

Beyond Neoliberal Globalization

Another World

by

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Globalization has become the predominant framework for the analysis of the world political economy. The literature is replete with telling criticism of the consequences of globalization controlled by neoliberal ideology, namely, social and economic injustice and despoliation of the environment. What needs to be done is to construct an alternative model of global change and to elaborate a political agenda for its implementation. Establishment theorists, stung by widespread antineoliberalism mobilizations including ones in Seattle and Washington, DC (right in the neoliberal heartland), have rallied to resist the challenge to their model of a corporation-dominated world. They have responded with “phase 2 reform” as damage control for the current world system (transperialism) through trickle-down economics. This is avoidance of what really is demanded by our time: transcending neoliberalism to achieve *another* world.

The essential elements of another world are personal well-being, environment enhancement, social justice, human rights, space for personal creativity and technical innovation, enlightened international law and regulation, the end of the war system, the politics of individual and group fulfillment, the promotion of cultural expression and preservation, and citizen control. The literature explains why the present world system is generally detrimental to the attainment of *any* of these goals.

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MAKING ANOTHER WORLD

The Seattle and Washington protesters' slogan "Nix It or Fix It" suggests that the present neoliberal world system is fixable. Reformist formulations are variously called "*alternativa*," "the third wave," "inter-American dialogue," "the new architecture," "tinkering," "phase 2 reform," and so forth. All of these prescriptions leave large, mainly transnational corporations in command, subject only to limited public supervision. These power relationships cannot be fixed by tepid reform; they have to be superseded.

Corporations have the legal status of individuals, and this leaves their leaders mostly free from responsibility for their actions. They constitute the new ruling class and have little or no commitment to the well-being of anyone or any place. The market has been reified as the actor responsible for all economic transactions. Under current law the basic duty of corporate management is to seek profits. If corporations are to continue to exist, requirements to protect the environment and community well-being and to enforce core labor standards should be written into the laws of incorporation. They should have privileges, not rights. Restructuring must place the world under the control of its citizens and remove the "citizenship" of corporations.

The present degree of interdependence of world technology and production precludes deglobalization or complete local self-sufficiency. The system is fragile and could collapse at any time. A collapse would bring misery even deeper and more widespread than is now experienced by the most poverty-stricken. Reglobalization not deglobalization is required, and it can be accomplished in a way that will provide for considerable local control, including autonomy for indigenous peoples.

Desirable reglobalization will require a rethinking of many values and practices. In the universities, all academic fields are due for revamping. Accounting, for example, should validate positive social outcomes in a "new-world" accounting system. Social efficiency should be entwined with production efficiency. Science should be weaned from its dependence on warfare research. A larger segment of the social sciences should be directed toward policy questions. Alongside market-based economics, a field of instrumental economics should go beyond the critical perspectives afforded by the study of political economy to propose socioeconomic *objectives* and the politics of their attainment. Companion fields to instrumental economics could be developed in public administration and political science. Political science has already begun to go beyond the animals-in-a-cage "rational choice" approaches to address useful political outcomes. International law and organization should become a premier field of study. Humanitarian law is already a percolating subject.

The principal argument made on behalf of neoliberal globalization is that the present exploitation of labor in poor countries will ultimately lead to sufficient technology transfer and local capital accumulation to generate general economic uplift. The four tigers, Taiwan, South Korea, Singapore, and Hong Kong, are cited as precedents. Hong Kong and Singapore are small entrepôts where capital has accumulated for many decades. Special circumstances also render Taiwan and Korea unsuitable as models of capitalist development through foreign investment. In these cases the United States government provided billions of dollars of cold-war-inspired capital during a critical stage of growth. What would have happened if India or North Korea had received commensurate amounts? In any case, the time when the export-led/foreign-investment model might work has passed, as Sri Lanka, Tunisia, Honduras, and many other countries have learned. The collapse of the Argentine economy in December 2001 has been a devastating blow to the neoliberal model. But even if the model could ultimately be successful, it is becoming politically impossible to sacrifice present generations for the promise of satisfactory conditions of life at some future time. Globalized information has intensified political restlessness and response. In Venezuela a seemingly stabilized political party system imploded overnight when the populist leader Hugo Chávez ran for president under the banner of opposition to neoliberalism. Another startling development is the national plebiscite organized by the Brazilian Catholic Church to question payment of the foreign debt and an International Monetary Fund (IMF)–imposed austerity program.

Given the present state of technology, there is no need to sacrifice present generations. Development is a problem of political agenda and political power. Success will require change in the power structure. Control of the world will be wrested from the hands of transnational corporations. The resources, experience, and knowledge assembled in these corporations are not the problem; the problem is the unsupervised and uncritically evaluated purposes to which they are put. In this regard, the Enron Corporation scandal is instructive. While Enron management was only fleecing consumers, including state and local governments *as* consumers, the game was tolerable to the establishment. Only when *capital* (investors' holdings) was purloined by management was moral indignation seriously aroused.

A persistent myth is that since planned economies did not work in the Soviet systems, planning does not work. In reality, planning becomes ever more imperative as free-marketeering impels the planet toward ecological and social disaster. “New-world” planning should, indeed, learn from Soviet shortcomings. Individual creativity and expression should not be stifled; entrepreneurship should be prized. Market allocations should be encouraged within planning guidelines. Runaway greed should be muted by reallocation

of benefits in accordance with world, national, and local priorities. Under new-world planning, living conditions in the South would be raised to acceptable levels by redirecting existing resources and organizing education and production in terms of locally determined goals and available resources and revenue generators. Present international debt obligations that have already returned huge amounts to lenders would be cancelled. In advanced industrial societies the abolition of avoidable misery should be more important than the excessive production of goods and services. All of this has to be done in the context of devising effective mechanisms for moving capital from areas of surplus to areas of deficit.

THE MEASUREMENT OF PROGRESS

Some cynical manipulators of the postmodern age have abandoned the idea of progress while clinging to the corporate bottom line as reality incarnate. One exemplar of this position, Lawrence Summers, secretary of the treasury in the year 2000, is reported to have written a memo while working for the World Bank suggesting that the underdeveloped world was underpolluted: people living in those regions had such short life expectancies that they would die before contamination of their environment would affect them. Progress is a relative thing, but assessing it is not beyond the ability of the human mind. Measured by the state of the human condition, current trends are generally retrograde. Under present circumstances the establishment has a vested interest in belittling the idea of progress, except as measured by profit. Thus the establishment favors measuring development as per capita income, concealing distribution. U.S. journalism and scholarship generally accept this evasive measure rather than the physical-quality-of-life index (PQLI) that measures the human condition. Neither progress nor the PQLI is an illusion. The people of the world know better.

GLOBALIZATION'S UNSTEADY REGIONAL INSTRUMENTS

Both consensus and rivalry mark the push by corporate captains for the expansion of free-trade areas. There is world capitalist consensus about the desirability of using regional agreements to reduce tariffs and government restrictions on investments and profit remittances. At the same time there is rivalry over the domination of regional markets and which single currency to impose. These contradictions are evident in the tug-of-war between the

European Union (EU) and the United States exemplified by the George H. W. Bush-initiated effort to continue U.S. hegemony in Latin America through the proposed Free Trade Agreement of the Americas (FTAA).

The establishment and expansion of trade agreements provide some space for progressive results. The corporate forces won the day with the North American Free Trade Agreement (NAFTA), an agreement that does not now include effective mechanisms for the protection of the environment and the enforcement of core labor standards. The struggle over the enactment of NAFTA, however, forged an alliance among labor and other groups that is a foundation of the world antiglobalization movement. This movement prevented the U.S. Congress from granting President William Clinton fast-track authority to negotiate a hemispherewide agreement. Popular pressure could force future negotiations to include a social charter guaranteeing labor standards, human rights, and preservation of the environment. Negotiations surrounding modification and expansion of trade agreements are a better forum for applying trade-union and social-movement pressure than would be an effort to force the World Trade Organization (WTO) to enforce social charter-rights.

Meanwhile, in August 2000, the heads of 12 South American nations signed a declaration calling for combining MERCOSUR (Brazil, Argentina, Uruguay, with Paraguay) and the Andean free-trade agreement. South American elites are now threatening, in the words of President Ricardo Lagos of Chile, to “speak with one voice,” and popular organization could force that “voice” to include demands for a social charter. The same could occur with a revision of NAFTA. A NAFTA that now *degrades* the quality of life for most citizens of participating countries could—under social-charter provisions—*uplift* standards.

INTERNATIONAL LAW

The twenty-first century may see the subjection of international power to effective legal restraint. The principal impediment to international law and cooperation is the United States, which clings to its economic and military custodianship of the world. In Africa, the United States contracts out some of its intervention activities to U.S.-based private paramilitary organizations. A law-based world is nascent in the UN Charter and numerous other treaties, conventions, and resolutions. The basic problem is that the United States will not sign on to the world consensus favoring the extension of international agreements.

There has been palpable initial progress in the fields of human rights, democracy, and social betterment. Global institutions are emerging to restrain future power wielders who would commit gross violations of citizen rights. Early instances of this trend are the arrest of the former Chilean dictator Augusto Pinochet by the United Kingdom, the citing of international law by a Japanese court to end the exclusion of the foreign-born from stores, the granting of civil rights to foreign workers in South Korea, and the establishment of a world criminal court—to mention only a few. To date, the United States has not joined the world criminal court for fear of punishment of its own international abusers. There was, for example, a case in a Belgian court against Henry Kissinger alleging violations of the genocide convention.

A voluntary code of conduct for transnationals was in the making at the UN Transnational Centre until the Centre was closed down by William Thornburgh, whom President George H. W. Bush insisted on having appointed as an undersecretary general. The trade-off was to be the honoring of the U.S. financial obligation to the organization—a promise that was not kept during his administration. Secretary General Kofi Annan is now promoting a voluntary compact that commits transnational corporations to protect labor standards, the environment, and human rights. This may be a small step in the right direction.

The anti-UN spirit of the assault upon the Transnational Centre by the elder President Bush was matched by his son, who in June 2002 in an address at West Point claimed for the United States the unilateral right of anticipatory military action—the “with us or against us” doctrine. His declaring for the United States the right of preemptive military attack was a historic departure from international law and the UN Charter. What he proposed went well beyond accepted standards of what is the legitimate right of self-defense.

FROM NONTRANSPARENCY TO MEGADEMOCRACY

A grand hypocrisy of the day is that the United States and other industrial countries call for “transparency” in South-country business and government while exercising star-chamber control of the world economy behind the closed doors of corporate boardrooms and the WTO. In secret sessions, unaccountable to those impacted, planetary robber barons confect the maximization of corporate profits. Unconsulted are the billions of citizens attempting to survive on less than two dollars a day. This arrangement prevails in what is sometimes referred to as the “free world.” Megademocracy, in contrast, would be a global system of and by and for the *people* of the world. (That is

definitely *not* what U.S. President George H. W. Bush meant by a “new world order.”) Creating megademocracy should be at the top of the twenty-first century agenda. It is a breathtaking challenge for a new generation. It is doable.

GLOBALISM FROM BELOW

The achievements of capitalism have, of course, been transformative. Marx himself saw capitalism as creating the necessary basis for the development of socialism by building the infrastructure required for an abundance of production that would be adequate for all. But capitalism is ruthless. It does not revere the best of the past. Capitalist cosmopolitanism destroys group traditions; although it allows some to prosper mightily, it does not value ways of life that contribute to the well-being of the ordinary citizen. Moreover, the development of capitalism has mostly benefited the North. Traditional colonialism depleted its subjects of their natural wealth, leaving few and contradictory improvements in the quality of life. What is more, modern capitalism continues to make its profits by exploiting the cheap labor in the South as part of the modern technological industrial process. This cheapens labor in the North as well, and the income gap between the top and bottom quintiles is increasing. Finally, the dynamics of unfettered capitalism have begun to threaten the survival of an environment in which it is possible for the human and other species to continue to exist.

The common interests of those attuned to these issues—preservation of the past (particularly by indigenous groups), the exploitation of labor and the environment—are bringing people together all over the world. Many of them have formed cross-border alliances. This has been identified as a crucial sector of global civil society, but international civil society is not sufficient. Not unreasonably, these groups have grown to distrust government. Government is essential, however, to control and restructure the institutions of capitalism. World and national government institutions effectively representing the interests of ordinary people will be required to bring economic well-being, education, health, leisure, and pleasure to the lives of all.

THE CITIZENSHIP MOVEMENT

A new movement that declares fundamental human rights as entitlements of citizenship is now confronting neoliberal policy makers at national, regional, and world levels. The right to a livable environment, a decent livelihood, housing, education, recreation, health care, and more is being asserted

as the patrimony of citizenship. This appeal has its strongest mobilizational effectiveness in Brazil but is spreading to other countries. The compelling implication of the movement is that there must be a different world system in order for its demands to be met. The UN "Geneva Process," which seeks the elimination of poverty in the world, carries a similar implication.

Within the citizenship thrust is the awareness that the people who cross borders seeking livelihoods in the North or elsewhere also have rights that deserve recognition. If capital and goods can flow freely but labor is frozen in place within country limits, capital will find the cheapest labor and the world wage level will be lowered.

ORGANIZED LABOR AND ORGANIZED COMMUNITIES

Crucial to the achievement of another world is the role of communities based on work, geography, ecology, religion, youth, gender, race, culture, sexual orientation, and shared interests. Among these, labor unions are fundamental. They must be organized more strongly at all levels of confrontation with corporate power, especially in the global theater. Cross-border organizing and network building is imperative if the internationally owned megacompanies are to be brought to heel and citizens are to reclaim the world. Unions should return to their original vision of building a better society and eschew economic business unionism under corporate domination. They should forge multiple alliances with progressive groups as an expression of "social-movement unionism."

Organization of poor people to demand their rights is burgeoning throughout the world. Many were present in the Seattle and Washington and subsequent gatherings against the WTO, the World Bank, the IMF, and the FTAA. Latin America has been preeminent in community organizing. Conspicuous Brazilian examples are the Landless Movement and the implementation of community-based budgeting in cities governed by the Workers' party. Similar efforts include the mushrooming of spontaneous neighborhood committees and worker-managed factories as a response to the economic and political collapse when neoliberalism crumbled in Argentina. In Havana, Cuba, the institutionalized Popular Power system is also tapping neighborhood energies through locally initiated social development workshops. Neighborhood organizing has changed the political calculus and the nature of popular struggle, becoming a wellspring of future possibilities.

THE ACTIVISM IMPERATIVE

Globalization has placed everyone's life in the world matrix. Not everyone will (as some already do) have cousins on three continents, but increasingly our reference will be globeland as well as homeland. Significant world events will be everyone's events. Many people's working and leisure lives will take them far afield. The world as it is now will not do. Changing it will not be easy. Some people are too preoccupied with survival, and many have become disillusioned over failed efforts. The role of aware educators with teaching grounded in authentic Freireian methods will be vital. Unco-optable leaders are essential. Change will be facilitated by the use of the Internet for information and for organizing. Without national and international activists to prevent them, the transnationals will continue to buy legislatures and courts with abandon and the U.S. hegemon will continue to structure the international system for the benefit of corporate profit. Without activists the promise of the twenty-first century will remain unfulfilled.

Evidence of the response to the need for activism was demonstrated in January 2002, when 16,000 activists gathered in Porto Alegre, Brazil, to exchange ideas and experience in the global quest for another world. The international antineoliberal-globalization movement had become a political force of historic proportions. Yet, a basic arena for struggle remains at the national level. Despite transperialism's semisuccessful efforts to liquidate regulation of their economies by nation-states, the consequences of neoliberal globalization and corporate scandals have activated popular demands to impose national government regulation of economic life.

ANOTHER WORLD

The progressive theorists and activists of the past century contributed monumentally to the improvement of social conditions, but the socialist project was sidetracked by faulty analysis and by misunderstanding of people's needs and aspirations. Fun, diversity, social and political openness, stimulation, innovation, face-to-face human interactions, spirituality, and the right to be apolitical are as basic to the human spirit as security and vocational opportunity. The price of social justice should not be drabness and coercion. That the Cuban Revolution appreciates most of these realities helps explain why it has survived while others have failed.

Shared popular culture, particularly music, is a hallmark of globalization. It is a planetary bond, especially for youth. When political messages appear in the music they tend to be supportive of the environment and of international cooperation. Although this music is disseminated by the global media, one does not discern endorsement of neoliberalism. To that extent it is music of another world—of the world to come.

Another world will be grounded in the rights of citizenship—not the limited U.S. concept of civil rights but the full range of economic and social rights. The world will move ever closer to implementation of the Universal Declaration of Human Rights because of the economic abuse inherent in neoliberalism. Not only has neoliberalism not led to democracy, it is *incompatible* with democracy. The mere holding of elections is not democracy. Social democracy has failed to control elite domination. Meaningful citizenship will be exercised at three levels: local, national, and international.

The achievement of citizenship rights has been placed in temporary jeopardy by the U.S.-led War on Terrorism. This “war” is being used as a magician’s cloak to suffocate meaningful world discourse and change. This effort is too contrived, however, to stay on the center stage of world attention for long. Overriding imperatives will force a return to more pressing issues.

In another world transpatrialism will be replaced by a world system under which production and distribution of goods and services are guided by citizen needs. The conditions of life will be a choice, not a market determination. Neoliberal globalization will be overcome by humanistic globalism.