Both before and after the World Summit on Environment and Development in Rio de Janeiro in 1992, the sense was that while the world environmental situation was worsening, consciousness of this fact was leading to the creation of the global institutional and legal mechanisms to deal with the problem. The Rio Summit's agreeing on Agenda 21, a global program for environmental improvement that would have counterpart country programs, seemed to mark a major step forward in terms of global cooperation.

The late eighties and early nineties were, moreover, a period when a number of multilateral environmental agreements were inked and appeared to be making headway in reversing the global environmental crisis, like the Montreal Protocol putting controls on the production of CFCs to preserve ozone layer, and the CITES Treaty putting tough controls on trade in endangered species. Also, with the coming to power of Bill Clinton and Al Gore in 1992, an environmentally correct administration seemed to be in place.

Several moves stalemated this process.

First, the establishment of the WTO. As Ralph Nader put it, the WTO placed corporate trade "uber alles," meaning practically all dimensions of economic and social life except for national security. In other words, laws protecting natural resources and the environment needed to be changed if they were seen as imposing standards that were seen as unfair to foreign trading interests. In a series of landmark cases-the tuna-dolphin case between the US and Mexico, the turtle-shrimp controversy pitting the US and Asian countries-it seemed that national environmental laws were being subordinated to free trade. The thrust seemed to be to bring environmental protections in different countries to the lowest common denominator rather than to bring them up to the highest standards.

Second, the aggressive push by corporations to exploit advanced food technology and biotechnology alarmed environmentalists and citizenries all over. The EU's ban on hormone-treated beef from the US--enacted in

response to popular demand in Europe-- continued despite the WTO's viewing it as illegal. Likewise, genetic modifications in agricultural production coupled with resistance to ecolabelling on the part of US firms such as Monsanto triggered a consumer backlash in Europe and other parts of the world, with the precautionary principle being invoked as a powerful weapon against the US corporations' criterion of "solid science." Also, the aggressive effort by US biotech firms to extend patenting to life forms and to seeds led to strong resistance by farmers' groups, consumer groups, and environmentalists to what was denounced as the "privatization" of the aeons-long interaction between nature and communities.

Third, the strong resistance of the US industrial sector to acknowledge the fact of global warming, at a time when the speed of the melting of the polar ice caps was accelerating, was perceived as a brazen attempt to put profits ahead of the common interest. This perception could only be reinforced by the successful corporate effort to stalemate a collective global effort to effectively deal with global warming during the Clinton administration and finally to kill it when the Bush administration refused to sign and ratify the already weak Kyoto Protocol on climate change.

The aggressive anti-environmental posture of US corporations was one of the factors that led to a great distrust of business even within the United States, with 72 per cent of Americans surveyed by Business Week in 2000 saying that business "has too much power over their lives," leading the country's prime business weekly to warn: "Corporate America, ignore these trends at your peril."

At the same time, developing countries felt that the US was using environmental arguments to slow down their development with its position that the greenhouse gas emissions of developing countries needed to be also subject to substantially the same restrictions imposed on the developed countries before Washington would sign the Kyoto Accord. Indeed, such suspicions were not unfounded, since Bush administration people were targeting China, whose rapid development was seen as a strategic threat to the US. Environmentalism was being deployed in the US's effort to maintain its geo-economic, geopolitical edge.

By the early 2000s, then, the global consensus represented by the Rio Summit had unraveled, and it all but collapsed under the massive corporate greenwashing campaign that was unleashed at the World Summit on Sustainable Development (also known as Rio+10) in Johannesburg in September 2002. "Sustainable development," a vision that attempted to reconcile economic growth with ecological stability fell by the wayside, and Herman Daly's apocalyptic image of an economic system marked by hyper-growth outstripping in record time an ecological system created over aeons seemed closer to realization as US, European, and Japanese capital worked closely with a

pollution-friendly government to make high-growth China both the workshop and wastebasket of the world.

A few years ago, many agreed with economist Herman Daly that ecological deterioration is due to the inexorable drive of the man-made system of production to fill with geometric speed the limited space created over eons by nature. From this perspective, slower growth and lower rates of consumption were the key to environmental stabilization, and this could be achieved through policy choices supported by the public.

Increasingly, this analysis is giving way to the more radical view that the main culprit is an unchecked capitalist mode of production that unceasingly transforms nature's bounty into commodities and incessantly creates new demands. Capitalism constantly erodes man and woman's being-in-nature (creature) and being-in-society (citizen) and, even as it drains them of life energy as workers, it moulds their consciousness around one role: that of consumer. Capitalism has many "laws of motion," but one of the most destructive as far as the environment goes is Say's law, which is that supply creates its own demand. Capitalism is a demand-creating machine that transforms living nature into dead commodities, natural wealth into dead capital.

Environmentalism, in short, has regained its radical edge over the past decade, moving the critique of globalization to a critique of the dynamics of capitalism itself.

THE NEW ECONOMICS OF THE GEORGE W. BUSH

The interlocking crises of globalization, neoliberalism, capitalist legitimacy, and overproduction provide the context for understanding the economic policies of the Bush administration, notably its unilateralist thrust. The globalist corporate project expressed the common interest of the global capitalist elites in expanding the world economy and their fundamental dependence on one another. However, globalization did not eliminate competition among the national elites. In fact, the ruling elites of the US and Europe had factions that were more nationalist in character as well as more tied for their survival and prosperity to the state, such as the military-industrial complex in the US. Indeed, since the eighties there has been a sharp struggle between the more globalist fraction of ruling elite stressing common interest of global capitalist class in a growing world economy and the more nationalist, hegemonist faction that wanted to ensure the supremacy of US corporate interests.

As Robert Brenner has pointed out, the policies of Bill Clinton and his Treasury Secretary Robert Rubin put prime emphasis on the expansion of the world economy as the basis of the prosperity of the global capitalist class. For instance, in the mid-1990s, they pushed a strong dollar policy meant to stimulate the recovery of the Japanese and German economies, so they could

serve as markets for US goods and services. The earlier, more nationalist Reagan administration, on the other hand, had employed a weak dollar policy to regain competitiveness for the US economy at the expense of the Japanese and German economies. With the George W. Bush administration, we are back to economic policies, including a weak dollar policy, that are meant to revive the US economy at the expense of the other center economies and push primarily the interests of the US corporate elite instead of that of global capitalist class under conditions of a global downturn.

Several features of this approach are worth stressing:

- Bush's political economy is very wary of a process of globalization that is not managed by a US state that ensures that the process does not diffuse the economic power of the US. Allowing the market solely to drive globalization could result in key US corporations becoming the victims of globalization and thus compromising US economic interests. Thus, despite the free market rhetoric, we have a group that is very protectionist when it comes to trade, investment, and the management of government contracts. It seems that the motto of the Bushites is protectionism for the US and free trade for the rest of us.

- The Bush approach includes a strong skepticism about multilateralism as a way of global economic governance since while multilateralism may promote the interests of the global capitalist class in general, it may, in many instances, contradict particular US corporate interests. The Bush coterie's growing ambivalence towards the WTO stems from the fact that the US has lost a number of rulings there, rulings that may hurt US capital but serve the interests of global capitalism as a whole.

- For the Bush people, strategic power is the ultimate modality of power. Economic power is a means to achieve strategic power. This is related to the fact that under Bush, the dominant faction of the ruling elite is the military-industrial establishment that won the Cold War. The conflict between globalists and unilateralists or nationalists along this axis is shown in the approach toward China. The globalist approach put the emphasis on engagement with China, seeing its importance primarily as an investment area and market for US capital. The nationalists, on the other hand, see China mainly as a strategic enemy, and they would rather contain it rather than assist its growth.

- Needless to say, the Bush paradigm has no room for environmental management, seeing this to be a problem that others have to worry about, not the United States. There is, in fact, a strong corporate lobby that believes that environmental concerns such as that surrounding GMOs is a European conspiracy to deprive the US of its high tech edge in global competition. If these are seen as the premises for action, then the following prominent elements of recent US economic policy make sense:

- Achieving control over Middle East oil. While it did not exhaust the war aims of the administration in invading Iraq, it was certainly high on the list. With competition with Europe becoming the prime aspect of the trans-Atlantic relationship, this was clearly aimed partly at Europe. But perhaps the more strategic goal was to preempt the region's resources in order to control access to them by energy poor China, which is seen as the US' strategic enemy.

- Aggressive protectionism in trade and investment matters. The US has piled up one protectionist act after another, one of the most brazen being to stall any movement at the WTO negotiations by defying the Doha Declaration's upholding of public health issues over intellectual property claims by limiting the loosening of patent rights to just three diseases in response to its powerful pharmaceutical lobby. While it seems perfectly willing to see the WTO negotiations unravel, Washington has put most of its efforts in signing up countries into bilateral or multilateral trade deals such as the Free Trade of the Americas (FTAA) before the EU gets them into similar deals. Indeed the term "free trade agreements" is a misnomer since these are actually preferential trade deals.

- Incorporating strategic considerations into trade agreements. In a recent speech, US Trade Representative Robert Zoellick stated explicitly that "countries that seek free-trade agreements with the United States must pass muster on more than trade and economic criteria in order to be eligible. At a minimum, these countries must cooperate with the United States on its foreign policy and national security goals, as part of 13 criteria that will guide the US selection of potential FTA partners." New Zealand, perhaps one of the most doctrinally governments to free trade, has nevertheless not been offered a free trade deal because it has a policy that prevents nuclear ship visits, which the US feels is directed at it.

- Manipulation of the dollar's value to stick the costs of economic crisis on rivals among the center economies and regain competitiveness for the US economy. A slow depreciation of the dollar vis-à-vis the euro can be interpreted as market-based adjustments, but the 25 per cent fall in value cannot but be seen as, at the least, a policy of benign neglect. While the Bush administration has issued denials that this is a beggar-thy-neighbor policy, the US business press has seen it for what it is: an effort to revive the US economy at the expense of the European Union and other center economies.

- Aggressive manipulation of multilateral agencies to push the interests of US capital. While this might not be too easy to achieve in the WTO owing to the weight of the European Union, it can be more readily done at the World Bank and the IMF, where US dominance is more effectively institutionalized. For instance, despite support for the proposal from many European

governments, the US Treasury recently torpedoed the IMF management's proposal for a Sovereign Debt Restructuring Mechanism (SDRM) to enable developing countries to restructure their debt while giving them a measure of protection from creditors. Already a very weak mechanism, the SDRM was vetoed by US Treasury in the interest of US banks.

- Finally, and especially relevant to our coming discussions, making the other center economies as well as developing countries bear the burden of adjusting to the environmental crisis. While some of the Bush people do not believe there is an environmental crisis, others know that the current rate of global greenhouse emissions is unsustainable. However, they want others to bear the brunt of adjustment since that would mean not only exempting environmentally inefficient US industry from the costs of adjustment, but hobbling other economies with even greater costs than if the US participated in an equitable adjustment process, thus giving the US economy a strong edge in global competition. Raw economic realpolitik, not fundamentalist blindness, lies at the root of the Washington's decision not to sign the Kyoto Protocol on Climate Change.

THE ECONOMICS AND POLITICS OF OVEREXTENSION

Being harnessed very closely to strategic ends, any discussion of the likely outcomes of the Bush administration's economic policies must take into account both the state of the US economy and the global economy and the broader strategic picture. A key base for successful imperial management are expanding national and global economies-something precluded by the extended period of deflation and stagnation ahead, which is more likely to spur inter-capitalist rivalries.

Moreover, resources include not only economic and political resources but political and ideological ones as well. For without legitimacy-without what Gramsci called "the consensus" of the dominated that a system of rule is just-imperial management cannot be stable.

Faced with a similar problem of securing the long-term stability of its rule, the ancient Romans came up with the solution that created what was till then the most far-reaching case of collective mass loyalty ever achieved till then and prolonged the empire for 700 years. The Roman solution was not just or even principally military in character. The Romans realized that an important component of successful imperial domination was consensus among the dominated of the "rightness" of the Roman order. As sociologist Michael Mann notes in his classic *Sources of Social Power*, the "decisive edge" was not so much military as political. "The Romans," he writes, "gradually stumbled on the invention of extensive territorial citizenship." The extension of Roman citizenship to ruling groups and non-slave peoples throughout the empire was the political

breakthrough that produced "was probably the widest extent of collective commitment yet mobilized." Political citizenship combined with the vision of the empire providing peace and prosperity for all to create that intangible but essential moral element called legitimacy.

Needless to say, extension of citizenship plays no role in the US imperial order. In fact, US citizenship is jealously reserved for a very tiny minority of the world's population, entry into whose territory is tightly controlled. Subordinate populations are not to be integrated but kept in check either by force or the threat of the use of force or by a system of global or regional rules and institutions--the World Trade Organization, the Bretton Woods system, NATO--that are increasingly blatantly manipulated to serve the interests of the imperial center.

Though extension of universal citizenship was never a tool in the American imperial arsenal, during its struggle with communism in the post-World War II period Washington did come up with a political formula to legitimize its global reach. The two elements of this formula were multilateralism as a system of global governance and liberal democracy.

In the immediate aftermath of the Cold War, there were, in fact, widespread expectations of a modern-day version of Pax Romana. There was hope in liberal circles that the US would use its sole superpower status to buttress a multilateral order that would institutionalize its hegemony but assure an Augustan peace globally. That was the path of economic globalization and multilateral governance. That was the path eliminated by George W. Bush's unilateralism.

As Frances Fitzgerald observed in *Fire in the Lake*, the promise of extending liberal democracy was a very powerful ideal that accompanied American arms during the Cold War. Today, however, Washington or Westminster-type liberal democracy is in trouble throughout the developing world, where it has been reduced to providing a façade for oligarchic rule, as in the Philippines, pre-Musharraf Pakistan, and throughout Latin America. In fact, liberal democracy in America has become both less democratic and less liberal. Certainly, few in the developing world see a system fueled and corrupted by corporate money as a model.

Recovery of the moral vision needed to create consensus for US hegemony will be extremely difficult. Indeed, the thinking in Washington these days is that the most effective consensus builder is the threat of the use of force. Moreover, despite their talk about imposing democracy in the Arab world, the main aim of influential neoconservative writers like Robert Kagan and Charles Krauthammer is transparent: the manipulation of liberal democratic mechanisms to create pluralistic competition that would destroy Arab unity. Bringing democracy to the Arabs is not so much an afterthought as a slogan that is uttered tongue in cheek.

The Bush people are not interested in creating a new Pax Romana. What they want is a Pax Americana where most of the subordinate populations like the Arabs are kept in check by a healthy respect for lethal American power, while the loyalty of other groups such as the Philippine government is purchased with the promise of cash. With no moral vision to bind the global majority to the imperial center, this mode of imperial management can only inspire one thing: resistance. The great problem for unilateralism is overextension, or a mismatch between the goals of the United States and the resources needed to accomplish these goals. Overextension is relative. That is, it is to a great degree a function of resistance. An overextended power may, in fact, be in a worse condition even with a significant increase in its military power if resistance to its power increases by an even greater degree. Among the key indicators of US overextension are the following:

- Washington's continuing inability to create a new political order in Iraq that would serve as a secure foundation for colonial rule- its failure to consolidate a pro-US regime in Afghanistan outside of Kabul- the inability of a key ally, Israel, to quell, even with Washington's unrestricted support, the Palestinian people's uprising- the inflaming of Arab and Muslim sentiment in the Middle East, South Asia, and Southeast Asia, resulting in massive ideological gains for Islamic fundamentalists-which was what Osama bin Laden had been hoping for in the first place- the collapse of the Cold War Atlantic Alliance and the emergence of a new countervailing alliance, with Germany and France at the center of it- the forging of a powerful global civil society movement against US unilateralism, militarism, and economic hegemony, the most recent significant expression is the global anti-war movement;- the coming to power of anti-neoliberal, anti-US movements in Washington's own backyard-Brazil, Venezuela, and Ecuador-as the Bush administration is preoccupied with the Middle East- an increasingly negative impact of militarism on the US economy, as military spending becomes dependent on deficit spending, and deficit spending become more and more dependent on financing from foreign sources, creating more stresses and strains within an economy that is already in the throes of stagnation.

In conclusion, the globalist project is in crisis. Whether it can make a comeback via a Democratic or Liberal Republican presidency should not be ruled out, especially since there are influential globalist voices in the US business community-among them George Soros-- that are expressing opposition to the unilateralist thrust of the Bush administration. In our view, however, this is unlikely, and unilateralism will reign for sometime to come.

We have, in short, entered a historical maelstrom marked by prolonged economic crisis, the spread of global resistance, the reappearance of the balance of power among center states, and the reemergence of

acute inter-imperialist contradictions. We must have a healthy respect for US power, but neither must we overestimate it. The signs are there that the US is seriously overextended and what appear to be manifestations of strength might in fact signal weakness strategically.

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Iraq: descending into the quagmire

By Colonel Daniel Smith, USA (Ret.)

Between May 1, when President Bush declared that major combat in Iraq was over, and June 26, 57 U.S. and eight UK military personnel have died in Iraq. That is more than one death every day. To the U.S. and UK toll must be added the sometimes tens or scores of Iraqis, both Saddamists--military, intelligence, fedayeen, non-Iraqi volunteers--and innocent civilians.

Having splashed the President's declaration over their electronic and newspaper front pages and magazine covers, the media are edging ever so gingerly toward serious questioning of what kind of "war" U.S. and UK troops (the "Authority") are fighting in Iraq. "Counterinsurgency," a 1960s buzzword, has already re-appeared in some reports. The dreaded "quagmire" has also been voiced. The Pentagon denies it is doing "body counts"--although the media always seems to know the number of guerrilla dead. Can "free fire zones," "five o'clock follies" (the daily official U.S. military briefings in Saigon), and "light at the end of the tunnel" be far off?

These phrases bring to mind Bernard Fall, author, chronicler, and journalist in the Vietnam War. Very early in that war--December 10, 1964--Fall delivered a lecture at the Naval War College on "The Theory and Practice of Insurgency and Counterinsurgency." Parts of his presentation seem as current today in the context of Iraq as they were in 1964 for Vietnam.

For example, Fall believed that the real objective of guerrilla (or small) war methods is to advance "an ideology or a political system." The U.S. government saw fighting as the primary challenge and responded by seeking a military solution. In so doing, it misjudged the depth and extent of political action by the North Vietnamese and Viet Cong--the primacy of "political, ideological, and administrative" control--and thus the true nature of their "revolutionary warfare." Moreover, in failing to properly assess the political and ideological (nationalistic) forces at work in Vietnam, the Johnson and Nixon administrations tended to mischaracterize (or ignore) the multitudinous economic and social cross-currents that were represented by those committed to

the cause of Vietnam unification under Vietnamese leaders.

The result was a steady build-up of U.S. personnel and equipment and the expenditures of billions of dollars, none of which brought the U.S. any nearer to the tunnel's end--but all of which added to the casualties on both sides and exponentially increased the alienation of the civilian population. Even Buddhist monks protested, with some expressing their opposition to the repressive Saigon government and the actions of its U.S. ally through self-immolation. As Fall noted, "One can do almost anything with brute force except salvage an unpopular government."

In Iraq, as one phase of the "global war on terror," the Bush administration chose war and occupation, and must now face the consequences of its choices. Having dislodged the previous regime by force, the U.S. increasingly is caught in the quagmire of depending on force to control the Iraqi people in the name of national and regional "peace." But "peace through war" or the threat of war is a costly chimera, both for the "victor" and the loser. This truth was well understood by the 19th Century British statesman Edmund Burke, who noted that "War never leaves where it found a nation."

What remains to be seen is what price will be exacted from the U.S. public--and in what condition Iraq will be in two, five, or 10 years.

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The Two Faces of George Bush in Africa

By Russell Mokhiber and Robert Weissman

President Bush is doing a barnstorming tour of Africa to call attention to his administration's commitment to addressing the HIV/AIDS pandemic on the continent.

One problem: He's simultaneously trying to impose on African countries enhanced patent protections that would undermine their ability to gain access to affordable medicines.

(Actually, there are lots of problems -- denial of debt relief, water privatization, insistence on the failed IMF "structural adjustment model," and much more -- but those are topics for another day.)

The administration has just commenced free trade agreement negotiations with the Southern African Customs Union (SACU), which consists of South Africa, Namibia, Botswana, Lesotho and Swaziland.

Among the key U.S negotiating aims, announced U.S. Trade Representative Robert Zoellick, is to "establish

standards that reflect a standard of [patent] protection similar to that found in U.S. law and that build on the foundations established in the WTO Agreement on Trade-Related Aspects of Intellectual Property (TRIPS Agreement)."

Pushing for equivalent patent standards in Africa will severely limit countries' ability to take appropriate measures to address HIV/AIDS and other serious health problems.

It also happens to run contrary to repeated U.S. promises.

An Executive Order promulgated by President Clinton but kept in effect by Bush first established the principle that the U.S. would not ask African countries to provide patent protections beyond those required by TRIPS.

In 2001, all of the WTO countries, including the United States, agreed on the Doha Declaration on the TRIPS Agreement and Public Health. The Declaration affirmed that the TRIPS Agreement "can and should be interpreted and implemented in a manner supportive of WTO members' right to protect public health and, in particular, to promote access to medicines for all." The Declaration emphasized the flexibilities inherent in TRIPS and countries' right to use them to the fullest extent possible. "We reaffirm the right of WTO members to use, to the full, the provisions in the TRIPS Agreement, which provide flexibility for this purpose," the declaration states. The U.S. goal in Southern Africa is to force countries to sacrifice these flexibilities.

The Trade Act of 2002, which gave the President fast-track trade negotiating authority for the U.S.-SACU negotiations, as well as for other free trade deals, specifically establishes respect for the Doha Declaration as a principal negotiating objective of the United States in trade negotiations with other nations.

To all that, the Bush administration has opted for the Emily Latella approach: Never mind.

If other U.S. free trade agreements are any indication, the U.S. will push in its negotiations for a wide range of patent hyperprotections. These will be cloaked in technical language that won't mean much to most people, but will have enormous consequences for healthcare delivery in Africa.

To take just one example. TRIPS provides countries with complete freedom to determine the grounds for granting a compulsory license (authorizing price-lowering generic competition while a product is still on patent). Several U.S. free trade agreements have limited compulsory licensing to a very restricted set of cases, making it extremely difficult to undertake compulsory licensing in the private sector. That means non-governmental aid agencies, private insurers and private employers, among others, will not be able to purchase and distribute lower-priced generic versions of

AIDS and other essential medications, until patents expire. That, in turn, will translate into fewer people treated.

For one of the SACU member countries, the stakes are higher still. Lesotho is a least-developed country. The Doha Declaration stipulated that least-developed countries do not need to enforce pharmaceutical patent protections whatsoever until 2016.

The Southern African region suffers from the highest rates of HIV infection in the world. "National adult HIV prevalence has risen higher than thought possible, exceeding 30 percent" in much of the region, notes UNAIDS. HIV prevalence rates are 38.8 percent in Botswana, 31 percent in Lesotho, and 33.4 percent in Swaziland. South Africa has the world's largest population of people with HIV/AIDS.

Bush's AIDS initiative recognizes the imperative of treatment for people with HIV/AIDS. Treatment is expensive, but massive savings are available through use of generic medicines and reaping the benefits of generic competition. Indeed, it will not be practicable for poor countries to provide treatment, or for donors to support treatment efforts, unless lower-priced medicines -- only obtainable through generic competition -- are used.

Yet the intellectual property measures likely included in a U.S.-Southern Africa Free Trade Agreement will work to delay the entry of generics, and defer the day when consumers and procurement agencies can reap the benefits of generic competition.

This threatens to impede dramatically the effort to provide treatment to people with life-threatening HIV/AIDS, as well as other diseases, with deadly consequence for millions.

Offering a simple solution to these problems, Doctors Without Borders/Medecins Sans Frontieres, Oxfam, Africa Action, Health GAP, Consumer Project on Technology, Global AIDS Alliance, ACT-UP Paris and Essential Action have called on the administration to exclude intellectual property from the U.S.-SACU negotiations.

The Bush administration has a simple choice: Heed their paymasters in the brand-name pharmaceutical industry, or deliver on their commitment to provide treatment to two million people with HIV/AIDS. They can't do both.

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Whether To Be Loved or Feared

By Mark Engler

Does International Public Opinion Really Matter?

The news, simply put, is that the world hates us. Less than two years ago, following the attacks of 9/11, outpourings of sympathy for the United States flowed from around the globe. Yet those in power in Washington have swiftly converted that goodwill into distrust and contempt.

Poll results released by the Pew Research Center in the first week of June verified the fears that critics of President Bush's military adventurism voiced all along. "Anti-Americanism has deepened, but it has also widened," said Pew director Andrew Kohut. Not only has negative sentiment about our country intensified in places like Turkey, Indonesia, and the Middle East, "you now find it in the far reaches of Africa... People see America as a real threat."

Amongst our traditional allies, 85% of the French, and 70% of Germans, Spanish, Australians, South Koreans and Canadians feel that the U.S. does not take the interests of other countries into consideration.

That this qualifies as a new low for American diplomacy is hard to dispute. But another question remains: Does it really matter? Given the United States' overwhelming military might, what difference do opinion polls make?

Global power is not premised on a taste test, nor, as Bush himself put it, a "focus group." Some may feel content with the idea that, confronted with Machiavelli's famous question concerning "whether it is better to be loved than feared or feared than loved," our President simply opted for the latter.

There are reasons why this view is short-sighted, however. At a minimum, most people recognize that global resentment threatens our safety. Looking at the world and asking, "Why do they hate us?" does little good if the next question is "Who cares what they think?" Alienating our allies preempts the type of cooperative police work needed to track down terrorists. And while our investments in tanks and missiles may intimidate rival states, they do little to quell fanaticism.

Yet this self-interested concern for our own security produces only the most limited, the most fearful reason for why the people of the United States should pay attention to world opinion. It should not be too much to hope that a regard for the views of others can grow from a sense of fellowship and solidarity, more than our fear of attack from abroad.

Aren't we against terrorism everywhere? Isn't the peace that we seek a global one? If the events of 9/11 do not inspire a sense of sympathy for those in the world who are regularly confronted with their vulnerability, than we have failed to absorb a vital lesson.

Maybe it is moralistic to hope for this type of solidarity. Maybe such sentiments have no place in diplomatic affairs. But this is not the point of contention in current U. S. foreign policy. The peculiar fact is that, on today's world stage, everyone claims to stand in the interest of the world community, to act on behalf of the poor.

President Bush, it seems, wants to be loved.

The White House's vision of the world is highly moralistic. Most fundamentally, it invokes the idea of freedom to justify its actions. In a New York Times op-ed written for the anniversary of September 11th, the President announced that "securing freedom's triumph" is "America's great mission." Freedom is what separates us from the "evil-doers." It demands that we "liberate" foreign nations.

There is no need to speculate about what this freedom will entail. A very particular view of the concept resides openly within the rhetoric. There is "a single sustainable model for national success," announced the Bush Administration's National Security Strategy. It requires "free enterprise" and "free trade" in "every corner of the world."

"If you can make something that others value," the White House says, "you should be able to sell it to them. If others make something that you value, you should be able to buy it. This is real freedom."

Autonomy and self-determination appear to lie outside this "single model," outside of "real freedom." European peoples are not free to decide, as a precautionary measure, to instate a ban on genetically modified foods. Rather, the U.S. upholds the freedom of agribusiness to access foreign markets. (In this case, another of Bush's moral arguments contends that Europe stands guilty of "hinder[ing] the great cause of ending hunger in Africa," a cause that CEOs apparently hold dear.)

The type of freedom offered by military "liberation" can also prove circumscribed. The media watchdogs at Fairness and Accuracy in Reporting noted a March 19 slip by Tom Brokaw, in which the NBC anchor voiced a sentiment that lies only slightly beneath the surface of Washington's neoconservative foreign policy: "We don't want to destroy the infrastructure of Iraq," he said, "because in a few days we're gonna own that country."

International public opinion puts the lie to our President's do-good crusade. Those who make up the majority of the world say no. They tell the White House to stop doing them any favors. They assert that real freedom does not permit imperial ambition.



There is also a hopeful message, though; it suggests that perhaps they do not hate us after all. When asked to distinguish between the American people and the government, large majorities in France, Germany, Britain and Italy held a favorable view of the American people. Elsewhere, too -- in Indonesia, Morocco, Pakistan, Nigeria -- those who spoke negatively of our country referred to the government holding power in Washington, rather than its citizens.

Rejecting the "liberation" of pre-emptive strike and the "freedom" of corporate expansion should not mean

shrinking into isolationism. Americans are inextricably linked to those who speak through opinion polls and international protest. Their distinction, between our people and our government, should guide a moral vision for the world.

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