

GLOBAL GOVERNANCE AND THE EMPIRE

Ninan Koshy¹

Dr.Ninan Koshy is former Director of the Commission of the Churches on International Affairs of the World Council of Churches and former Visiting Fellow, Harvard Law School, USA.

The term global governance is a vogue phrase, which has come into frequent use in the field of modern social sciences and in the practical processes of politics, government and the economy. Building on concepts of ‘corporate governance’ and “good governance” (World Bank), the Commission on Global Governance firmly established the trend to apply it at the global level. (*The Global Neighbourhood, 1995*) At the global level, governance has been viewed primarily as intergovernmental relationships, but it must now be understood as also involving non-governmental organizations, citizens’ movements, multinational corporations and the global capital market. Although the Report of the Commission is a thick document, only a few pages are devoted to global governance and there is actually no in-depth theoretical discussion of global governance itself.

According to Craig M. Murphy, “It may be more accurate to argue that contemporary global governance remains a predictable institutional response not to the interests of a fully formed class, but to the overall logic of industrial capitalism. This is because economic globalization has given rise to the need to capture larger markets, and because this trend transcends state boundaries, the creation of new systems of governance to match the new market is required.”² In other words global governance has come to mean the governance by institutions that make laws, rules and conditionalities for free trade and free market. Here it should be noted that global governance and globalization are progressing as two sides of the same coin.

Kobayashi Makato remarks:

¹ Dr.Ninan Koshy is former Director of the Commission of the Churches on International Affairs of the World Council of Churches and former Visiting Fellow, Harvard Law School, USA. He is the author of several books and articles on international affairs and the ecumenical movement. Among the recent books are the two volumes of 'A History of the Ecumenical Movement in Asia.'

² Criag N.Murphy, *Why Pay Attention to Global Governance?* Wilkinson and Hughes, ed (2002), pp. xi to xvii.

Globalization is strongly marked with the character of a reorganization of world capitalism and the ideology of economic neo-liberalism. For this reason the advocacy and practice of global governance are often distorted to fit with economic liberalization.

Makato calls the “hierarchy of global governance” “a metaphor for the imperial machine.”³

The Economic Face of Empire

One way of dealing with our topic is to see the relations between these institutions and the empire.

Richard Falk says, “USA is by circumstance and design an emergent global empire, the first in the history of the world.”⁴ The Bush administration’s war on terrorism, invasion of Afghanistan and Iraq, expanded military budgets and the controversial *National Security Strategy of the USA, 2002*, have thrust American military power into the light of the day as that of an empire. It is evident that the basic move of the Bush administration is to adopt and implement policies that anchor the imperial project in a military approach to global security. While maintaining the ideological precepts of neo-liberal globalization, the Bush administration places its intense free market advocacy intertwined with imperial security.

Twenty-first century imperialism is frequently masked in the language of ‘development’, ‘good governance’, ‘working for a world free of poverty’, “countering terror with trade”, and “building freedom through trade”.

Before 11 September, calling the U.S. an imperial power was generally regarded as a criticism or insult. Since then many neo-conservative commentators have begun to talk with pride and promise of a new American empire. One face of the empire is the framework of international economic rules and rule-making organizations.

The Empire and the Three Sisters

The U.S. has wielded clout at the IMF and its sister organizations World Bank since they were created at the Bretton Woods Conference in 1944. Ten

³ Kobashi Makato, “The Hierarchy of Global Governance; A Metaphor for the Imperial Machine”, *Ritsumeiken International Affairs*, Vol.3, pp. 3-19, (2005)

⁴ Richard Falk, ‘Will the Empire be Fascist?’, *The Transnational Foundation for Peace and Future Research*. 24 March 2003.

years ago an Undersecretary of the U.S. State Department, Joan E. Spero, in her testimony to the House Committee spoke “about a subject of great importance to the State Department and American leadership in the world.”

“The International Financial Institutions – World Bank, International Monetary Fund and the regional development banks are long-standing pillars of American influence. We had a strong hand in creating them. We have a major stake in them. And we rely on them to support our foreign policy objectives – to foster stability, growth, sound policies and open markets essential to the success of American firms overseas and to promote the values that Americans cherish.”⁵

Add in WTO seen by its critics as the epitome of U.S. corporate capitalism and you have the unholy trinity of global governance.

As Robert Hunter Wade points out: “Today’s international economic architecture ensures that the normal operation of world market forces (the process we call globalization) tends to yield disproportionate benefits to Americans and confers autonomy to U.S. policy makers while curbing the autonomy of all other states. The economic benefits, that accrue to the U.S. as the result of the working of market forces within this particular framework, provide the financial basis of American military supremacy.”⁶

The U.S. is pushing through WTO and other international economic organizations its imperial economic agenda. The tremendous advantages that the U.S. has manipulated to get through treaties like Trade-Related Intellectual Property Rights (TRIPS) – on copy right and patents- and Trade-Related Investment Measures (TRIMS) – no restrictions on foreign direct investments.

Then there is the WTO’s General Agreement on Trade in Services (GATS) which is facilitating a global market in private health care, welfare, pensions, education and the like in which U.S. firms tend to have an advantage. This may well undermine potential support for universal access to social services.

Parallel to this is the World Bank’s biggest refocusing in a decade on ‘private sector development’ agenda devoted to the same end of accelerating the private provision of basic services on a commercial basis. World Bank’s new private sector development thrust, especially in the social sector, owes almost everything to intense U.S. pressure.

⁵ *U.S. Department of State Despatch*, April 29, 1996

⁶ Robert Hunter Wade, “The Invisible Hand of the American Empire”, *openDemocracy*, March 13, 2003

September 11 and Global Governance

Shortly after September 11, Bush declared: “The terrorists attacked the World Trade Centre and we will defeat them by expanding and encouraging world trade.” That is how the Doha Round of WTO became the ‘bin Laden Round’.

Klaus Schwab, founder-President of the World Economic Forum remarked soon after the Doha meeting of the WTO: “The events of September 11 are a turning point to international economic and political order and to the globalization process itself.”⁷ He was of course reflecting on the ‘politics’, which influenced the meeting. In the new political situation created by the war on terror, President Bush’s imperial dictum that ‘if countries are not with the U.S. they are with the terrorists’ had a huge impact on trade negotiations and in particular on the outcome of the Fourth Ministerial Conference. Now, trade talks and security matters became one and the same issue. September 11 gave the powerful countries led by the U.S. a new legitimacy to rule over the economies of the South. Global governance openly claimed the military might of the empire.

Sometimes known as the Washington Consensus, other times simply as free trade, the gospel of ‘market fundamentalism’ has been the main American ideological export since anti-communism lost strategic relevance. It is promulgated directly through U.S. foreign policy and indirectly through multilateral institutions such as World Bank, IMF and WTO. Its core tenets are deregulation, privatization, ‘openness’ (to foreign investment, to imports) unrestricted movement of capital and lower taxes. Presented with special force to developing countries as a formula for economic management, it is also, in its fullness, a theory of how the world should be seen, under American supervision. .

The War on Terror and Global Governance

The possibility that the marines and high altitude bombers might need to be involved in spreading the good news about free trade does not in context seem far-fetched.

National Security Strategy of the USA, 2002 dubbed the Charter of the American empire is remarkable for its unprecedented assertion of an American right to strike U.S. enemies preemptively, as well as its vow to

⁷ *The Economic Times*, Mumbai, December 4, 2001. Klaus Schwab in a speech in Mumbai to a meeting of the Confederation of Indian Industries on Dec. 2, 2001.

maintain America's military supremacy over all rivals indefinitely. Just as notable however is another way is the repeated, incongruous, insertion of fundamentalist free trade principles.

A close reading of the Bush administration plans in the *Strategy* document reveals an audacious agenda for world economic dominance. Its opening remarks, in the words of the President, boldly proclaim that "the United States will use 'this moment of opportunity' (i.e. the war on terrorism) to bring democracy, development, free market and free trade to every corner of the globe." The document proceeds from the general to the specific. Section 4, amusingly entitled, 'Work with others to defuse regional conflicts' outlines selective economic exploitation plans for particular geographic areas. The economic agenda that will follow the flag in the quest of what is called a better world is clearly spelt out. "The concept of free trade arose as a moral principle before it became a pillar of economics," the document claims. "The twenty-first century will be an era of great promise. Globalization – the process of accelerating economic, technological, cultural and political integration – is bringing citizens from all continents together. A growing number of nations around the world have embraced American core values of democratic governance, free market economics and respect for fundamental human rights."

The implication is clear. There is an integral relation between American-style free market economics and American security in the world. Globalization and imperial security go together. Global capitalism, enforced militarily if needed, is integral to building the empire. Having achieved a "preeminence not enjoyed by even the greatest empires of the past", the U.S, is focused on using the power globally, through both military and market intervention. America's war on terror or war for freedom is at one with the expansionary goals of the market: open invasion in some places, open markets everywhere.

Military Force and Globalization

The fact that military force was necessary for the promotion of globalization in American interests had been acknowledged even earlier. Thomas Friedman argued:

For globalism to work, America can't be afraid to act like the almighty superpower it is. The hidden hand of the market will never work without a hidden fist. McDonald's cannot flourish without McDonald Douglas, the designer of the F-15. And the hidden fist

that keeps the world safe for Silicon Valley's is called the United States Army, Air Force and the Marines.⁸

As Kevin Denaher, Cofounder of Global Exchange commented, "It has been said that the invisible hand of the market can't operate without the invisible fist that is the military power. The problem is that the market's hand is not invisible to the millions of parents whose children are going hungry because of the inequality built into the global economy. And the fist is not invisible to those who are victims of the so-called collateral damage."⁹

President Clinton himself admitted the relation between American military action and trade, the most important component of globalization. This is what he said about the war against Yugoslavia. "If we are going to have a strong economic relationship that includes our ability to sell around the world, Europe has got to be the key. That is what the Kosovo thing is all about."¹⁰ William Cohen, US Defence Secretary at that time, told reporters prior to his speech at Microsoft Corporation in Seattle. "The prosperity that companies like Microsoft now enjoy could not occur without having the strong military that we have."¹¹ It was evident that the attempt already was to back up economic globalization by new global security arrangements and the Kosovo conflict gave the first opportunity to sketch in its main components.

Global Governance and People's Security

The global governance of free trade is through the war on terror, the war of the empire. If free trade is integral to imperial security, it is a threat to people's security.

The 'second front' in the War on Terror was officially opened by President Bush in the Philippines, soon after the invasion of Afghanistan, in support of the Philippines military in its battle against the 'terrorists' in Mindanao. *The New York Times* editorial ran thus:

⁸ Thomas Friedman, *The Lexus and the Olive Tree*, Farren, Strauss and Groux, New York, 1999

⁹ Kevin Danaher, *News Release*, Institute for Public Accuracy. November 9, 2001

¹⁰ Benjamin Schwartz and Christopher Layne, "The Case Against Intervention in Kosovo", *The Nation*, April 19, 1999.

¹¹ *Associated Press Despatch*, February 18, 1999.

The beleaguered Philippines island of Mindanao is crawling with communist and Islamic fundamentalist guerillas, and links between Al Qaeda and the local insurgents have made the island a battlefield in President Bush's war on terrorism. But to farmers in Mindanao, home to more than two-thirds of the Philippines' corn production, subsidized U.S. imports loom as large as any other threat. Since the Philippines joined the WTO eight years ago, American corn farmers have received an astonishing \$ 34.5 billion in taxpayer support. This explains how America is able to export – the less polite word would be dump – corn at only two-thirds of its cost of production. The resentment is intense. Farmers' despair, local farmers say, fuels the Marxist New People's Army.

The editorial said, "By rigging the global trade game against the farmers in developing nations, Europe, the United States and Japan are essentially kicking the development ladder out from under some of the world's most desperate people. This is morally depraved. America's actions are harvesting poverty around the world."¹²

The Globocop and the Gap

The Pentagon is moving at breakneck speed to re-deploy U.S. forces and equipment around the world in ways that will permit Washington play "Globocop". While preparing sharp reductions in forces in Germany, Turkey and Saudi Arabia, military planners are talking about establishing semi-permanent or permanent bases along a great swathe of global territory – increasingly referred to as *the arc of instability*, from the Caribbean Basin to Africa to South and Central Asia and across to North Korea.

One may wonder what this has got to do with globalization. The emerging Pentagon doctrine, founded mainly on the work of Adm. Arthur Cebrowski, chief of Pentagon's Office of Force Transformation, and Thomas Barnett of the Naval War College argues that the *dangers against which U.S. forces must be arrayed derive precisely from countries and regions that are "disconnected" from the prevailing trends of globalization*. Barnett's term for the areas, which present the greatest threat is 'Gap' "where globalization is thinning or just plain absent." As he wrote in *Esquire* magazine, "If we map out U.S. military responses since the end of the cold war, we find an overwhelming concentration of the activity in the regions of the world that are excluded from globalization's growing Core." If states loosen ties to the global economy –read U.S. economy, "bloodshed will follow. If you are lucky", according to Barnett, "so will American troops".¹³ Observers note that Barnett's arc of instability corresponds very well with regions of great oil, gas and mineral wealth.

¹² *The New York Times*, 23 July 2003.

¹³ www.countercurrents.org/w-lobe/20603htm

The UN and Global Governance

It is quite understandable and reasonable to relate global governance to the United Nations. If we continue with the line that global governance has become the supervision of globalization, we have to look at what globalization has done to the UN. Globalization has in a way restructured the UN.

This restructuring has taken place mainly in the economic field and has been done through the new role of the IMF and the World Bank. While the ostensible objective of the World Social Development Summit (Copenhagen 1995) was to address urgently ‘profound social problems especially poverty, unemployment and social exclusion that affect every country’ and ‘to launch a new era of cooperation between governments and between people., it was actually part of a process to redefine and restructure the United Nations to suit the interests of those who promoted globalization. At Copenhagen the UN legitimized the role usurped by the Bretton Woods Institutions thus giving up its own functions in the economic field mandated by the Charter.

In July 2000, UN General Secretary Kofi Annan launched an ambitious partnership with fifty of the world’s biggest and most controversial corporations. The Global Compact did not commit the corporations to any code of conduct or standards but spoke of vague generalities. Annan told them that the UN would safeguard open markets while at the same time creating a human face for global economy. The United Nations in other words appears to be turning itself into an enforcement agency for the global economy helping Western companies to penetrate new markets while avoiding the regulations which would be the only effective means of holding them to account. By making peace with power the UN is declaring war upon the poor. One of the more recent members in the Compact is Nestle.

The Security Council of the UN has become no more than an extension of U.S. foreign policy notwithstanding the lack of approval for the attack on Iraq. Even on Iraq subsequent actions of the UN have legitimized the invasion and occupation baptizing the occupation forces as “multinational forces” and recognizing the right of the US to “return” Iraq’s sovereignty. As we have seen US foreign policy is increasingly for a ‘global governance’ the main objective which is to promote ‘dynamic open markets’ for globalization, if necessary by military force.

Global Sovereignty for Global Governance

In the most recent period the United States has claimed global sovereignty, a claim that makes global governance just a function of the Empire. *The National Defense Strategy of the USA, March 2005* is a reaffirmation of Pentagon's 'Globocop' role. While the first of four "strategic objectives" listed in the document is securing the US from direct attack, the second is to "secure strategic access and retain global freedom of action".

There is virtual rejection of international law and multilateral institutions and mechanisms. Under "Vulnerabilities", for example, the *Strategy* states, "our strength as a nation state will continue to be challenged by those who employ a strategy of the weak using international forums, judicial processes and terrorism." Here international forums, judicial processes and terrorism are equated. Proponents of international law are equated with terrorists. The document also makes it clear that Washington intends to ignore or demand changes in international law if they constrain Washington's "global freedom of action".

The Strategy suggests that Washington will not be reluctant to send its forces into other states that, in its opinion, "do not exercise their sovereignty responsibly" or that "use the principle of sovereignty as a shield behind which they claim to be free to engage in activities that pose enormous threats to their citizens, or the rest of the international community."

This raises some questions on sovereignty. "The strategy of preventive war (preemption) is closely linked with the new vitality of the 'hegemonic international law nihilism' (Norman Peach) that is exhibited by the present U.S. administration. It is rooted in the idea that only the USA will be entitled to global sovereignty in the future world order. The notion of global sovereignty means that the USA will lay down international rules (as alliances or formation of blocs), determine what constitutes a crisis (a state of emergency) distinguish between friend and foes and make the resulting decision in the use of force. Only the USA is competent to use force anywhere in the world. This is one of the pillars of the *new grand strategy*, which is exemplified above all else by the concept of an exclusive right to preventive military intervention all over the world. Commitments to international alliances, and in particular to the United Nations are rejected as constituting a restriction of the USA's freedom to act."¹⁴

¹⁴ Rainer Rilling, 'American Empire' as Will and Idea, Rosa-Luxemburg-Stiftung, Policy Paper 2/2003

The global empire retains 'global sovereignty' and 'global freedom of action' by military means. This is what global governance has come to mean today.