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Globalisation

Achieving tactical success without a strategic vision

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In the neoliberal ice-age of the early 1980s through to the end of the 1990s, global capitalists and their supporters expressed supreme confidence in their victory over us. This confidence is symbolized in the posters and billboards launched by the Financial Times in the mid-1990s, declaring: "Capitalists of the world unite!" By taking our slogan ("Workers of the world unite!") and turning it upside-down, they were - in a sense - ridiculing our own internationalism. They forcefully claimed that the internationalism of the post-Cold War era was an internationalism built and defended by capitalists, for capitalists.

[https://npa31.org/IMG/jpg/samsung_workers.jpg]

Samsung workers demonstrate

Lately, however, this confidence has been shaken, if not shattered. The lead editorial in a recent issue of the Economist views anti-capitalist protests as "angry and effective." More importantly, the editorial warns that globalisation is not inevitable and irreversible as the neoliberal ideologues have insisted for the past two decades. Rather, the very fact that globalisation can be reversed is what makes anti-globalisation movements so dangerous:

"The protesters are right that the most pressing moral, political and economic issue of our time is third-world poverty. And they are right that the tide of 'globalisation', powerful as the engines driving it may be, can be turned back. The fact that both these things are true is what makes the protesters - and, crucially, the strand of popular opinion that sympathizes with them - so terribly dangerous." (The Economist, September 23, 2000)

The Economist makes it very clear that open declarations of capitalist confidence are harmful at the present time. Instead, the legitimacy of globalisation - and, crucially, of capitalism - must be restored. The tactic for achieving this is to focus on Third World poverty. That's why the magazine goes on to argue that the greatest beneficiaries of globalisation are the Third World poor, and it's the anti-globalisation protesters who are condemning them to continued poverty.

The post-Seattle WTO has also recast itself as the ally of the poor and marginalised. As Mike Moore, the Director-General of the WTO, declared: "It is poor people in poor countries who are grasping the opportunities provided by trade and technology to try to better their lives. Mexican farm hands who pick fruit in California, Bangladeshi seamstresses who make clothes for Europeans, and South African phone-shop owners who hawk time on mobile phones to their fellow township dwellers. They and countless other real people everywhere are the human face of globalisation." So it seems that restoring the legitimacy of the WTO, after what they called "the setback in Seattle", involves greater emphasis on world poverty as the main issue. At the same time, some of the world's largest TNCs - with the worst records of labour repression, cultural and ecological destruction and genocide (of which Nike and Shell are just two examples) have founded a new partnership with the United Nations to save the world's poor. Helping the world's poor under the UN corporate partnership makes it a commercial activity - a commodity like everything else. Without having any effect whatsoever on what these TNCs actually do to the planet and the mass of the people on it, this tactic serves to restore the legitimacy of corporate rule and regain the confidence of previous years.

But Mike Moore has gone a step further in these troubled times. In sharp contrast to the days of ridiculing our internationalism by misusing our slogans, we now find Comrade Mike talking about our internationalism as the shared tradition of the WTO: "We on the Left have a lot to be proud of. We built the Welfare State that looks after people when they are sick, poor, or old. We fought for the equality of women and minorities. We argued passionately for internationalism, for solidarity between workers in Sweden and those in Africa." (Mike Moore, WTO Director General, July 26, 2000)

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At one level this is just a change in rhetoric. It's a tactical maneuver, not a change in strategy. It's certainly not a fundamental shift in the nature of the globalisation project. This tactic seeks to restore a degree of legitimacy and limit the damage done by the anti-globalisation movements. In other words, it's a way of making us less dangerous.

However, it's important to recognise that the protests in Seattle also produced its share of rhetoric. The slogan "Shutdown the WTO" may have meant "abolish the WTO" for many progressive labour and social activists, but for more conservative unions and social groups it meant "shutdown this particular WTO meeting." In this sense it was merely symbolic. Dozens of WTO-related meetings among technocrats preceded the Seattle meeting, and as many have taken place since.

The rhetoric was even more apparent when the president of the AFL-CIO, John Sweeney, declared at the start of the protests, "Today we are making history!" Even before the protests had ended he announced, "We have made history!" It was less a first step than the last. The WTO was shaken, but not broken, and it was time for the AFL-CIO to get back to the negotiating table to insist on a reformed WTO - with a social clause and without China. The tactics behind the slogans were not only lacking a strategy, but lacked a common goal.

It no longer makes sense to simply accuse the WTO and other agencies of global capitalism of neglecting the poor, failing to recognise the importance of ... (insert any social or environmental issue here), or lacking democracy. Since Seattle there have been numerous speeches and publications churned out by the WTO technocracy which assert the importance of democracy, human rights, environmental protection, social needs, the primacy of "the social market" over the "the free market", and the need to eradicate poverty. Meanwhile, since Seattle, five more countries have joined the WTO (Another 25 will join in the next couple of years). Key agreements have been expanded, and the number and intensity of trade talks and backroom deals has increased - not decreased. So where does that leave us?

As an oppositional strategy, pointing out what is missing in the WTO doesn't really tell us very much about what it is we're up against. Those unions, NGOs and social coalitions which want to reform agencies like the WTO employ tactics of lobbying, alternative policy input, and social clauses. The tactic of including those things they believe are missing from the WTO agenda is based on certain key assumptions about what the WTO is and what it does. For a start, they assume the WTO and agencies like it are institutions or organisations. They also assume that the main function of institutions like the WTO is to make and implement policies or trade agreements. Based on this, the problem becomes narrowly defined: in running these institutions and making policies and agreements there is too much corporate control and not enough control by social, labour and environmental groups (collectively called "civil society"). This then means that globalisation itself is not seen as a problem. It's the kind of globalisation that is in question. This then becomes a contest between corporate globalisation and a people-centred or more humane kind of globalisation.

By accepting globalisation and focusing on the rhetoric of poverty, democracy and social inclusion, these civil society groups are in fact helping the WTO out of its crisis of legitimacy. This occurs at a time when the very thing we should be doing is deepening the crisis. More importantly, these civil society and social groups are creating conditions that would render the anti-globalisation movements less dangerous both for themselves and for the political and economic elite. They've clearly missed the point. We can only be effective if we continue doing whatever it is that makes us dangerous - and do it better. It's in being uncivil society that we find we can challenge the WTO and what really lies behind it.

To launch such a challenge it's important to understand that the WTO is not about institutions and agreements. It's not even about trade. The following is an example of the changes under globalisation which suggest that trade is not the primary issue. In 1999 the value of global exports totaled US\$7 trillion. In the same year the value of sales by the 690,000 foreign affiliates of the world's 63,000 TNCs was nearly double, at US\$13.5 trillion. It's also significant that

while worldwide exports tripled in the period from 1982 to 1999, the sales by TNCs' foreign affiliates increased six times - at twice the rate (UN World Investment Report 2000). What this suggests is that free trade is not really about increasing the flow of goods and services across borders, but in increasing the dominance and control of local markets by TNCs. More fundamentally, it increases our dependence on these TNCs.

This dependency reflects a critical dimension of what the WTO, NAFTA and other free trade agreements really are. They are not just institutions and agreements, but are regimes. Basically, a regime is an arrangement of political power. In this case free trade and investment regimes refer to an arrangement of political power between countries and between corporations and governments. For example, under the WTO regime the arrangement of power between countries freezes the members of the WTO into a hierarchy of 'developed', 'developing' and 'least-developed.' 'By banning certain kinds of industrial and development policies in the 'developing' and 'least-developed' countries and increasing overall dependency on TNCs, the WTO regime ensures that only those countries which are already 'developed' stay at the top of this hierarchy. Free trade and investment regimes also establish an arrangement of political power between corporations and governments. It's already well understood that the free trade agenda is about increasing the power and freedom of corporations, especially TNCs. This kind of freedom is what defines globalisation:

"I would define globalisation as the freedom for my group of companies to invest where it wants when it wants, to produce what it wants, to buy and sell where it wants, and support the fewest restrictions possible coming from labour laws and social conventions." (Percy Barnevik, President of the ABB Industrial Group)

Getting rid of these restrictions has meant redefining domestic regulation in ways that protect the interests of TNCs while placing new restrictions on the ability of governments to regulate them. For example, between 1991 and 1999 there were 1,035 changes worldwide in laws on foreign investment. Of those changes, 94 per cent increased the freedom of foreign investors and reduced government regulation (UN World Investment Report 2000). The effect of such changes is not only to force policy-making and the judicial process to become more like the US, but to restrict the future possible actions of governments and isolate them from the pressure of labour and social movements.

As we saw in the NAFTA challenge by Ethyl Corp against the Canadian government in 1997, and in the recent NAFTA ruling in favour of Metalclad Corp against the Mexican government, it's not just an assault on environmental regulation that we should be concerned about. It's an assault on the original local struggles that brought this legislation into being in the first place. In this sense, rolling back social and environmental legislation under free trade means rolling back the past victories of labour and social movements.

What the NAFTA challenges also showed was that federal governments are often willing to lose these cases so that they discipline provincial, state or municipal governments which have adopted progressive social and environmental policies. Where federal governments do not have the legal or political power to reverse such legislation, it can allow the external intervention of NAFTA and the WTO to act on its behalf. The WTO is often accused of secrecy and a lack of democracy. This easily leads to proposals for greater transparency and openness. Yet such an approach ignores the fact that we need to have the ability to do something about what we see, otherwise we'll just be spectators in a transparent process. It's not just the absence of democracy in the WTO and NAFTA that is the problem, but the outright hostility towards democracy. Aggressively cutting back our ability to impose democratic priorities on capital is not an afterthought - it lies at the very heart of the globalisation project. It also reminds us that the entire WTO process of becoming a member and obeying the rules rests on threats and coercion. It's the threat of trade sanctions that drives it, not human needs or common sense.

The continued spread of international and local protests against globalisation in recent months has deepened the WTO's crisis of legitimacy - a crisis which was most apparent in Seattle in November 1999. This is not only an external crisis. There are serious disagreements between the governments of developing and developed countries

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over the WTO rules, deadlines and procedures which have stalled several negotiations. Despite this, key governments (especially the US, EU, Japanese and Canadian governments) are attempting to expand the scope of WTO agreements and to strengthen its powers. To effectively challenge this we must not help the WTO out of its crisis of legitimacy by calling for its reform. Instead we need to deepen the crisis and create the political conditions necessary to abolish the WTO and the free trade and investment regimes which lie behind it.

We should be clear that a world without the WTO and NAFTA would not be a world without rules on international trade. Rules already exist at the local and national level in most countries, providing much needed social and environmental protection and regulating the trade in goods and services in ways that are less harmful (and sometimes even beneficial) to working people. What is needed now is that these rules are strengthened and expanded to manage trade more effectively in the interests of working people on both sides of any trading relationship. But this isn't simply a matter of replacing free trade with fair trade. Having fair trade makes no sense if a country has been forced for the last hundred years to grow and export coffee, or if people are starving and exporting rice at the same time. What this suggests is that we need a fundamental rethinking about why we trade, what we trade and the need for local alternatives.

However, for the countries in the South such alternatives can't even be considered as long as they are burdened by international debt. The pressure of debt repayment is a driving force behind exports, locking these countries into the free trade and investment regime of the WTO and the structural adjustment policies of the World Bank and IMF. The total and immediate cancellation of Third World debt and increased, unconditional international social assistance is necessary before any system of fair trade can be truly effective.

The claim that a world without the WTO would be a world without rules is untrue because at the international level we already have a wide range of rules: treaties and conventions on human rights, labor and trade union rights, economic, social and cultural rights, as well as rules which restrict harmful forms of international trade such as toxic waste and military arms. These international rules were the result of a long history of popular struggles worldwide, and it's necessary now more than ever before to reassert the priority of these conventions and principles. We should do so not by including them in the WTO or NAFTA so that our principles and rights are absorbed, distorted and commercialized under free trade and investment regimes, but by reasserting the importance of fundamental rights and freedoms over and above trade and investment, and regaining ground against the globalisation project.

To move forward labour and social movements must first regain their ability to force governments at all levels to regulate trade and investment in ways that subordinate the activities of TNCs to the broader social needs and interests of working people. This makes it necessary to abolish those free trade and investment regimes which lock the state *upwards' into the global interests of TNCs and away'* from popular pressure from below.