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THE 21st CENTURY AS WHOSE CENTURY?

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ABSTRACT

Macro-analysis and East-West encounter are shown through consideration of objective yet subjective constructed concepts for the international system and international economy in the 21st century. Three paradigms are considered, namely the 21st century as the ‘Pacific Century’, as ‘China’s Century’ and as the ‘Asian Century’. Overlaps are shown between these three paradigms, as also developments in time, and gradually shift in geographical location. The ‘Pacific Century’, and its associated Rimspeak, was the paradigm emerging in the late 1970s, knitting together America’s West Coast and the Japanese economy. By the late 1980s this was already shifting to talk of the 21st century likely to be an ‘Asian Century’ model, mark-1, based on the Pacific Asia dynamism shown by the ‘Asian Tigers’ and Japan. However, the Asian financial crash of 1997-8, and the economic downturn in Japan, meant that such an ‘Asian Century’ seemed premature as the 21st century arrived. Instead, it was China’s economic growth that seemed most evident, and with it the concept of the 21st century as ‘China’s Century’. However, in turn that has already been modified during the first decade of the century by India’s arrival as a rapidly growing economy. Consequently the 21st century as ‘China’s Century’ and as ‘India’s Century’ has been combined into talk of an ‘Asian Century’, mark-2.

INTRODUCTION: ‘PACIFIC’, ‘CHINA’ AND ‘ASIA’ PARADIGMS FOR THE INTERNATIONAL SYSTEM

Macro-analysis and East-West encounter is back in international relations, as the furore over Huntington’s Clash of Civilizations (1997) showed. This is also an “age of new paradigms” (Wang Gungwu 2004) for the international system. Here, three such paradigms can be seen for the 21st century, namely talk it being The Pacific Century, The China Century and The Asian Century - the subject of this study. These paradigms reflect geopolitical and geoeconomic changes, and with it talk of ‘power transitions’ in the international system. These three frameworks are ‘objective’ enough descriptions of structural trends and patterns, each of them reflect ‘long cycles’ (Modelski 1987), ‘long term trends’ (Modelski 2006), Braudel’s la longue durée, ‘long waves’ (Freeman 1983; Neumann 1997; Dark 1998) of change in the global economy and international system. In different ways all three ‘century’ paradigms illustrate the key role of economics - after all the underpinning theme of Paul Kennedy’s Rise and Fall of Great Powers. In one sense they all pose substantive challenges to “the idea of a [Western-centred] core/periphery hierarchy composed of ‘advanced,’ economically developed, and powerful states dominating and exploiting ‘less developed,’ peripheral regions, [which] has been a central concept in the world-systems perspective” (Chase-Dunn and Jorgenson 2001).

Yet such frameworks, such centuries, are also ‘subjective’ images in states’ strategic vision, their hopes and fears. This may seem irrelevant sophistry yet, as Wallerstein cautions, “we
seldom, if ever, take into account the social construction of time and space, and almost never the social construction of their combination” (1997b). Paradoxically, despite their long term horizons these three paradigms based on the Pacific/China/Asian framework have been subject to shifting short term tides of relevance and topicality which reflect their own contextual vagaries. Regions like the ‘Pacific’ and ‘Asia’ (and thus their attached centuries), are indeed “conceptual boundaries” that are “blurred and changing” and “porous” (Katzenstein 2005:12-13). Area Studies are in themselves problematic, in terms of definition, coherence and role (Lewis and Wigen 1999). Insights from regionalism and Regional Studies are relevant, for as Katzenstein noted “definitions of collective regional identity do not exist to be discovered. They are political constructs that actors contest and which evolve over time” (Katzenstein 2005:10). They are also philosophical concepts, “what Wittgenstein argues about [language] games holds also for geography” (Katzenstein 2005:13) when one is trying to define regions and regionalism. There are overlaps here with Lydia Liu’s recent work elsewhere on “the semiotics of international relations” (2004:5-30), and IR’s constructivism concerns with the role of image and perception. As such each paradigm reflect the immediate political context of its immediate times, “regions are the creation of political power and purpose” (Katzenstein 2005: 21). Subjective ‘discursive politics’ and ‘critical geography’ converge, “regions have both material and ideational dimensions” (Katzenstein 2005:10). Let us now turn to these three century-paradigms surrounding the ‘Pacific’, ‘China’, and ‘Asia’.

THE PACIFIC CENTURY

In “imaging the Pacific” (Smith 1992), the ‘Pacific Century’ has been frequently evoked and envisaged for over 150 years, and has given rise to memorable and evocative assertions (Korhonen 1996). It had already arisen around the middle of the 19th century, and was then renewed around the end of the 19th century for the coming 20th century. It finally re-emerged in the latter part of the 20th century for the coming 21st century, where Kishore Mahbubani, then Permanent Secretary at the Singapore Ministry of Foreign Affairs, was feeling The Pacific Impulse, “the future flow of history” (1995), and the Australian Foreign Minister Alexander Downer was sensing “we are about to enter what will surely be the Asia Pacific century” (1997a).

Despite its straightforward physical manifestation, the ‘Pacific’ has its particular uncertainties. Segal did not deny the economic growth and importance of Japan, nor the military strength of the United States across the Pacific. What he questioned was how far the ‘Pacific’ was a significant focus for identity, priorities and structures. He considered regional ‘Pacific’ frameworks were both too small and too big, ignoring “the twin pressures of globalization and local national styles,” so that “there is no important cultural, ideological, political, economic, or even military sense in which it is particularly useful to talk of the ‘Pacific’” (Segal 1990: 377). Indeed, given “the growing incoherence of the Pacific” (377) and the “many false dawns, of a genuine Pacific community” (378), Segal considered that “thinking Pacific is an anachronism.” (382). Palat’s sense was that “there is considerable ambiguity and confusion in conceptualizing the nature, constitution, and future directions of an impending Pacific Century” (1993:3). Thus, for Palat, “on the one hand, the very ease with which we can locate booming economies and plot the complex economic and political networks on maps endows the concept with an aura of obviousness” (3). On the other hand, the very unity of lands along the shores of the Pacific, which “appears concrete with reference to the region's physical delineation on maps, is revealed as an abstraction when viewed in terms of human activity” [citing Dirlik]” (Palat 1993: 4). Certainly Palat was right to pick up on how “by collapsing the enormous social heterogeneity within it, the ['Pacific'] concept is emptied of analytical coherence” (1993:4) but one could argue that booming economic activities and the transnational networks are human activity of a tangible kind. The
very contextual nature makes it something needing clearer definition and clarification. As Dirlik rightly points out “to begin to confront the question, What is the Pacific?, it is necessary to define our terms by specifying whose Pacific - and when” (1998b:15). One can also ask ‘where’ and ‘why’.

The ‘Pacific Century’ was a variable concept in terms of its spread. In reality the Pacific basin, those micro-state islands like Fiji, Tonga, Tuvalu, Kiribati and so forth were not particularly in mind when the ‘Pacific Century’ was evoked. Ultimately they were geographically insignificant in terms of size, sprinkled around the “earth’s empty quarter” (Ward 1989). Ronald Reagan may have reckoned that “when we look toward that great and grand Pacific Basin, there’s a promising future there” (1984). Yet the Pacific Basin, whilst geographically at the heart of the Pacific, was politically, economically and conceptually irrelevant to the ‘Pacific Century’ theme being shaped. Instead it was the Pacific Rim that was seen as proving the engine for the ‘Pacific Century.’ Rimspeak (Cumings 1998) was a noticeable feature of this development, a politically nuanced discourse that ran alongside the geographical existence. In part, the ‘Pacific Rim’ discourse was an attempt to create a future, a “mobilization myth” (Woodside 1998) for political, economic and academic elites. In part the ‘Pacific Rim’, and the ‘Pacific Century’ concept, was “imaginative geography” (Palat 1997) as well as actual spatial geography, subjective as well as objective, affecting and reflecting ‘reality,’ there to be shaped and taken in various directions. Another ambiguity was that not all parts of the Rim were involved in ‘Pacific Century’ dynamics. The Soviet Union may have evoked the ‘Pacific Century’ (Gorbachev 1987; also Segal 1987; Atkinson 1990), but instead the USSR collapsed. Russia may have joined APEC, the Asia-Pacific Economic Cooperation organization in 1998, but she remained limping along as the ‘Sick Man of the East’ (Menon 2003).

In reality the Pacific Century was a theme that was most strongly discernible in certain countries. Japan enjoyed something of a “romance” with the Pacific Age/Pacific Century concept, a “beautiful slogan that Japanese politicians could pick from in times of need” (Korhonen 1998:105). Prime Minister (1978-80) Ohira Masayoshi had already pushed a ‘Pacific Vision,’ Prime Minister Yasuhiro Nakasone (1984) thought “the Pacific era is now an historical inevitability” (cited McCord 1991:1). Japanese commentators were similarly enthused. Tokuyama Jiro had already talked of the coming ‘Pacific Century’ (1977:24), Yoshi Tsurumi welcomed The Challenges of the Pacific Age (1985) and Yoichi Funabashi was similarly eloquent with his geocultural ruminations in Asia Pacific Fusion (1995; also Edstrom 2001). Pacific sentiments were also evident in Australia, as “negotiating the Pacific Century” (Bell et al. 1996) become an imperative for her politicians (Whitlam 1981) and business leaders (Palat 1998). Her Foreign Minister, Alexander Downer told Parliament that felt able to give an “upbeat assessment…of the sense of opportunity…that Australia sees in its region as we enter the Asia Pacific century” (1997a).

Across the Ocean “as road maps for the future, the Pacific Century…constructs…stirred powerful emotions in the United Sates” (De Santis 1996:21). The Science editor told his readers, “our Pacific Century has begun…as far as the United States is concerned, the 21st Century is its Pacific Century” (Gardner 1987). The Pacific was in vogue on American bookstands during the 1990s. Thus, Elegant’s Pacific Destiny (1990) was followed by Winchester’s Pacific Rising (1991), Gibney’s The Pacific Century (1992) was complemented by PBS’ ten-part, ten-hour television series The Pacific Century; whilst 1993 saw Viviano’s Dispatches from the Pacific Century. American Presidents across both main parties were swept up in general evocations of a coming ‘Pacific Century’, from Reagan (1983b) to George Bush (1991) and William Clinton.

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1 Dirlik saw “contradictions” (1998a:3-14) surrounding the ‘Pacific’, between (1) area and region, (2) EuroAmerican invention & its Asian content, (3) fantasy & actuality, (4) Asia-Pacific & the world system, (5) region/sub-region & nation, (6) capital & class/genders, (7) different cultural formations.
Such sensitivity to the Pacific was found not only in Presidents, but across the political spectrum; for example from Senator Jesse Helms (1996) the long-time chairman of the US Senate Foreign Affairs Committee, from Mike Mansfield (1996) ambassador to Japan 1979-89, from Washington’s Governor Gary Locke (1997) the first Chinese-American elected to such a position, and from Admiral Joseph Prueher (1997) Commander-in-Chief U.S. Pacific.

The concept was loaded with contextual assumptions and expectations in American circles. Cuming’s critiques remains valid. At the academic level there is his argument that “in the late 1970s, a hue and cry suddenly arose about the dawning era of the Pacific, especially up and down the West Coast of the United States among academics trying to find some way to interest donors in funding Asian or international studies” (1993:21). Moreover, at a wider level, “‘Pacific Rim’ was the post-1975 artistry, an era of forward movement and backward occlusion, as Americans sought to ‘put Vietnam behind us.’ ‘Pacific Rim’ thus heralded a forgetting, a hoped for amnesia in which the decades-long but ultimately failed U.S. effort to obliterate the Vietnamese revolution would enter the realm of Korea, ‘the forgotten war’” (22). Amidst the rhetoric, the US saw possibilities and the need for the US to extend itself in the region and through the concept. For Reagan “if the next century is the Pacific century, as some have suggested, America will be leading the way” (1986) in it. For Clinton’s NSC adviser “American leadership in the Asia-Pacific region is essential,” i.e. “how well we respond to the challenges of what some call the Pacific Century will determine whether it will be an American Century as well” (Lake 1996). In effect, this was unwitting testimony to Katzenstein’s sense of the “American imperium” (2005:2-5, 79-80; also Wilson 2000) at play in the region and in its conceptualization. Conversely, whilst America could expect to lead this emerging regionalism, Europe could fear being left behind as “the orphan at the feast” (Tanzer 1996). Indeed, Dosch noted “many in Bonn, Paris, Rome and other capitals worried that a ‘Pacific century’ could leave Europe as the odd man out in the new international order” (2001: 62).

Economic patterns were prominent in this renewed emphasis on the Pacific, for Segal “the still growing Pacific economy that so captivates the minds of futurologists” (1987:185; also Linder 1986; Clark and Chan 1992; Bergsten and Noland 1993). By 1980 trans-Pacific commerce had overtaken trans-Atlantic commerce in volume of trade, and continued to accelerate. 1980 also saw the setting up of PECC, the Pacific Economic Cooperation Council, in its own words “formed when the glimmerings of a Pacific Age could just be seen by those blessed by a clear vision” (PECC 1994). In South Korea, Nam Duck-woo enthused about how “the prospects of the Pacific economies...the pattern of interdependency now taking shape among the nations of the Pacific Rim” meant that “the twenty-first century is indeed to be the ‘Age of the Pacific’” (1986). The PECC _Kuala Lumpur Concord on Regionalism_ was replete with Pacific rhetoric, waxing about “the primacy of the Pacific...The Pacific shift has been more rapid than most could have imagined. The Pacific Age has indeed begun,” given “the primacy of the Pacific as the centre of economic gravity of the world” (PECC 1994) - a frequently coined metaphor. Palat recognized that by 1996 the growth of commodity flows across the Pacific had been “nothing short of spectacular” (2004: 324).

America was particularly sensitive to the economic promises beckoning from a Pacific Century. Economic movement from its traditional Atlantic/East Coast to the Pacific/West Coast was already apparent, epitomized in Microsoft’s ‘Silicon Valley’ ensconced in California. Gordon saw emerging economic _Pacific Futures for the USA_ (1988). Talk of the ‘Pacific Century’ “looked forward: suddenly the rim became the locus of a new dynamism, bringing pressure on the mainland of Asia. [Pacific] Rimspeak, like modernization theory, continued to look with curiosity if not disdain upon anyone who did not privilege the market” (Cummings 1997). Within this the ‘market’ was seen as the field for America to enter and win. For Stern, there was a self-evident need for _A U.S. Trade Policy for the Pacific Century_ where “the dawn of the Pacific Century beckons the United States” (1993); in which “the sheer volume of Asia-Pacific commerce animates U.S. dreams of a Pacific” (Manning and Stern 1994: 82). Politicians evoked the
economic promise of the Pacific throughout the 1980s. Reagan set a Presidential lead, pointing
Alaskans to “an economic community on the Pacific rim which will be ever more important to
our way of life in the years ahead...as the potential of the Pacific unfolds” (1983a). His future
expectations were high, that “the strong economic growth that is expected through the next
century will give the Pacific region increasing significance and influence” (1987). Such
assumptions of continued economic growth were to be tested in the following decade.

Whilst Reagan had mused on the coming of a Pacific community, such a wider Pacific state
setting had been brokered by Australia and Japan, with American support, whose suggestions led
to formation in 1989 of the 12-nation Asia-Pacific Economic Cooperation APEC group, i.e. the
six ASEAN countries together with Australia and New Zealand, Canada and the USA, South
Korea and Japan. Further countries joined, like China in 1991, Russia in 1998 and various Latin
American states. At the diplomatic level, Pacific rhetoric continued to work its charm, with
APEC Heads of Government annual meetings inaugurated by Clinton “the Godfather of the
Pacific Era” (Apple 1993) at Seattle in 1993. Nevertheless, APEC remained skewed as an
economic community during the 1990s, in many ways a series of bilateral flows with Japan,
rather than widespread diffused trade between and across the Pacific generally. Moreover, APEC
remains far from any European style integration in terms of institutional strength, legal
frameworks, or indeed cultural underpinnings (Manning and Stern 1994). As the 21st century
came, uncertainties over APEC’s role and relevance had already arisen, reflected in Aggarwal’s

In one light the whole Pacific project could be seen as furthering the American cause,
increasing dependency on the USA, with Japan acting as a bridgehead and junior partner. Yet
there remained underlying “competing interests” (Gereffi 1993:67) between the Asian and
American wings of the Pacific. Japan’s role in retrospect was not merely as a spoke of the
American network. Indeed marked trade friction between Japan and America was one aspect of
this cross-Pacific boom, a clash between “two competing capitalisms” (Lafeber 1997: 373-9; also
Powell 1990; Aho 1993). Bhagwati saw the US as suffering from “the diminished giant
syndrome” in which “today it is Japan that has emerged, threatening to open a Pacific Century”
(1993:22). Yet, such frictions were overlaid with close US-Japanese security partnership, with
both states using pacifying Pacific rhetoric to smooth their paths, suggesting win-win situations.
Thus the Clinton-Hashimoto Joint Security Declaration, subtitled ‘Alliance for the 21st Century,’
highlighted “the future” beckoning where “the Asia-Pacific region has become the most
[economically] dynamic area of the globe” (Japan-USA 1996).

However, in terms of common discourse and emerging trends, even as the 21st century
finally came along, the ‘Pacific Century’ had lost some of its glittering allure. As Korhonen put it,
“the Pacific Age is essentially a candy. It tastes good” (1995:140), but did not necessarily have
much lasting substance. The Japanese economy slowed down in the 1990s, its ‘lost decade.’ The
dramatic Asian financial crash of 1997-98 took the shine off the ‘Asian Tigers’ within the Pacific.
Foot and Walker could well ask “whatever happened to the Pacific Century?,” as “the [Asian
financial] crisis, in turn, is seen as marking the end of that shift in the economic and political
centres of gravity” (1999:245). The Asian miracle had become “the miracle of the day before”
(Palat 1999). Such economic downturn led Emerson to talk of “the premature end of the Pacific
Representative, called for Charting a Course for a Renewed Pacific Age (1999), but his calling
for renewal was in effect a tacit admission that the APEC-led Pacific Age dream had already
faltered. A telling insider voice was Soemadi Brotodiningrat recalling, “I served as the Indonesian
Senior Official for APEC. I did it for four years [1994-1998], and throughout that period the
expression most frequently heard was ‘the 21st Century is a Pacific Century.’ This was by no
means an empty expression,” given “the spectacular rates of growth in the Asia-Pacific region”
(2004). However, “it is thus ironical that, when we actually entered the 21st Century, the
expression that I mentioned, ‘the 21st Century is a Pacific Century,’ has almost completely lost
its echo” (ibid.). In the meantime, another paradigm had become prominent, the 21st century as ‘China’s Century’.

THE CHINA CENTURY

In retrospect, some of the dynamics propelling the ‘Pacific Century’ concept were as much, or even more, to do with the regional and global rise of the People’s Republic of China, the PRC, as she finally stood up (Scott 2007: 130-41) within the international system. In 1990, her leader Deng Xiaoping had reckoned that “China’s prospects for the next century are excellent…the so-called Asia-Pacific century will make no sense unless China develops” (1984-94:3.345). This was precisely what happened during the 1990s, where the PRC’s ascent became clear cut, striking and evident during the 1990s, in and across the Asia-Pacific. McCord set the tone as he mused “the fate of the 1,100 million people of the Chinese mainland may well determine the course of the Pacific Century” (1991:75); and though he allocated China a modest “4th tier” position behind Japan, the ‘4 Tigers’ and the ASEAN NICs, there was a sense for the future that “China seemed poised to join in the Asia renaissance” (14). Other commentators sensed this coming shift, Chase-Dunn and Podobnik from their World-Systems perspective that “in the coming decades, China is even more of a wildcard. With its tremendous human and natural resources, plus what is presently held to be the world's fastest growing economy, China will continue to increase its geopolitical and economic influence” (1995). James Sasser, on taking up his ambassadorial post in Beijing acknowledged that it was “engagement with China which will help usher in the coming Pacific Century” (1997). Borthwick considered “it is China’s resurgence…that poses the central questions for the coming Pacific Century” (1998:547). Jim Walker noted that “China forms the pivot for that new momentum and for the real ‘Pacific Century’” (Walker 2003:84).

As the new 21st century finally dawned, it was China rather than the Pacific that was catching the attention. The “future” (Zakaria 2005) was pointing to China, a “global power shift” (Hodge 2004; also Hale and Hale 2003) was apparent. Wallerstein’s overview at the start of the century was that “China is looming ever larger on the world scene” and in which “China, it seems, is on everyone’s mind,” in part since “China (virtually alone) seems to be on the rise” (2001). Consequently for Rorty, given “the sheer size and potential power of China - the fact that the twenty-first century is likely to be the Chinese century in the same sense that the twentieth was the American Century” (2000:90-1). The Western media was more than ready to use the phrase ‘China’s/Chinese Century’ (I. Campbell 2004; Fishman 2004; Gee 2004; Rees-Mogg 2005; Mekay 2005; Newsweek 2005). In short, Skidelsky talked of The Chinese Shadow in which “China has suddenly become the all-absorbing topic for those professionally concerned with the future of the planet. Will the twenty-first century be the Chinese century, and, if so, in what sense?” (2005). In short, China’s current rise poses a fundamental “challenge to global order” (Scott 2008b) of the first magnitude, to the very fabric of the international system emerging for the century.

Economics was behind much of the world’s perception of China’s rise. Initially Asia-Pacific dynamics had been focussed on other actors; Japan, the ‘4 Tigers’ and the ASEAN NICs. However, the economic modernisation programme initiated by Deng Xiaoping in 1978 achieved sustained growth rates of 9-10% throughout the 1980s and 1990s, as China engaged with Western entrepreneurial and financial expertise. Deng’s economic programme was seen by Cox as not only “impressive,” but as “one of those critical ‘turning-points’ of the twentieth century” where “China, the new ‘Orient Express’ of the East - is the future and will dominate the international system of the twenty-first century in much the same way as Britain before the First World War and the United States after 1945” (1998:226). By 1990 Deng Xiaoping was reckoning that “China’s prospects for the next century are excellent…it will not be long before the Republic of
China, which is already a political power, becomes an economic power as well.” (1984-94:3.345). Economics became a vital buttress for China’s emerging presence in the 1990s.

At times, this ‘China’ presence spilled over into the ‘Network’ power of the Chinese communities outside the PRC (Weidenbaum and Hughes 1996). At times, a ‘Greater China’ (Harding 1993; Shambaugh 1995) framework was used which included the other Chinese political units of Hong Kong, Taiwan and Singapore, all combined in Weidenbaum and Hughes’ Greater China: The Next Economic Superpower (1993). The PRC remained the central focus though. Past as well as future was arising. Arrighi’s sense of “a recentering of the regional and world economies on China as they were in pre-modern times” (1997; also Gilpin 1997:24) of its Middle Kingdom pre-eminence.

China’s prospects were heightened by Japan’s economic slowdown in the mid-1990s, and the Asian financial crash of 1997-98 from which the PRC was pretty unaffected. As the first waves of Pacific Asia leaders (Japan, the ‘4 Tigers’ and the ASEAN NICs) fell back, China moved forward in absolute and relative terms, emerging as the economic powerhouse of the region and moving confidently into the 21st century. Admittedly, some voices were less convinced. Gordon Chang’s dramatic The Coming Collapse of China (2002) painted a picture of regime breakdown. However, despite his criticisms on the internal ability of the PRC regime to handle economic and political reforms, Chang was nevertheless (2003) still certain that “one thing we do know: the People’s Republic will profoundly affect the shape of tomorrow…an economic powerhouse…this is ‘China’s Century’” (2003). Typical of this economics-driven perception was Brahm’s China’s Century. The Awakening of the Next Economic Powerhouse (2001) and Shenkar’s The Chinese Century. The Rising Chinese Economy and Its Impact on the Global Economy, the Balance of Power, and Your Job (2005). Her growth rate remained impressive, double digit official GDP growth rate figures continuing to be posted; 10.1% in 2004, 10.5% in 2005, 11.2% in 2006 and 11.4% in 2007.

Voices from China were well aware of China’s growing economic presence for the 21st century. Zeng Peiyan, Minister at the State Development Planning Commission, asserted with some pride that “at this point in time as the human race enters the 21st century, China is increasingly becoming the focus of world attention…people can see with increasing clarity China’s bright prospects in the new century” (2001:11). Lii Haibo in the Beijing Review reckoned the view that “the 21st will be the century of China” was “a reflection of the fact that China’s economic expansion has seen the nation take an increasingly important role in global affairs, particularly in the economic field” (2004:32). Zheng Bijian, Hu Jintao’s foreign policy éminence grise, considered that China’s “contribution to the world as an engine of growth will be unprecedented” (2005:18) in the 21st century.

Opinion was divided in the West over whether China’s economic development was a threat or an opportunity (Cable and Ferdinand 1996; Agarwala 2002). Some voices stressed the positive aspects of China’s economic trends. George Gu argued in How Should We Understand the Chinese Century? that “China’s development is creating a new engine of growth…a developing China offers opportunities for the world” (2004). William Rees-Mogg’s This is the Chinese Century emphasised “the economic maturity of the new China…for the future of what is beginning to look like the Chinese century” (2005). However, for others, a ‘China Century’ was a more evident economic threat. Fears of mass swamping by Chinese textile exports erupted in Europe and the USA in 2005. As posted by Chinese Customs, the PRC’s overall trade surplus with the world has risen from 23 $billion in 2001, 30 $billion in 2002, 26 $billion in 2003, 102 $billion in 2005, 177 $billion in 2006, and 262 $billion in 2007. China’s foreign exchange reserves, mostly gold and US dollars, also soared in the first decade of the century; reaching over $711 billion by 2005, overtaking Japan in February 2006 as the world’s largest holder of foreign exchange reserves, crossing the $1 trillion threshold by autumn 2006, and reaching around $1.5 trillion by the end of 2007.
China’s surging use of industrial resources and their environmental impact were further significant issues arising for the 21st century. Hale pinpointed “China’s growing appetites” for resources which is “likely to be as transforming an event in geopolitics as America’s arrival as a world power during the early decades of the 20th century” (2004:137). In this vein, 2004 saw around 40-50% of global cement supplies swallowed up by China, and China overtaking Japan to become the world’s biggest importer of iron ore. China imported 275 million tonnes of iron ore, again the world’s biggest, in 2005 and 161 million tonnes in the first half of 2006, up 23 per cent year-on-year and more than in all of 2003. She overtook the US as the largest producer of CO2 emissions in 2007, a key factor for global warming. A ‘China Century’ could be an environmentally disastrous century for the world.

China’s rise for the 21st century has also attracted ‘structural’ concerns for the international system. Luce’s ‘American Century’ announced in 1940 was under threat. Campbell felt that “the American century is over,” and instead “the Chinese Century begins;” with China “the country whose advance will enable it to claim this century for its own…this is not a bold prediction. It is an obvious one” (2004). This points to IR power transition theory, and with it the likelihood of the 21st century being a dangerous period of transition between a rising China and an established America (Lemke 1997; Kugler et al. 2001; cf. Chan 2007). The stakes were starkly summed up by Garver (1999) as being that “history is replete with confrontations between incumbent paramount powers and rising aspirant powers…one over-arching question we face as the twenty-first century unfolds before us is whether Sino-American relations will repay this bloody, costly drama of confrontation. The future course of Sino-American relations will be one of the most important variables determining the quality of international relations during the first quarter of the twenty-first century” (1999:xi). Mearsheimer’s realism perspective (2001) thought that China’s rise meant “it would be far more powerful and dangerous than any of the potential hegemons that the United States confronted during the twentieth century” (2001:57; also Huntington 1997:312,82-3; Mearsheimer 2005). Such theorizing was matched by the Pentagon’s 2006 Quadrennial Review with China pinpointed as the only likely state competitor for the United States in the coming decades. A blunt verdict came from the Beijing Review that “the United States is today’s only superpower and China will be tomorrow’s world power” (Wang Wei 2004:23).

Both America and Canada have re-invoked the ‘Pacific Century’, in part because of concerns about a ‘China Century’ from their side of the Pacific. Geopolitical concerns over a ‘China Century’ made President Bush reiterate to the Japanese Parliament the ‘alternative’ Pacific vision, where “I’m convinced the 21st century will be the Pacific century. Japan and America share a vision for the future of the Asia Pacific region as a fellowship of free Pacific nations” (2002). Politically a ‘Pacific Century’ shaped by the USA and Japan was to be preferred to a ‘China Century’ shaped by the PRC. America’s SUMMER PULSE exercises in 2004, coupled with RIMPAC naval exercises and redeployment of troops from Europe to the Asia-Pacific was seen by Kapila as sending a message to China, “that China would not be able to claim the 21st century as a ‘Chinese Century’ in East Asia in the strategic tussle with USA” (Kapila 2004).

Geo-economic concerns for Canada were similarly evident in her readiness to invoke the Pacific Century umbrella for herself, and for her province British Columbia. Gordon Campbell, the Prime Minister of British Columbia, uses the rhetoric, that “the Pacific Century is upon us” (2006b); but its China slant was evident though, given his opening comments on having been in China, promoting Canada’s ‘Pacific Gateway’. Campbell may have felt “it’s time for us to take full advantage of the Pacific opportunity that is there for Canada as we look at this Pacific century that is on our doorstep,” that “it’s the Pacific opportunity. It’s the opportunity for us to define ourselves as a Pacific nation” (2006a). However, it was basically China-related, for “is there anyone here that doesn’t recognize that the world’s economies are shifting to the Pacific? People are talking every day about the incredible impact that China is having” (2006a).
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For Max Boot, there was a *Project for a New Chinese Century*, where “Beijing plans for national greatness” (2005). However structural and perceptual uncertainties surround China for the coming century. Avery Goldstein considers the relatively low-profile external coupled with internal economic modernization approach taken by China since the late 1990s “finesses questions about the longer term” (2003:60) external path of China. As Goldstein notes this Dengist approach, “a strategy of transition” (2005:38) operating since the 1980s and still set to run for another 30-50 years, avoids the longer term issue of what happens once China has risen, once it has achieved its target of achieving similar standards of wealth and strength, with a much bigger population base. This is the longer-term perspective, one in which Rennstich’s recent view of shifting hegemonic cycles sees a “China (?)” (2005:222; also Chase-Dunn 2005) setting arising by 2080, replacing the present Atlantic-Pacific locus.

However, keeping a low profile, in order to peacefully rise to national greatness by the mid-21st century, is a reason for China not to bandy about talk of the 21st century being a China Century. As Wang Yiwei admitted in the *Beijing Review*, “right now China is keeping a low profile but preparing to do what it wants to do” (2004:23). In effect Wang acknowledged Goldstein’s transition strategy model for the 21st century, that “this buildup period is expected to last for twenty years” (25), which “will be used by China to serve its grand strategy of peaceful rise…to grasp the 20 year period of opportunity, winning time at the cost of…a degree of [short-term] concession” (25). Such a transition strategy “is compatible with China’s [longer-term] grand strategy and should have more potential in the future” (25) - a future where “China will be tomorrow’s world power” (23). In one sense the PRC can take pride in her achievements and in the respect given to her economic surge. Yet any ‘China Century’ proclamation present dangers. This was perhaps why Lii argued in the *Beijing Review* that “there will be no so-called China century. That term conveys to some extent a chauvinistic tinge…Nor has this country had any desire for a China century or China-era, or something similar. Pursuing that kind of object will result in a state of isolation…crowning itself with the China century or being an aggressive superpower, it [China] would lose its friends and other countries would feel uncomfortable” (2004:32). From an IR *constructivist* point of view, ‘images’ matter, including macro-images of the 21st century. Other safer images could be pursued, that of the ‘Asia Century’.

THE ASIAN CENTURY

This term has gone through two shifts. Originally in the 1980s the ‘Asian Miracle’ by Japan and the ‘Asian Tigers’ Singapore, Hong Kong, Taiwan and South Korea led commentators to focus on their common Asian character, a so-called Confucian model which would lead to an ‘Asian Century’, even though China was not yet the most prominent Asian member. Such a Pacific Asia (excluding America) was a different geographical-cultural-political Asia-centered alternative to the American assumptions surrounding the ‘Pacific Century’. The rise of the Pacific was to a degree a way of saying the “rise” (Rohwer 1995; Arrighi 1996; also Borthwick 1992) of Pacific Asia/East Asia, such a rise posed “critical visions of the Pacific Century” (Berger and Borer 1997). As McCord put it, in his *The Dawn of the Pacific Century*, “the great Asian colossus has stirred and stretched its limbs with a vigor unknown for centuries…East Asia, allied with Southeast Asia, has a tryst with destiny. Barring nuclear catastrophe, the region will assume a dominant strategic position in the world during the twenty-first century” (1991:15,1; also Oberdorfer 1988).

Economics, again, underpinned this Asian-related concept, as with Taiwan’s foreign minister, Lien Chan’s comment that “the Pacific Century will come about” not particularly through the American side of the Pacific, but in Pacific Asia; through the “the well unchallengeable economic and financial might of Japan, clearly the dominant economy in Asia Pacific” and “the mounting prominence of the Asia ‘newly industrialized countries (NICs) and
the ASEAN countries” (1989:9). Commentators could talk of vibrant coastal “network cities in
the East Asian Corridor,” running from Japan and South Korea, along the Chinas down to
Thailand and Singapore, with their changing configuration of economic power” (Gipoulux
2001:36) challenging older models of economic development, state sovereignty and dependency
theory. Pacific frameworks were in effect being focussed on its Asian rim, with “the rise
of Pacific Asia from poorhouse to powerhouse” (Yeung 1993:4), an East Asia set to become “in
the next twenty years the economic center of gravity of the world” (Lee Kuan Yew 1993).

In part this Asian success story was a matter of industrial output, Abegglen’s Sea Change:
Pacific Asia as the New World Industrial Center (1994). World Bank statistics told a clear story
of the impact of noticeably high economic growth rates by Japan and the smaller Asian Tigers,
whereby East Asia’s regional share of world GNP went up from 13.0% in 1960 to 25.9% in 1990
at a time when other regions were stagnant or declining, the North American share declining from
35.1% in 1960 to 29.8% in 1999. This strong East Asian performance was even clearer over
industrialization; in terms of regional shares of world value added manufacturing East Asia went
from 16.4% to 35.2% by 1998, whilst North America declined from 42.2% to 29.9%. Lee Trade
patterns showed a similar Asian skew. Prior to the mid-1980s, foreign trade in East Asia was
dominated by trans-Pacific trade centered on the USA. However, between 1986 and 1992, whilst
the share of Asian exports destined for other Asian countries rose from 32 to 44%, those destined
for the U.S. dropped from 37% to 24%. For Pacific Asia, intra-Asian trade overtook trans-Pacific
trade. Meanwhile since 1986, the value of U.S. exports to Asia has surpassed that of its exports to
Europe. Financial holding were also going Asia-wards, as the soaring American deficit was
enabled through Japan’s role as the biggest creditor nation, with the largest foreign exchange
holdings. In 1989 Japan became the world’s largest direct investor in terms of its investment
flows of $44.1 billion surpassing the United States’ $31.7 billion. Arrighi saw all this as the “rise
of East Asia to epicenter of world-scale processes of capital accumulation” (1995).

The scales were large, “the resurgence of East Asia” judged by some commentators as “a
global shift of economic power with few precedents in history” (Arrighi, Hameshita and Selden
2003:1). History was relevant for past patterns, Frank’s ReOrient. Global Economy in the Asian
Age (1998) was premised on a recovery of earlier economic preeminence that had been
temporarily ‘lost’ to the West in the past three hundred years but was now being recovered.
Arrighi and colleagues felt there was a growing sense of “the peculiar trajectory and significance
of East Asia for the past and the future of world history” (Arrighi, Hamashita and Selden 1996).
Economic strength translated into power. McCord’s “economic resurgence of East Asia,” seemed
to be bringing with it a “seismic shift in the world’s distribution of income and power” (1991:5),
a “drastic alteration in the economic-political axis of the world” (4). Such a rise was also an
example, for Arrighi, of the way in which “history continually messes up the neat conceptual
frameworks and the more or less elegant theoretical speculations with which we endeavor to
understand the past and forecast the future of the world we live in” (1995), in this case
challenging the framework and paradigm of a world economy generated from and centred on the
West. It represented a ‘cascade down’ chronological-geographical process, the “snowballing
effect in the rise of East Asia” (Arrighi, Hui, Hung and Selden 2003:302), in effect a shift across
the Pacific, from the United States to Japan in 1950s/60 onwards, with a ‘flying geese’ Japanese
led formation of the ‘Four Tigers’ in the 1970s/mid-1980s and ASEAN countries in the mid-
1980s onwards.

All in all, power hierarchies were under challenge here. Arrighi and others talked of “a crisis
of western hegemony that has yet to be resolved” in which “economic growth in the East Asian
region that has made a re-centering of the global economy on East Asia a distinct possibility”
(259). Yet, uncertainties were present. At the time Wallerstein considered that “how large a role a
resurgent China will play in this economic centrality of Japan/East Asia is one of the great
uncertain factors of this geoeconomic, geopolitical restructuring, the start of a new hegemonic
cycle, and of competition…for the new top role” (1998) in the Asia-Pacific. Wallerstein had
asked straightforwardly in 1997 “has there been a rise of East Asia? Undoubtedly. But for how long? a decade? a century? a millennium?” (1997a). He could have added ‘a year’ before his ‘a decade’, as the Asian financial crash of 1998 pulled the rug from under that particular Pacific Asia setting. Nevertheless, Wallerstein saw its impact as relatively modest in the larger scale of things, arguing that “the so-called East Asian financial crisis is a minor, temporary event of limited importance, which will probably change nothing of the underlying rise of Japan or Japan/China or Japan/East Asia” (1998). Schmidt, Hersh and Li argued that this was no meltdown, rather the first major recession that had started in Asia, which thus actually showed the new global centrality of the Pacific Asia economies (2002:30). Most commentators disagreed, feeling that the particular mark-1 ‘Asian Century’ model had proven to be a “false start” (Lingle 1998). Buruam could indeed ask “what happened to the Asian Century?,” holding that “the idea of an Asian century is in itself absurd. ‘Asia’ is too big, too vague and too diverse to serve as a useful concept” (1999). Instead, it was the ‘China Century’ paradigm that caught the incoming wave for the start of the new century, as seen earlier.

Yet even as China, and the associated ‘China Century,’ was hitting the headlines, further development were taking place; a wider “Asian Ascent” (Kugler 2006; also Ferguson 2006), bringing talk of a “New Asian Hemisphere” reflecting “the irresistible shift of global power to the East” (Mahbubani 2008). This was not just coming out from Asian veterans like Mahbubani. American diplomats like Richard Armitage were similarly telling venues like the 2007 International Leadership Conference that “in every measure the strategic center of gravity is shifting to Asia” (Pearsey 2007).

In other words, a mark-2 ‘Asian Century’ is now being bandied about, but with a different focus to the mark-1 ‘Asian Century’ talked of in the 1980s and 1990s. Ignored in the earlier talk of the ‘Asian Tigers,’ India had been seen as a rather lumbering economy. Deng Xiaoping told Rajiv Gandhi in 1988 that “unless both India and China become well developed, there is no such thing as an Asian Century” (The Hindu 2005). China’s economy had quickly boomed in the 1990s, but it was to be another decade before India’s economy started to also move quickly. At which point, as Sachs put it, “welcome to the Asian Century. By 2050, China and maybe India will overtake the U.S. economy in size.” (2004). This reflected the radical restructuring of India’s economy and her embrace of globalization. Her economic growth had been 5-6% during the 1980s and early 1990s, respectable but not earth shaking. Now in the late 1990s, as advocated by its Finance Minister Manmohan Singh, current Prime Minister, the Indian economy picked up. Indian commentators and politicians started to talk of ‘India’s Century’ as India’s GDP growth hit 9.0% for 2005-06 and 9.4% for 2006-07.

Given China’s own continuing high growth during the first decade of the century, with the PRC GDP growth hitting 11.4% growth in 2007, India and China started to be talked about together; with Chindia coined as a term, though with questions on respective leadership within that (Saklina 2006). In this sense, an economics-driven “tripolar century” (Virmani 2005) is coming into view, with China and India rising up towards and eventually past the USA. In effect the concepts of ‘China’s Century’ and ‘India’s Century’ have become combined into a renewed talk of a mark-2 ‘Asian Century’. The mark-1 ‘Asian Century’ promised by Japan and the 4 Asian Tigers had only been “delayed” (MacDonald 2004) ready to recommence under a different thrust, as “India joins the Asian century” (Balakrishnan 2004; also Deccan Herald 2005;Lal 2005) alongside China. The World Economic Forum meetings at Davos and its offshoots have mirrored these economic shifts. Whereas “the talk of the town” (Pfanner 2004) at the 2004 World Economic Forum at Davos was China, and in 2005, at the 2006 Forum the perception was “India and China dominate buzz at Davos. World business leaders see shift to an Asian Century” (Lederer 2006). Davos’ offshoots have been even quicker in picking this China-India ‘Asian’ synergy for the 21st century (World Economic Forum 2003,2005,2006).

Politicians have been ready to embrace this ‘Asia’ theme. India’s Prime Minister Atal Vajpayee welcomed how “the 21st century will be the Asian century. This is not mere rhetoric.
The centre of the gravity of the world is shifting,” for “in one form or the other, Asia is set to dominate the politics and economics of this century” (2002; also 2003). The Congress government of Manmohan Singh has reiterated the same message, with India’s involvement in the East Asia Summit in December 2005, reflecting “the part we are trying to play in making the 21st century an Asian century” (Singh 2006). Economics underpins this Indian sense, that “the dynamics of globalization and the growing economic potential of Asia, justifies the resurrection of that vision of Pan-Asian regionalism…We believe that cooperation between India and East Asian countries in the 21st century is economically logical and will help to make this century the century of Asia…this vision of an Asian century” (Ahluwalia 2005).

In China, the Sino-Indian setting is stressed in public, that the 21st century was turning out to be “the century of China and India” (Zou 2005); that “in the same way that commentators refer to the 1900s as the ‘American Century,’ the 21st century may be seen as a time when Asia, led by China and India, comes into its own…The economic rise of these two Asian giants is set to become the most dramatic story of the 21st century...The two countries have the potential to change the demographic of world politics” (Monarch and Ding 2005). Consequently, talk of an ‘Asian Century’ is heard more often now than any talk of ‘China’s Century’ (Lu 2005; Liu and Hu 2005). Chinese politicians were ready to wave this picture, Prime Minister Wen Jiabao arguing that a strong vital China and India are set to “usher in a new true Asian century” (PRC 2006). China’s readiness to use the term ‘Asia’s/Asian Century’ in preference to ‘China’s/Chinese Century’ is understandable. Given the rise of India it is objectively true enough. In addition, it is a better international political marketing term for China’s image. The term ‘China’s Century’, as already noted, as it singles China out and can thereby make her the target for reactions by others, whereas talk of an ‘Asian Century’ diffuses that.

The final element in the equation is the return of Japan. Originally her ‘miracle’ had sparked the first talk of an Asian century back in the 1980s/early 1990s; whilst her depression similarly pulled the rug from that concept by the time the 21st century actually dawned. However Japan has the world’s second biggest economy and so it was significant that 2005 saw her finally emerging from that cloud, with real growth renewed. The result was that “in 2005, Asia reminded the world whose century this is. A booming China, resurgent Japan and vibrant India helped shift the pendulum of global growth eastward. And investors who shook off bad memories from the 1997 Asian crisis to bet anew on Asia weren’t disappointed” (Pesek 2005b). Wallerstein’s caution can be amended. It remains true that “the combined economic, political, and yes military power of East Asia would become formidable in the coming half-century. In the transition the world-system is undergoing from its present historical structure - that of a capitalist world-economy - to something else, the East Asian bloc would come to play a central role, perhaps the central role” (Wallerstein 2005). His sense that “such an effort would face very vigorous opposition from the United States and, to a lesser extent, western Europe. It might also face opposition from India” (ibid.) is questionable though with regard to India; since opposition from India to such an East Asian rise is transformable if India joins in and helps shape an ‘Asian Century’. Such a future ‘Asian Century’ was one that America was not a part off. American commentators could well wonder, “will the 21st century be another ‘American Century’ or will it be the first ‘Asian Century’? A peaceful - for now - struggle has been joined” (Pinkerton 2005).

Within that ambiguities arise. China and India may be surging forward in an ‘Asian Century’, but will they remain together? They are after all engaged in a Grand Strategy of rise to global status and presence, within which their “Great Power ‘Great Game’” (Scott 2008a) is being played, part cooperation but also competition. The question then arises, as Hoagland asked “whose Asian Century”? China’s or India’s, where “the forces that will determine which nations will dominate the 21st century may yet favor India’s emerging reach for global power status more than China’s” (2005; also Pesek 2005a). India’s argument is that its bigger deregulated economy, brings with it a bigger entrepreneurial grassroots potential, so that India will “outdo” (Bajpaee 2004; also Mukherjee 2005) China, and that consequently “India will lead in the Asian century”
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(Sengupta 2006). Such a prospect, or model, is more reassuring for American policy-makers. Though they have not created this economic rise of India within the ‘Rise of Asia’ image they are responding to it at the economic, security and strategic levels.

Whether or not India does, or does not, overtake China within any ‘Asian Century’, the bigger shift presaged is of Asia (i.e. Pacific Asia and India) regaining its leading position within the global economy, something it enjoyed up to 300 years ago. This ‘Asian Century’ drive was again evident at the 2008 Davos Forum (Greenway 2008). In contextual terms this also means the United States being overtaken. Instead of a ‘Pacific Century’ that the US was part of, was it now being faced with a resurgent Asia that the US was not part of, and which was set to shape the 21st century and its international system? Here it is significant that Gowan has argued for strong continuing American per-eminence amongst core countries, but nevertheless acknowledged that “the greatest challenge to a consolidated [American-led] World Empire in the Pacific region would come from the capacity of China and Japan with the ASEAN countries to form a form a stable political-economy bloc, whether involving monetary and financial integration or a so-called Free Trade Area” (2004:496). This is exactly what the US is being faced with in the form the East Asia Summits of 2005, 2006 and 2007, in which the US was absent but where India was present. Singapore’s pre-2005 summit sense was clear, “an Asian economic community, which will bring together South Asia, Southeast Asia and Northeast Asia…Such a community will result in a strong and prosperous Asia, with India as one of the key pillars [alongside China and Japan]. The stars are falling into alignment and we have the chance to turn this into Asia’s Century” (Goh 2004). The contrast with APEC’s foundation is stark, a Pacific framework and ‘Pacific Century’ underpinned by the United States being replaced by an East Asia framework and ‘Asian Century’ underpinned by EAS’ leading participants China, India and Japan. As such, commentators argued that the EAS “symbolizes the Asian century, the coming of age, in a sense, because by 2050 Asia will have three of the four largest economies in the world” (Mydans 2005) in the shape of China, India and Japan. As the Japanese Foreign Minister said there, “we share a common dream for the future…Asia is now brimming with optimism. With such unshakable belief here that tomorrow will be even brighter than today” (Aso 2005).

CONCLUSIONS

One conclusion is to beware of sweeping language. Each paradigm has been strongly pushed, yet then receding as other ones have come along. The latest to come along is the mark-2 ‘Asian Century’ paradigm. However, the 21st century has only just begun, and who knows what the century will actually bring, particularly in its latter parts. Wallerstein for one sees “multi-polar anarchy and wild economic fluctuations” (2006) as more likely than any Pacific/Asian/China Century. Asian figures have cautioned against sweeping assumptions, Singapore’s Foreign Minister telling the BOAO Forum, “as a huge wave of optimism sweeps over large parts of Asia from China to India, it is not surprising that some Asians should now be talking about the 21st century being an Asian century. This is hubris. With so many problems confronting us, we have to be modest in our self-estimation” (Yeo 2006). Asia’s rise is not inevitable, individual drivers could fall back. China’s regime could go into political meltdown, the scene for Chang’s The Collapse of China (2002). India’s economy might seize up amidst Naxalite insurgency, communal friction, and caste obstacles. Japan may remain too small with an ageing shrinking population. Moreover, the United States having come into the 1990s with unprecedented unipolar sway in the wake of the collapse of the Soviet Union is not going to rapidly vanish. In Paul Kennedy-type terms there may be an element of ‘imperial overstretch’ at play in America’s position, but it will remain as a powerful presence within the international system for the foreseeable decades. Globalization continues to operate as another focus diluting any regional

Still though there are certain shifts taking place within the international system. It is not undifferentiated globalization. Relatively speaking, Pacific Asia and India are showing marked advances. They are no longer periphery dependents, they are increasingly shaping the international economic environment. An interesting comparison can be made with one of the first articles appearing in the Journal of World System Research. Borrego’s argument there was that the stakes were high, as were the barriers, “individual states can and do succeed in crossing the gulf that separates the modest wealth of the semiperiphery from the oligarchic wealth of the core, as Japan has recently done” (1995:90); but in which such “individual successes lead to a tightening of the exclusionary and exploitative tendencies of core states and thereby deepen and widen the gulf between those states and the ones which are left behind. It therefore becomes inherently more and more difficult to move upward” (90). Yet movement upwards is precisely what is happening across much of Pacific Asia, and now India as well. An ominous scenario for core-periphery relations was envisaged by Borrego, “today the geography of the capitalist world economy can no longer expand. Therefore, the geographic reach of the core can no longer expand. If there is to be any significant change in which geographic area becomes more developed, then because this is more than ever a zero-sum game, another must become de-developed. If a new area becomes part of the developed industrial core, an old area must move away from the core and towards the periphery” (90). Consequently, “if in the next 20-30 years China or India were in the true sense to ‘catch up,’ a significant segment of the world’s population elsewhere in this world system would have to decline” (89). A dozen years later and his China and India ‘if’ is ever more being realized, and is set to have even bigger structural resonance for the twenty-first century.

In a sense, all of the above Pacific/China/Asian paradigms have some truth in them. The American economy did see some shift towards the California West Coast, the Pacific is more important than the Atlantic in trans-oceanic trade, and American security strategy now prioritises the Pacific over the Atlantic fields in terms of deployment of forces with PACOM surveying the scene from Hawaii. The ‘China Century’ remains true in the sense that China’s growth continues to shake the world. Its still accelerating GDP growth of 11.4% in 2007 showed this. However, within the Pacific paradigm there has been a shift. The United States, and its West Coast has lost some of its previous bite. Dirlik’s question, that “the issue of an American Pacific versus an Asian Pacific remains to be settled” (1998:b) has to some extent been answered in this economic shift. Yet, though Japan and the ‘Asian Tigers’ have revived, they are not quite as impressive as they seemed in the first 1980s flush of the Pacific/mark-1 Asian Century models. Instead, the emphasis has shifted partly within the Asia-Pacific away from America towards China, and partly outside the Asia-Pacific to India. This is why the mark-2 ‘Asian Century’ paradigm has become the most accurate match of reality, especially economic reality. This is not to say that the 21st Century will be one of domination by Asia in the sense that the US economically dominated the world at various points in the 20th century. The US and an integrated EU will still stand as important economic actors, with varying degrees of political and military power thereon. American hard power in the military area remains pre-eminent for the present.

However, the 21st century looks set to be shaped by three new factors. At the sub-state level is the eruption of Islamist radicalism, 9/11 jihadist fundamentalism taking on the West. At the state level is the rise of China and India as new Great Powers within the international system. At the regional level is the rise of Pacific-Asia (especially its components of China and Japan) and India as leading economic zones. The global balance of power is shifting towards that particular ‘Asia’. The international system is now clearly in a state of impending significant structural change, a ‘long cycle’ perspective. In that sense the ‘Asian Century’, mark-2 model, is the most accurate of the paradigms to have emerged for the 21st century.
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TURKISH MANAGERS AS A PART OF THE TRANSNATIONAL CAPITALIST CLASS

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ABSTRACT

During the period after 1970s, capitalism has gone through a significant restructuring. This period has been primarily characterized by the process of globalization. Globalization has not emerged as the natural result of capitalism but it has been actively promoted and the appropriate conditions for the functioning of global capitalism have been created by certain actors. Many scholars argue that it is a newly emerging transnational capitalist class which transformed capitalism into a globalizing project. Although the members of this class are located in different parts of the world, they have a common interest in supporting globalization. They are aware of their common interests and they have a certain class consciousness. Moreover, their habits, tastes, and lifestyles are becoming increasingly similar. Considering these debates on transnational capitalist class, in a case study of the Turkish top managers working in the İstanbul branch of a multinational corporation, this paper looks at the lifestyle characteristics of this group of managers, comparing them with those aspects of the lifestyle of the transnational capitalist class that are indicated by the scholars. A second question that has been considered is to what extent these managers feel themselves as part of a transnational class that has common goals and interests. This study shows that for this group of managers the primary identification is with the people who have the same position with them, regardless of their country or corporation, not with their fellow nationals.

INTRODUCTION

For portraying the contemporary political, economic and social conditions of the world, no other concept has been as widely used as globalization. Although there are scholars who consider it as a myth (Hirst and Thompson 1996), globalization has been a key word for describing many of the changes that took place especially within the last twenty years. However, in many accounts, globalization as a term has been used without much clarification on how globalization as a process has emerged. Several scholars writing on globalization ignore the historical process behind its emergence and the active participation of several actors in the materialization of this process.

1 An earlier version of this paper was presented at the ‘Hegemonic Transitions and the State Conference’ at Simon Fraser University in Vancouver, Canada. I would like to thank the audience in this conference, specifically Christopher Chase Dunn, and also Kenneth Barr for their useful comments. I also would like to thank Tim Liao and the graduate students who took his Publication Workshop in Spring 2007 at the University of Illinois at Urbana-Champaign for their comments on a different version of this paper.
process. Moreover, they do not take into consideration the prevalent power dynamics and inequalities within and among countries. They represent globalization as an inevitable process that has occurred without the efforts of any parties and that homogenizes the whole world without creating any centers or dominant powers.

Many scholars agree with the idea that capitalism has gone through a significant restructuring since 1970s and this process of restructuring is called globalization (Burbach and Robinson 1999; Robinson and Harris 2000), neoliberal globalization (Nederveen-Pieterse 2004) or capitalist globalization (Sklair 2002a). However, globalization cannot be regarded as the natural result of capitalism; it has rather been created through “historically specific institutional forms”. “Economic globalization is not an inevitable set of processes, but has instead been actively promoted by neoliberal theorists and politicians suspicious of state interference in civil society” (Faulks 1999:71). Globalization requires policies that establish the conditions that are claimed to be the results of the inevitable logic of global capital. Therefore, we can refer to “an active project of globalization” (McMichael 1996:31-32), a “globalist scale making project” (Tsing 2005:57) or a “transnational elite agenda” which aims to create the appropriate conditions for the functioning of global capitalism (Robinson 1996, 1997, 2004, 2005) taking place during the last three decades. We can consider globalization as a process which emerged through the active participation and efforts of certain groups and which mostly benefits those groups.

The recent debates on the emergence of a transnational capitalist class are really important within this context as they draw attention to the actors that turned globalization project into reality. Sklair argues that an emerging transnational class transformed capitalism into a globalizing project (Sklair 2001; see also Sklair 1996, 1997, 1998, 2002a, 2002b, 2005). He proposes a model of the global system based on transnational practices, which are divided into three spheres, namely economic, political and cultural-ideological. A major institution typifies each of these practices according to Sklair. The transnational corporation is the primary institution for economic, transnational capitalist class for political and culture-ideology of consumerism for cultural-ideological transnational practices. These three transform the world according to the global capitalist project. The members of the transnational capitalist class derive their power and authority from the corporations they own and control (Sklair 2001). Most of the TNCs are globalizing in important respects and the term global economy can be used to typify the economy dominated by these corporations. According to Sklair, transnational capitalist class is the major driver of globalizing practices and the leading force in the establishment of a global capitalist economy. This class is in the process of formation and it pursues people and resources of the world for its aim of increasing its private profit and accumulation. The transnational capitalist class can be identified with no particular country, but rather it is identified with the global capitalist system. This class consists of corporate executives, globalizing bureaucrats and politicians, globalizing professionals and consumerist elites. These capitalists in many different countries have more common interests with each other than they have with their non-capitalist citizens. The globalization of capital can only be adequately understood when the ownership and control of economic capital is considered together with ownership and control of other kinds of capital, which are political, organizational, cultural and knowledge capital. Here, the capitalist class is characterized by the ownership and control of major means of production, distribution and exchange through ownership and control of not only money but also other capitals (Sklair 2001).

Sklair lists five issues which explain why the transnational capitalist class is transnational or globalizing (Sklair 2005). First, the economic interests of the members of the transnational capitalist class are getting globally linked. Second, transnational capitalist class exercises its

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2 To these three spheres, Jerry Harris also adds a fourth one, which is the military industrial complex (Harris 2003).
economic control in the work place, political control in politics, and control of culture-ideology in everyday life through consumerist discourses and practices. Third, on economic, political and culture-ideology issues, members of transnational capitalist class have outward-oriented global perspectives. Fourth, members of this class have similar lifestyles, education, and consumption habits. And finally, they try to present an image of themselves as citizens of the world.

Although Sklair’s studies can be regarded as major works on the formation of a transnational capitalist class, he is certainly not the only scholar who has claimed that a transnational capitalist class has emerged. Much earlier, in 1970s, Hymer talked about the emergence of an international capitalist class whose interests lie in the world economy as a whole system (Hymer 1979). Kees van der Pijl’s work on international class formation (van der Pijl 1984, 1989, 1998), Stephen Gill’s work about the “developing transnational capitalist class fraction” (Gill 1990) and Robert Cox’s study on the emerging global class structure (Cox 1987) are other early studies that focus on class formation beyond the boundaries of nation states. Robinson and Harris, in their much debated study (see Arrighi 2001-2002; Mann 2001-2002; Moore 2001-2002; Robinson 2001-2002; van der Pijl 2001-2002; Went 2001-2002) argued that transnational capital has risen out of former national capitals and this process also had a transformative impact on capitalist classes which were previously national. “The leading capitalist strata worldwide are crystallizing into a Transnational Capitalist Class. Transnational class formation is therefore a key aspect of the globalization process” (Robinson and Harris 2000:14). Other important related studies are the works of Carroll and Fennema (2002) which provided evidence for the development of a transnational business community, Carroll and Carson (2003) which supported the claim that a “well-integrated global corporate elite” has formed, and van Apeldoorn (2000, 2005) which considered the formation of a European transnational capitalist class in addition to the emergence of a transnational capitalist class in general.

Although many of these studies make passing reference to the similarities in terms of lifestyle among the members of this emerging class, Sklair’s book puts special emphasis on the lifestyle and ideological awareness as integral elements of the formation of the transnational capitalist class. Sklair argues that members of this class have similar lifestyles, similar patterns of education and consumption of luxury goods and services. “Integral to this process are exclusive clubs and restaurants, ultra-expensive resorts in all continents, private as opposed to mass forms of travel and entertainment, and, ominously, increasing residential segregation of the very rich secured by armed guards and electronic surveillance.” (Sklair 2001:20-21). Members of this class also try to represent themselves as world citizens.

In a similar way, Cox also highlights the common culture among the members of this new class and their class consciousness. Regarding the dominant social groups, Cox lists them hierarchically as those who control big corporations operating on a world scale, those who control nation-based enterprises and industrial groups and locally based petty capitalists. Focusing on the first group, he states that this group has acquired a distinctive class consciousness and although they do not identify themselves as such, they can be called as a transnational managerial class. Although there are existing rivalries among these capitalists, still there is awareness in them of a common concern to maintain the system that makes it possible for this class to be dominant. Cox claims that various institutions such as the Trilateral Commission, OECD, IMF, and World Bank have articulated strategies for this concern. Also, business schools and international management training programs socialize new entrants to the values, lifestyles, language in the sense of shared concepts and symbols and business practices of the class. The culture of this class is specifically American and has been spread from a US base. This culture homogenizes the outlook and behavior of the members of the globally dominant group in certain ways that differentiate them from the cultures of national elite groups (Cox 1987).

Lastly, John Micklethwait and Adrian Wooldridge (2001), in their work A Future Perfect, also talk about the formation of a broadening class of people which share common lifestyle
characteristics and name those people as *cosmocrats*. Globalization not only tightens world’s economic links but also creates an increasingly conspicuous class of people who possess the ideas, connections and capitals necessary to be dominant in the international economy. Cosmocrats are the upper class people who have benefited from globalization. They make up the most meritocratic class the world has ever seen. These people share similar consumption habits no matter in which part of the world they live and they have cosmopolitan tastes.

Cosmopolitan in taste and usually Anglo-American in outlook, these are the people who attend business school weddings around the world, fill-up the business class lounges at international airports, provide the officer ranks of most of the world’s companies and international institutions, and through their collective efforts, probably do more than anyone else to make the world seem smaller. These cosmocrats are members of a new ruling class- a much more meritocratic ruling class than we have ever seen before...but a ruling class nevertheless (Micklethwait and Wooldridge 2001:229).

Cosmocrats are defined by their attitudes and lifestyles as much as the amount of money they own. All of them are not Westerners but it is significant that even if some are not from the West, their values most of the times are. The cosmocratic values are the values of people who are constantly “on the move and on the make” rather than the ones who are comfortable with their traditions. These people have international loyalties. They usually have connections to and friends in many different countries so they have a continuous need for remaining in touch through voice mail, e-mail, and traveling. The common global aspirations of cosmocrats lead to common global habits. They have developed many ways of distinction to demonstrate their membership of the global elite. There is also a great emphasis on cosmopolitan consumerism (Micklethwait and Wooldridge 2001).

Three institutions are really crucial in binding these people together: business schools, big professional service firms, and the Internet. Business schools prefer selecting both their students and the faculty from many different countries, which is in line with their aims of creating and supporting the creation of environments that have diversity. The second type of institution, namely big professional service firm, includes law firms, accountancy firms, investment banks, and management consultancies. These institutions allow their members to have much more experience than regular business executives by making it possible for them to work in many countries and industries. They keep these people constantly moving, from one posting to another, working in different offices for short periods and going to specialized meetings. The last institution, the Internet, is a “cosmocratic gadget” (Micklethwait and Wooldridge 2001:237). It meets the two essential requirements of the cosmocrats, which are being connected and getting information.

The emerging theme in the discussions up to this point is the focus on the organization of the capitalist class on a world scale and their interests in supporting both the process and the rhetoric of globalization. The emerging transnational capitalist class is considered to be the major force in terms of globalizing practices and in the establishment of a global capitalist economy. This class is now going through the process of formation and it makes use of people and resources for increasing its profit and accumulation. The corporate executives of the multinational corporations form a significant part of this class. These people are aware of a common concern to maintain the system that makes it possible for their class to be dominant. Educational institutions like business schools are instrumental in creating a common culture, common lifestyles and shared concepts. The members of this class have homogeneous behaviors and similar consumption habits no matter where they live. Although their economic capital has been significant in their determination as members of a certain class, their social, cultural and symbolic
capitals also need to be examined. They have common global habits and have developed many ways of distinction to distinguish themselves from other people of lower class backgrounds.

This paper focuses on the case of the upper level managers working in the Istanbul branch of a multinational consulting firm, considering these theoretical approaches on transnational capitalist class. Following Micklethwait and Wooldridge’s (2001), Cox’s (1987), and Sklair’s (2001) emphasis on the cultural practices, lifestyles and ideological awareness of transnational executives as integral aspects of transnational capitalist class formation, I mostly look at the cultural practices, background characteristics, lifestyles, identifications and ideas of these Turkish managers. Working in a “peripheral” branch of a multinational corporation, which is located in a Third World city, these managers are not positioned at one of those centers from where global capitalism is managed (Carroll and Carson 2003). Moreover, there are scholars who argue that transnational class formation is weakest in the Third World (Robinson and Harris 2000). However, this does not necessarily mean that the managers in the Third World countries do not share similar lifestyle characteristics, ideologies, and global aspirations with those other managers who are positioned at the “centers”. Besides, the formation of third-world globalists is an increasingly mentioned phenomenon (Harris 2005). With this in mind, I try to understand the kind of parallels between the backgrounds, lifestyles, and ideologies of these Turkish managers with those of their counterparts in the center. As this is not a comparative study that also has data about the managers in a First World country, I mostly consider the characteristics that are mentioned by the scholars writing on transnational capitalist class, such as frequently traveling to other countries, having business degrees, considering themselves as world citizens, and believing in their common interests as the members of a transnational class. Before proceeding further to elaborate on my case study, first I will explain how Turkey, as a Third World country, has been integrated into the process of globalization, how this integration took place as a process that is pursued by and benefits local and global capitalist groups, and how managers emerged as prominent figures in Turkish society through this integration.

GLOBALIZATION OF THE THIRD WORLD AND “INTEGRATION” OF TURKEY TO THE GLOBAL SYSTEM

In Western societies, until the 1970s, there was a period when inequality in terms of economic resources decreased due to industrialization and productivity, as wage incomes tended to grow more than capital incomes, and wage incomes on the lower occupational levels more than those on the higher ones. Due to the practices of the welfare state, more egalitarian social structures took place. However, beginning from 1970s, these circumstances started to change. The oil crisis, which took place in 1973, was a key event as it marked the beginning of a new stage of Western capitalism. Economic growth rates decreased and unemployment levels increased sharply. The governments restricted spending on social expenditures. The firms spread their operations on a global scale, capital became more mobile, international financial transactions increased, and markets were liberalized. There were also parallel changes in politics (Wilterdink 2000).

Through the influence of the developed countries and especially through the policies exerted by the International Monetary Fund and the World Bank, underdeveloped countries went through “the same paradigmatic shift” with the First World (Stewart and Berry 1999). The Structural Adjustment Programs (SAPs) applied through the directions of the IMF and the World Bank had the same objectives in all the countries. Among these are import liberalization, financial liberalization, privatization of public institutions, getting rid of the big and interventionist state, and reducing the social expenditures. Many underdeveloped countries started to adopt neo-liberal policies through the programs of the IMF and the World Bank, and to a large extent, they gave away their authorities on economic policies to these two institutions (Senses 2001). The policies
that were applied within the extent of the SAPs rested on unequal income distribution and they worsened the situation in terms of inequality in the countries where they were implemented. The declared aims of these programs were solving the debt problems of Third World Countries, keeping the exterior payments in balance, and maintaining growth (Bello 1999). However, they have not been successful in any of these. These programs played a significant role in the vicious circle of diminishing credit flows because of increasing debts, shrinking foreign capital investments, falling prices of primary goods of the Third World countries with vast increases in the prices of the industrial products. These brought huge decreases in growth rates, increasing poverty and inequality within and among the countries.

Turkey has been one of those countries which have been exposed to Structural Adjustment Programs and applied neoliberal policies especially since 1980s. The IMF and the World Bank had a significant influence in the implementation of the neoliberal policies in Turkey. Until 1980s, Turkey’s economy was identified with import-substitution industrialization, which was mainly oriented to the domestic market. The instruments of economic policy, such as protectionism, state involvement, and regulated markets supported this orientation. During 1970s, crises emerged both in the economic and political areas in Turkey. The bourgeoisie was declaring openly their suggested solution. The same solution was also supported by the IMF, World Bank and OECD, which was the transformation of the economy. This transformation would include leaving the import-substitution strategy and adopting an export-oriented model. This would help Turkish industry to meet its own foreign currency requirements and would solve the problem of limited domestic market. This was not an easy thing to do and required serious efforts (Gülalp 1993).

Beginning from 1980s, the new orientation of export-led growth started to be imposed on Turkish economy. There was a widespread restructuring of the economic policy and neoliberalism became the new order of the period. This new order brought increasing foreign trade, interest rate liberalization, deregulation, privatization, decreases in state expenditures for social services, and a liberal foreign exchange regime instead of the state interventionism of the previous period (Balkan and Savran 2002). A powerful bureaucracy was not the precondition of development any more; it was an obstacle to the operation of the free market (Öncü and Gökçe 1991).

Domestic capitalist corporations in Turkey were pushing to be integrated to the increasingly internationalizing circuit of capital on the world scale. Ercan (2002) argues that internationalization of Turkish economy contributed to the advancement of big corporations at the expense of instability for the whole economy. There was an alliance between the domestic capitalist class and the IMF and the World Bank, both of which are institutions that represent the interests of the capitalists internationally (Ercan 2002). These two agencies played significant roles in the restructuring of Turkish economy through the 24th January economic measures in 1980 (Balkan and Savran 2002; for neoliberal transformation of Turkish economy see also Başkaya 1991; Boratav 1991; Cizre-Sakallıoğlu 1991; Öngen 2003; Savran 2002; Tunay 2002; Yalman 2002).

The paradigmatic shift that was lived in the economic arena in Turkey during the 1980s also led to transformations in the social and cultural life. It is even possible to talk about the emergence of a new system of values in this period. With the passage to the free market economy, Turkey had intensified interactions with the external world. Goods that could only be bought from the black market or many imported goods that were regarded as luxury in the previous period, started to be sold in excessive amounts and acquiring these goods became a target for many people. Through the application of free market rules, the income levels of business people and managers started to increase rapidly and their levels of consumption also increased (Bali 2002). Yuppies (young urban professionals) emerged as the symbol of the period. They were the most educated and most successful members of a generation. Banking, finance and
international marketing were prospering fields in the country and these people had the opportunity to earn huge amounts in these fields. Being a yuppie meant having a certain lifestyle and certain consumption habits, and their lifestyle has been influential on the expectations, consumption styles and ideology of the other segments of the society. They were the typical models of the valorized values of the period (Kozanoğlu 1993). The private lives of individuals, which remained untouched by the media in the previous periods, became objects of analysis and representation during 1980s. The lifestyles, for the first time, have been defined and classified. A private life industry emerged, creating its peculiar professions such as private life journalists and private life magazines (Gürbilek 1992).

After January 24 economic measures, integration of Turkish economy to the global market has been a priority. With this integration, trade, banking, and other service sectors became respected and prestigious. To be competitive in the new global economy, big family corporations started to employ middle and high level professional managers instead of employing family members (Bali 2002). The appropriate people for these sectors were the ones who could establish connections globally, communicate in foreign languages, and be competent. The graduates of top universities that instruct in English were very appropriate for these jobs. At the time, not only the company owners but also the professional managers had the opportunity to earn significant amounts of money in short periods. They represented the realization of the dreams of the majority of the people and became the symbol of success. Entrepreneurship and success were the most favorite values of the period (Kozanoğlu 1993). Being well-educated, bilingual people, they were demonstrated as the ones who knew the appropriate manners and ways of doing things. They were integrated to the Western World and could “speak the same language” with the Europeans. They were “world citizens” (Bali 2002).

By the removal of the limits on the financial operations and of the controls on foreign exchange transfers, credit cards and new banking services spread. Also, the advertising sector prospered significantly with the releasing of imports. The advertising sector mostly targeted the young, urban, well-educated managers who had high incomes. High quality clothes were advertised especially for these people as clothes made up an important part of their image. Also, expensive and luxurious restaurants and bars started to appear for serving the needs of these managers (Bali 2002).

Ankara was the city of bureaucracy and Istanbul has become the center of the new liberal and globalist orientation of the economy after 1980s. Multinational firms which did not have connections to Turkey in the previous periods started to make investments and establish branches in Turkey with the liberalization of Turkish economy. Most of these companies made their investments in Istanbul. The branches of foreign banks, exchange offices, leasing and insurance firms started business one after another. Following the foreign banks and firms, luxurious hotels were built in Istanbul. Later, the shopping malls and stores which targeted the people at high income levels appeared. The new shopping malls were no different from the ones in the other world cities. To the upscale European restaurants were added the Chinese, Japanese, Korean, Indian, Mexican ones. Entertainment sector has also prospered tremendously (Keyder 2000). All these newly emerging sectors and places have mainly served the professional people at high income levels.

Especially in Istanbul, new types of residences emerged for these elites. With the spreading of the discourse that Istanbul’s social and cultural life were damaged with the newcomers (the migrants from rural areas), the city center was regarded as a place inappropriate for living a civilized life and new accommodation places were constructed outside the city center. “Bahçekentler” are the groups of villas that were built to be sold to high income groups. Their prices range between USD 250,000 and USD 1,000,000. They are outside the city centers and within natural surroundings. They provide the opportunity to the elites to live with people from similar backgrounds and to live apart from the lower classes (Öncü 1999). All these types of residences gave their inhabitants the opportunities to be away from the disorder of the city by
creating spaces for personal activities. These places offered the people “a world of privileges”: sports complexes, fitness centers, cinemas, restaurants, night clubs creating self-sufficient mini cities. The buyers of these residences bought not only houses but also certain lifestyles (Bali 1999). As Ahmet İnsel argues, these homogenized residences meet all kinds of social requirements of upper class people and make it possible for them to be isolated from the lower classes. This is the indication of an effort of social discrimination based on social class (İnsel 1999).

As Ayşe Öncü suggests (1999), high level managers of the firms that operate in the international markets have now been the part of a global business culture. Being a part of this culture does not only mean working through computers, speaking English, sitting in the VIP lounges, but also includes wearing similar clothes, reading certain magazines and newspapers, laughing at the same jokes, and having the same lifestyle (Öncü 1999).

At this point, it is important to clarify that when I refer to lifestyle, I mostly depend on Bourdieu’s conceptualizations. Bourdieu (1984) states that in order to understand the lifestyle of an agent or agents, it is necessary to consider that there is homogeneity behind the various practices that appear diversified. The concept of habitus is introduced in order to clarify this homogeneity of practices. Habitus is “…the internalized form of class condition and of the conditionings it entails.” (Bourdieu 1984:101). Although he does not completely exclude the classical differentiations between the classes, he thinks that it is not enough to regard the position in the relations of production, indicated by occupation, income level or even education, for defining a class.

Social class is not defined by a property...nor by a collection of properties...nor even by a chain of properties strung out from a fundamental property...in a relation of cause and effect, conditioner and conditioned, but by the structure of relations between all the pertinent properties which gives its specific value to each of them and to the effects they exert on practices (Bourdieu 1984:106).

Individuals who have similar conditions, thus, have similar systems of dispositions, which create similar practices and similar common properties. The classes of different conditions are differentiated from one another mostly by the total volume of capital, which includes economic, social, cultural and symbolic capitals. However, this primary difference is associated by secondary differences, which create class fractions having different asset structures or in other words, having different distributions of their total capital among these types of capital (Bourdieu 1984). These conditions produce different habituses, the systems of dispositions, which are both “structured structures” and “structuring structures” as they produce practices (Bourdieu 1977:72). People who have the same positions also have the same habitus or vice versa. The dispositions possessed as a result of the position occupied also brings with it an adjustment to this position. Habitus is not only defined by “the capacity to produce classifiable practices and works” but also by “the capacity to differentiate and appreciate the practices and works”. The space of lifestyles is formed by the relationship between these two capacities (Bourdieu 1984).

THE CASE OF TURKISH MANAGERS IN A MULTINATIONAL CORPORATION

In the light of these arguments, in my case study of high-level managers in the Turkish branch of a multinational corporation, I tried to portray the lifestyle characteristics of these managers, considering the lifestyle conceptualization of Bourdieu and tried to see to what extent they feel themselves as part of a transnational class. In 2004, I interviewed eleven managers from the three highest managerial levels of senior partner, partner and senior manager from the İstanbul branch of this multinational corporation. In order to obtain additional information, I contacted junior
employees who were working in the corporation at the time. And lastly, I also used global and Turkish web sites of the corporation for supplemental data about the organization and employees of the corporation both in Turkey and also worldwide.

In my selection of this corporation for my study, the fact that it is the branch of a big multinational corporation has been influential. Both Sklair (2001) and Cox (1987) argue that the people who work as managers in multinational corporations in several countries form a significant part of the transnational capitalist class. Therefore, selecting this corporation seemed appropriate for the purposes of my research. This corporation gives services of business consulting to public and private clients. It has its offices in 768 cities in 139 countries and has more than 120,000 people working in these offices. The corporation describes itself as a “truly global firm” and a “worldwide network of firms” which are locally owned and locally managed as indicated in the global web site. There is a CEO (Chief Executive Officer), a leadership team, consisting of key operation leaders and region leaders, and a Global Board, which form the management of the global body. The CEO is from the US and all the key operation leaders are either from the US or Europe. Of the 19 members of the Global Board one member is from Hong Kong, one from Sao Paulo and one from South Africa. The rest are from the US, Canada or Europe. To the identification of the firm itself as a network, it should be added that this is a network with some centers being more dominant in the management of the network, these centers being in the Western world.

Turkish branch of the corporation consists of four offices, two in İstanbul, one in Ankara and one in İzmir, with more than 550 professional staff. The professionals working in the firm are promoted on the basis of merit and performance. Although, in the past, there were people who had been directly employed to the upper levels of the organization from the public sector, usually the practice is that people become managers and even partners through being promoted in the organization. Becoming a partner in the corporation means acquiring the shares of the corporation and having important managerial responsibilities. The two senior partners have more shares and more managerial control within the corporation compared to other partners, and they represent the Turkish branch in the global organization.

For looking at their lifestyle, I took into account four capitals which are economic, cultural, social, and symbolic capitals, in line with Bourdieu’s model. Following Bourdieu (1984), I took occupation, which is a variable that I know for the whole group, as the main determinant of economic capital. As I learned the income level for each managerial level through my contacts with junior level employees, this information has been sufficient for me to a large extent for positioning them in terms of economic capital. The income level for senior managers is around USD 100,000, for partners USD 200,000, and for senior partners around USD 500,000. Taking into consideration their occupational positions and income levels, I observed that these managers can be positioned at the upper class in terms of economic capital, as they get high salaries, own houses in wealthy districts of İstanbul, and have luxurious cars.

For cultural capital, first, I asked the managers the schools from which they graduated, beginning from primary school, as I wanted to see whether they went to private or public schools. All the managers I talked to graduated from public primary schools and most of them also graduated from public high schools. All of them got their undergraduate degrees from managerial and administrative areas (business administration, economics, and public administration) from the top public universities of Turkey (Bogazici University, Middle East Technical University, Ankara University, and İstanbul University). Additionally, three of them got their master’s degrees from the universities in the US and one from a Turkish university, all in business related areas. The parents of most of these managers did not have high education. Although they are the children of relatively less educated families and they had their previous education in ordinary public schools, they achieved to be accepted to the top universities of Turkey. These facts support the argument that top level managers are meritocrats. They are not coming from well-educated, wealthy families and their cultural capital is not supported by their families’ cultural, and in many cases
economic, capital. However, we can talk about a reinforcement of their cultural capital by their spouses’ education. The spouses of all the managers also graduated from the top universities. These managers are aware of the importance of cultural capital gained through education and they provide their children education in well-known private schools; all the managers who have children old enough to go to school send their children to famous private schools for education.

Competence in a foreign language is also an important part of cultural capital. All the managers are fluent in English. Half of them speak a second and two speak a third language. I observed that in addition to knowing English, they are very much used to using words in English in their daily conversations in Turkish. During interviews they used words in English extensively. Not only the technical terms and names of positions and titles, but also ordinary words were used in English. They also use the Internet extensively both for work purposes and also for personal communication with people from Turkey and abroad. In Bourdieu’s (1984) scheme, activities like reading books, newspapers and magazines, and taste of music are also indicators of cultural capital. In terms of the kinds of books they read, we see that all of them read books about economy, their sector, and work-related issues in general. All the managers I interviewed also read at least two newspapers daily. There are ones who stated that they read five magazines in a day especially during weekends. Dünya, which is a newspaper on economy, is delivered to all the managers in the corporation and they stated that they read Dünya everyday. About magazine reading, all the managers stated that they read magazines about their sector. Also, six of the managers read foreign magazines like Newsweek, Time, and the Economist. There are also ones who read magazines about decoration, automobiles, and travel. These magazines also give clues about their symbolic capital, pointing out to the areas in which they try to create distinction. Home decoration is one of those areas that upper classes distinguish themselves from the lower classes. Automobiles are also one of the most valued prestige items. And lastly, traveling especially to different countries is a significant part of upper class lifestyle. Therefore, the magazines they read give ideas about their not only cultural but also symbolic capital by demonstrating that they have an interest in those areas which are mostly accessible to the upper classes.

When asked about their preferences in music, most of the managers named classical music as their first choice. Bourdieu (1984), while talking about legitimate taste, which belongs to the upper class, puts classical music within the category of legitimate taste; classical music is mainly the music of the upper class. This argument seems to be supported in my case. The other kinds of music listed by the managers are jazz, new age, and alternative rock by younger managers, and Turkish classical music (Türk Sanat Müziği) by older managers. Although not asked about the kind of music they are not fond of, two of the managers told that they never listen to Turkish Volk Music (Türk Halk Müziği) and also none of the managers mentioned this kind of music among the ones they listen to. This may be interpreted as their wish to distance their tastes from the tastes of the masses. As Bourdieu states, while considering good and bad tastes, things are classified as “distinguished” and “vulgar”. It can be argued that classical music is the distinguished and Turkish Volk music is the vulgar one in terms of their music taste.

Regarding their social capital, I tried to understand their connections to powerful people from different fields. They have relationships and acquaintances with influential people not only from the field of business but also from the fields of politics, arts and media. Moreover, all of them have memberships in at least two associations, NGOs or clubs. They are mostly the members of occupational groups, alumni organizations of their universities and other organizations promoting international business and trade. Their membership in these organizations not only demonstrates their social capital but also gives an idea about their motivation and interest in supporting foreign investment in Turkey and the efforts of Turkish business circles to be integrated to the global business community.

Bourdieu (1984) uses the term symbolic capital for referring to the forms other capitals take when they are perceived. Regarding symbolic capital, managers I interviewed create
distinction from the lower classes through type and district of their residences and the decoration of these houses, brands of their cars, restaurants and shopping malls they go to, the types of sports they deal with and memberships in big sports centers, the places from which they buy their clothes, the brands of these clothes and of the other goods they use, the places they go and stay in their holidays, going to foreign countries, and staying at luxurious hotels.

All of the managers live in the wealthier districts of Istanbul, such as Etiler, Nişantaşı, Ataköy, Arnavutköy, etc. Some of them live in special types of residences consisting of villas and containing recreational facilities. These are self-sufficient mini cities including sport complexes, fitness centers, cinemas, restaurants, etc. and they are far from the city center. Living in these special-type, luxurious, segregated residences forms a crucial part of the symbolic capital of these upper level managers, distinguishing them significantly from the lower classes. The decoration of the house is an important indicator of one’s distinguished taste and a crucial way to show that taste to the others. Most of the managers used the services of professionals for decorating their houses. They have prestige items such as antique goods and paintings in their houses. Cars are another important signifier of status and a significant part of symbolic capital. The corporation provides a car to all senior managers, partners and senior partners. This car is not provided temporarily but becomes their property. There is not a standard car that is given to the managers; the corporation offers a certain amount of money for the car but the managers can give an additional amount and buy different brands of cars. All the managers that I interviewed own expensive and luxurious cars.

The data about the managers’ experience abroad combined with the data about their educational experiences in foreign countries give us important insights about their access to foreign countries. Most of them stayed in foreign countries at least for one year either for work or for education. When combined with the data about frequent visits to foreign countries, we see that it is easy for these people to transcend the borders of their nation states. They are fluent in English and some of them also in other languages which are factors that make it possible for them to communicate easily.

I read them some statements and asked which of these statements seems the most appropriate for them to identify themselves and the reason for that identification. The statements are: “I am primarily a Turk.” “I am primarily a Muslim.” “I am primarily European.” “I am primarily Middle Eastern.” “I am primarily a world citizen.” Most of my interviewees regard themselves as world citizens. Remembering Leslie Sklair’s (2001) argument that the members of the transnational capitalist class try to represent themselves as world citizens, I can argue that this proposition is confirmed for the managers in my case. They think that being a Turk is something that they did not choose, so it is not a meaningful identification for them. They state that national boundaries do not have much relevance any more and they do not have to define themselves with their nationality. Without pointing out the power inequalities in the world, they talk about the importance of morality and values of humanity. Following are the comments of the ones who regard themselves chiefly as world citizens:

I am primarily a world citizen. I cannot be a nationalist. I was born here by chance. It is the same about religion. It was not my choice. Defending Islam as I was born as a Muslim… If I was born as a Christian, I would defend Christianity. It doesn’t have any meaning. It seems more meaningful to be a world citizen. I am primarily a human being.

I am a world citizen. The others put one in a box. This one does not; it regards everyone equal. I do not want to be put in a box.

Among them, being a world citizen seems the most meaningful to me. I do not know to which degree I am European or Asian. Being a world citizen… It is a
more universal concept. I do not believe that national boundaries have much meaning any more. Anyway, every problem is rooted in religion or national boundaries. But I am locally a Turk. I did not choose it. I was born and have grown up in this culture. My mother and father are Turks.

I think I will define myself firstly as a world citizen. Values of humanity come before those other statements, those chauvinist things. Before them come the universal values and human conscience. But of course, I am all of them to a certain degree.

I am above all a world citizen. I do not have a tendency to discriminate anyone because of his/her race or nationality. Hence, I also do not want to be discriminated. I do not want to have any advantages or disadvantages because of being a Turk. I would like to be evaluated according to my talents. From this perspective, being a world citizen is more appropriate to me. This does not mean a denial of being a Turk. I state that I am a Turk in every setting. I am a world citizen and secondly, I am a Turk. But being a Muslim does not have a priority for me. Our being Muslim is only something we say. We do not even pray…

As observed in these statements, they regard world citizenship as a concept that is the opposite of nationalism or chauvinism. They regard world citizenship as something universal, a category that points out the values of humanity. They explain that the term regards everyone equal but they do not talk about whether or not the conditions of that equality exist. Although ethically one can argue that universal human values are above all important for him/her and that he/she is first and foremost a human being, in the real social, political and economic conditions and the power relations in the world, many people cannot be defined boundless of their national origins. Only for the people who can easily transcend borders and who do not have any visa difficulties, world citizenship or being a cosmopolitan, is something that can be supported (Vertovec and Cohen 2002). Also, the fact that their lifestyle is similar to someone in a first world country gives them the idea that they are world citizens. Their class position gives them the opportunities to travel to other parts of the world without experiencing the problems “ordinary Turks” experience in terms of financial or visa difficulties, to be together with foreigners in various occasions, and to speak the same language with them. These experiences lead them to think that they might be free from being identified with their national origins. They believe that they can transcend being a Turk and be recognized as a world citizen. They think that compared to other Turks, they have more commonalities in terms of lifestyles and attitudes with the foreigners who have the same position with them in other countries and they identify this bond as world citizenship.3

I think it will be correct to define myself as European. I think I am above the average education, income, and culture levels of Turkish people. I am European in this sense. I have the same cultural and economic opportunities that European people have… This is why I feel that I have the similar standards, culture and

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3 Although the discourse of world citizenship or cosmopolitanism is mostly used as a mechanism of class distinction by these Turkish managers, it is important to recognize the existence of another kind of cosmopolitan discourse in Turkey, which might be considered as a left cosmopolitanism. While the scholars do not necessarily use the term cosmopolitanism, it can be argued that this position is exemplified by the writings of scholars such as Fuat Keyman, Ahmet İnsel, Murat Belge, and Ayşe Kadioğlu in the newspaper Radikal and its Sunday supplement Radikal 2, as well as elsewhere.
moral values with Europeans. I feel like a European. Being a world citizen... I cannot comprehend concretely what being a world citizen means. I do not believe that in the world we are living, people treat each other equally. I do not think that such a concept, such a thesis has accuracy. It does not have any practical applications. A world in which all people treat each other with tolerance regardless of their national origins does not exist. The reality of the world is not as such. It would be wonderful if it was. It would be wonderful to feel as a world citizen.

In this quote, we see that he is aware of the inequalities throughout the world. It is striking that he thinks that he has more commonalities with Europeans than his lower class fellow citizens. His lifestyle makes him feel similar to people in foreign countries. He recognizes inequalities between Turkish people and Europeans, positioning them at the two poles in terms of income, education and culture levels. Turkish people being at the low and Europeans at the high end. He acknowledges the existence of inequalities but this does not lead him to criticize or to question these inequalities. He rather positions himself at the powerful side because of the privileges his class position brings. On the other hand, as he recognizes that there is not a parallel universe devoid of power inequalities among nations, he does not accept the concept of world citizenship.

The managers who told that they are primarily Turkish think that Turkish culture is something that shaped them to a large extent. One manager who lived in Hungary for two years stated that before living there, he felt more European.

It is necessary to say that I am primarily a Turk. It doesn't make any sense to argue that you are European. You understand that when you live in Europe. While living in Turkey, you can feel European comparing yourself with other Turks. However, when you live abroad, you even miss Turkish simit. You understand that you are Turkish when you go abroad. Before living in Hungary if someone had asked me this question, I would have told that I am European or world citizen. But now I know, it is the most accurate to define myself as a Turk.

Still, as we can see in the following quotation, he believes that he does not have common issues with other Turks, especially if they are from different socio-economic backgrounds. Although he primarily defines himself as a Turk, he considers himself as different from other, especially lower class Turks in terms of education and background.

When I look around myself in Turkey, I observe that I am really different from the general mass. The education level in Turkey is very low. This is a significant factor that explains our difference. I am also different in terms of background because my mother’s family has been living in İstanbul for more than five hundred years. My mother has a Greek origin so is a true resident of İstanbul...

There are many people from Black Sea region in İstanbul now and we have become a minority in İstanbul.

Related to these comments, I asked two related questions to the managers. I asked whether they think that they have similar lifestyles with the people who have the same positions with them in the foreign countries and whether they have more commonalities with these people

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4 Simit is a circular bread which is covered with sesame seeds. It is a common food in Turkey and is usually sold by street vendors.
or with Turks from different backgrounds. Nine out of these eleven people told that their lifestyle is similar to that of foreigners having similar positions, and about the second question, ten of them told that they have more similarities with these foreigners compared to Turks with different backgrounds. However, they argued that in terms of cultural habits, they share more with Turks. It is interesting that they regard lifestyle and culture as totally separate issues.

I do not think that we have a lower standard than the foreigners who are at the same position with us. As our country is more traditional, from many aspects we have a better life compared to them… Traditional means giving more importance to family and friendship… These are important things for me. I like having friendship and family ties and recognition. A top level manager in Turkey has a better recognition compared to an American manager. When you leave your work place, you still have a certain status outside your office in Turkey… Compared to a Turk, my lifestyle resembles more to that of a foreigner. We read more books and newspapers. The places we go, the clothes we wear, the issues we spend our money for are similar. But in terms of thoughts and feelings, we have more common things with Turks. Common cultural heritage… For instance, a foreigner does not like çiğ köfte…"

It is noteworthy that, in terms of major life activities or parts of daily life, he finds himself similar to foreigners. He finds common aspects with other Turks in issues, such as being fond of çiğ köfte, which is not a major part of his life. This is in parallel with the manager who stated that when he lived in Hungary, he understood that above all he is Turkish and even missed Turkish simit.

With the people who are at the same levels in other countries, we have many common aspects in terms of lifestyle. But their income level is higher than ours and they have more free time…. However, still we earn tremendous amounts especially if we consider the average income level in Turkey. While I was in college, I wouldn’t have believed if someone had told me that I would earn this much… Compared to other Turks, I have more in common with foreigners of my level. The difference between me and Hasan Bey, an ordinary Turk is increasing rapidly. Our lifestyle is similar to that of a European. Frequency of reading books, going on holidays, places we go, importance we give to the education of our children are similar.

In terms of lifestyle, we are not different from foreigners at our level. They try to provide their children education in good universities of the US, I also try to. They deal with their hobbies, I also do. They have houses, summer houses, cars and life insurance. I also have… The difference is that there is less uncertainty in their lives. Their countries are more stable… I do not think that they are happier than me but they live in more welfare than me… I can get along well with the foreigners at the same level with me. Our experiences, backgrounds, perspectives

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Çiğ köfte is another Turkish food which is made of raw meat that is treated with spices.
are close to each other. I would like to contact Turks from lower levels. It would make me glad to be a model for them, to give them advice for their children or for themselves. The foreign people do not need me but the people at lower levels in Turkey need me… But it is easier for me to communicate with foreign people who have similar positions.

In the second passage, it is easy to notice that the only way he can relate to other “lower level” Turks is as a role model. His position and lifestyle makes him think that he is someone who accomplished to reach the desires of the masses and who is taken as an example by others. The relation between him and the foreigners of his level is a relation of equals but he stands somewhere above the other Turks.

In terms of places we go, things we do, and our values, we share a lot with our colleagues abroad. Our preferences are similar. Even our jokes are similar. We speak the same language. There may be minor differences in terms of our hobbies. They frequently play golf there. We do not play golf that much… I cannot get along with, for example, uneducated Turks. I prefer my foreign colleagues. Thus, I do not blame Germans for their dislike of Turks in their country.

Here, we see a higher level of identification with foreigners. The difference he can see between himself and people from other countries can only be minor differences in their hobbies. And also, national ties do not work in any degree when the other part is an uneducated Turk. He can feel himself in alliance with Germans who complain about the presence of uneducated Turks in their country. Therefore, I claim that for these upper class people, the bonds of citizenship do not have much importance and relevance, especially if the people in question are uneducated, compared to bonds of class, which transcend the national borders for this upper class.

In our company 130,000 people work worldwide. This is a great number. If you add the families of these people to this number, it makes a million. Many countries in the world have less than a million citizens. Thus, corporate culture starts to be more important than the culture of countries. Our corporate culture, for example, is determined by our Code of Conduct. In that Code, we promise to respect human rights, to believe in democracy, not to make discrimination. Corporate citizenship is a citizenship that has a wider scope… Even if there is corporate citizenship, there is one issue that should not be ignored: cultural diversity. Corporations such as ours have been in the domination of Anglo Saxons. The only reason of it is language. English is their native language. A German manager may be replaced by an English manager who has less intelligence, charisma and talents because of this. This has been relevant thus far. In order to value cultural diversity, we are now developing a new project… If you make business in diverse countries, you have to be adapted to that diversity.

What is explained in this quotation demonstrates the replacement of fellow nationals with colleagues in the corporation. Corporations took the place of nation states, Code of Conduct the place of the constitution and corporate culture the place of national culture within this framework. Even the issue of cultural diversity is discussed in the context of the corporation.

In the past, I had seen some statistics. When they listed the institutions and states according to their budgets, the first seven-eight are states and then come corporations. Many countries come in the list after the corporations. This is also
reflected in the corporate cultures. Being the citizen of a corporation such as General Motors, which comes after seven big countries in the list, outweighs being the citizen of a country which is at the end of the list. The world accepts this as such. If you go on a business trip to a foreign country as a Turk and only show your identity card and passport, you will wait for hours in the queue. However, if you have the card of Volvo for instance, they will treat you differently. The corporate identities that some corporations provide to their employees prevail over the identities of underdeveloped countries.

These managers, who are the citizens of Turkey, seem to be willing to be identified with their corporations rather than their national origins for they recognize that they will have more benefits being the citizen of their corporation, rather than being a Turkish citizen. Regarding the understanding of citizenship according to which citizens are bound up with the community to which they belong to, we can say that for these managers, that community is not the nation state any more, but their corporation.

The answers to the question of whether they have difficulties in having visas also demonstrate how their corporate identity and class level make them privileged, and how corporate identity comes to the fore compared to their national identity. When the managers or their families want to have a visa either for business purposes or holiday, the corporation provides the necessary documentation and deals with the visa procedures.

We have never experienced a difficulty in having a visa. I think our corporation has played a significant role in this respect. My wife went to the US and received a visa for tens years in a week. It has been so easy, as we received it by the help of the corporation. If we had applied as ordinary citizens, we would have probably experienced various difficulties.

Still, some of them complain about waiting in the queues.

We don’t have a problem about getting a visa. But there are queues. For example, in the US, we have to wait in the queues. However, in countries such as Netherlands, we do not have any difficulties. We just walk by and do not even stop…. I personally did not have a problem but I hear that Turks may have a lot of problems. The ones with tourist passports…

His usage of the word “Turks” is noteworthy here. He does not say “other Turks”, but “Turks”. It gives an impression that he does not regard himself as a Turk. In the following quotation also, we observe the privileged status they attribute to themselves.

I do not like attending the seminars abroad. When I want to go with my wife, we have problems with her visa. They want bank account and deeds of real estate from a man such as me. I get irritated. So now I call our clients and tell them to come to Turkey instead of going to those countries. Even if they had given me million dollars, I would not have accepted to live in those countries. The fact that they behave as such, to even people like us irritate me.

What he presents as a problem is showing necessary documents for getting a visa. In the statement about their requirement of documents “from a man such as him”, we see the attitude of someone who regards himself very important and who thinks that he should be recognized in other countries as well. Also, visa procedures are seen as a problem when they are applied to not only ordinary people but also privileged ones, like them.
In addition to commonness of lifestyles, nine of the managers think that, whether they are in the same corporation or a different one, they have common interests with the people who have the same positions with them throughout the world. This means that even if there is competition among the firms, the managers still think that they still have mutual benefits with the managers of these firms. What they understand from mutual interests are mostly occupational interests.

We certainly have mutual interests. In terms of our occupational responsibilities, we share a common fate. If our sector becomes more important, all of us reach a better standard of living… The world is globalizing. The bankruptcy of a similar firm in the US because of a scandal and the regulations of the American parliament affected us a lot… We are in the same boat.

We, as a business community, have common interests against the regulatory body. In the primary business environment, we are in competition with the other firms. But against regulations and public pressures, our interests are common. When our competitor went bankrupt because of a scandal, we weren’t happy with it. It brought negative consequences much more than positive ones.

Our common interests… For example, the proliferation of transparency in our country is to the benefit of all of us. In competition, transparency, fairness, we have common interests. We are all people who have confidence and we all want to be in an environment of fair competition. We do not want nepotism or theft.

As especially apparent in the first two quotations, these Turkish managers feel themselves as a part of a global business community and they position themselves in alliance against the regulatory bodies and public. They think that they form a group which has mutual interests with the foreign firms and their managers, even if they are in competitor firms. These interests should be protected even though they are against the interests of the public.

Lastly, I will reflect on their ideas about globalization and Turkey’s position within this process. In terms of what they understand from globalization and their attitudes towards this process, there are a variety of positions. Some of them accept globalization predominantly as a technology-driven process, some mainly as an economic, and others as a cultural process. There are the ones who assess it mainly as having positive and others as having negative consequences. However, there is one issue that all of them agree on: inevitability and irreversibility of this process.

Globalization is inevitable. Turkey as a country has already been a part of it. Nobody asked our decision or choice about it. We have already been a part. Globalization is in the process of evolving. As it develops, people will increasingly get closer to each other and cultural interaction will increase. Thus, it is not only an economic process… Economic globalization is also inevitable. It will be beneficial for the humanity. Life standards will increase, technology will spread. Everybody will be able to gain knowledge in all the areas. The welfare level will be equal for everybody at the end. But these will take place after very difficult times… But eventually, it will reach to an equilibrium… Today, certainly people are exploiting, oppressing and deceiving each other. But there is no way to prevent it. Struggling not to be oppressed or exploited will lead to isolation and breaking off your foreign relations. Iran tried to do it but could not achieve. Cuba also tried but will not be able to do it.
There is recognition of the inequalities within and among the countries under current conditions. But he believes that these relations of inequality will change, giving way to an equilibrium in terms of social and economic relations. However, it is not clear how this transformation will take place from the current unjust condition to that of peace and justice. People and countries should not struggle for not being oppressed. The free market ideology is in operation here; it seems that an “invisible hand” will bring everything to equilibrium. According to him, integration of Turkish economy to the global economy is an inevitable process which nobody can control. Here, he ignores the historical developments that took place, and conscious decisions and efforts made for articulating Turkish economy to the global economy.

Globalization has to be realized. It is relevant for Turkey, for Indonesia, for any other country… There is no country-specific thing about it. As long as the capital moves throughout the world, we should be a part of it so that we can get as much share as possible from that capital. I don’t think that it has been totally accomplished. In the following years, Turkey will increasingly be integrated to this process.

Globalization… Neither negative nor positive… It is inevitable. It has both useful and harmful effects. Globalization is a gray notion, neither white nor black. But it is inevitable… Globalization for me is the shift to the authority of the consumer from that of the producer. I think this is the most useful impact of globalization. A negative aspect is a disregard of the poor people, the people who do not contribute to production…

These managers present globalization as the only alternative in the period we live. What Turkey should do is to try to get the biggest share from the international capital. Globalization as an ideology is highly internalized and supported by these managers. Although they recognize the negative consequences of it, still they consider them as inevitable. As a positive effect, “authority of the consumer” is mentioned. The chances of the people who have money to select among a variety of goods may be a benefit for those people, while it is not for the others. Moreover, it is questionable to what extent we can name this as the authority of the consumer.

According to me, globalization is a fact. Whether you like it or not… In the periods when imperialism was a fact, nobody asked the people in the colonies whether they liked it or not. Globalization will eventually be realized in full. However, I don’t know to which extent. The world will never be composed of only one nation state… Increases in communication and worldwide travel are the factors that brought the emergence of globalization… Turkey is somewhere in the middle of this process now. Anyway, we cannot consider being outside of it. It may only be possible through closing your borders and prohibiting everything, like Korea. The rest of the world is within this process.

I think globalization hasn’t been completed yet. When you consider the most globalized firms in the world, still there is a national flag behind them… I think globalization both has positive and negative aspects. As a positive effect, it serves world peace. When multinational corporations dominate the world, nationalism and conflicts about land disappear. It serves world peace in this sense. But it prevents competition and creates more oppression. It is a world in which there is more oppression but also more peace… It is not possible for Turkey to be out of this economic process. When you are isolated, you have to accept living in conditions of poverty. You cannot be both proud and rich at the
same time. This is why I think that Turkey has to be in the process of globalization. I don’t want Turkey to be a country like Iran. But Turkey hasn’t completed the integration process yet. This is because its economy hasn’t developed enough and it cannot attract an adequate amount of foreign investment. Compared to China or other countries, Turkey receives only a small amount of foreign investment.

Taking into consideration the statements of the managers, it is clear that they are aware of some of the negative consequences of the process of globalization. Although it will be a long quotation, I will cite here the words of a manager about globalization and its negative consequences.

I think globalization has two dimensions: economic dimension and social dimension. The economic dimension has been accomplished much more quickly. Liberal economy and its spreading all over the world... In terms of social dimension, it will be the spreading of democracy throughout the world. There is a problem when there is difference between them in terms of timing. For instance China; its economy is liberal but social system is not democracy. This is the most dangerous type of country for the world... We should consider globalization in two stages: the starting of it at 1989, with the collapse of Soviet Union and its first stage took place until 1998. The stage that took place until 1998 Seattle World Trade Organization Meeting was the stage of violent capitalism. In 1990, among the most developed economies, 8 were firms and 92 were countries. In 1998, it has been 48 firms and 52 countries. Firms grew faster. The difference between the rich and poor people, and the poverty level increased incredibly. Of the 6.5 billion people living in the world, 2 billion do not have access to clean water... This is a serious problem. People escape from their countries by ships. They take refuge in Spain by swimming from Morocco. Taking refuge by swimming means you cannot carry anything with you. You only want to leave.

After 1998, there has been a real eye-opening effect in Seattle. There have been big demonstrations and Bush could not go to the meeting from his hotel. After 1998, social responsibility started to come to the fore. The problems of the world cannot be solved by the states; there are firms larger than states. Therefore, now, the economic part should be reconciled and democracy should be spread. It is necessary to share the welfare and to form a social and liberal economy which takes into consideration the social values. Otherwise, it will not be sustainable. When Titanic was sinking, both the ones who were drinking champagne at the top of the ship and the poor Irish people at the bottom died. The situation of the world is going there... I am not trying to say that globalization will bring the end of the world. In fact, liberal economy has no substitute. Economy has to be liberal, people should be able to invest anywhere in the world. However, when profit maximization is targeted without considering the social responsibilities, this will bring serious problems.

This paragraph is really interesting in that it includes many elements of social science discourses and very much resembles some of the contemporary social science texts, mentioning poverty and the other problems globalization created. It can be argued that both businessmen and business literature have become familiar with the concept of social responsibility within the last decade. It may be regarded as a development compared to the stage of “violent capitalism” mentioned by my interviewee. However, we can say that this articulation never gives way to
pointing out the real causes of the problems, which are usually related to the system itself. Moreover, global capital strengthens its position by embracing some of the elements of the critical discourses and resistance without a radical transformation of the system.

CONCLUSION

In my study of the high level managers in the Istanbul branch of a multinational corporation, I observed that most of these managers regard themselves primarily as world citizens. Being a Turk or a Muslim may be things that have constructed them but they would like to be free from these identifications. They accept that they have similar lifestyles with top level managers in the other countries. Most of them find themselves closer to the foreigners at their levels compared to Turks from other socio-economic backgrounds, in terms of common characteristics or habits. They also think that they have common interests with the foreign managers, regardless of whether they work in the same corporation or in other competitor corporations. They mention their mutual benefits. These responses point out the corrosion of national citizenship ties in the perspective of these managers. Their primary identifications are with the people who have the same position with them, regardless of country or corporation, not with their fellow nationals. Although they have diverse positions about the content and consequences of globalization, all of them believe that it is an inevitable and irresistible process. Although they accept that Turkey has been included in this process with a subordinate status, still they think that it is impossible to remain out of this process. What Turkish people should do is to struggle for getting as much as possible from the transnational capital. Although they talk about the social problems experienced as a result of this process, they regard these negative consequences as inevitable and do not point out the root causes of them. What they suggest is to wait and see the good days that will come at last.

Regarding the question about the transnational capitalist class, I mainly considered their access to foreign countries and their opinions about such issues as globalization, Turkey’s integration to this process, identification of themselves in terms of national belonging, world citizenship, corporate citizenship, and how they perceive their lifestyle compared to that of foreigners having the same position and to that of Turkish people from different classes. According to the statements of my interviewees, all of them go to foreign countries at least three to four times a year, some of them going a couple of times in a month. All of them go abroad both for business purposes and for holidays. Thus they have a high access to other countries. However, when they go abroad, they predominantly spend their time with their counterparts from work. Thus, going to other countries means strengthening their relationships with the people who are from different countries but who have the same class position, similar backgrounds and lifestyles with them. The lifestyle of the upper class which primarily rests on isolation from lower classes is also maintained when they go abroad.

According to the statements of my interviewees, most of them think that they have similar lifestyles with foreign people from the same class with them and they have more commonalities with these people compared to Turks from different social classes. They also believe that they have common interests with the people from other countries that have the same positions with them. This demonstrates the weakening of bonds that rest on being the citizens of a particular nation state, while the bonds resting on being the members of a transnational class strengthen.

Lastly, there is one significant question that I should ask: Do these managers, who work in a Third World country, have all the privileges that the managers who work in First World countries have? I think although they have privileged lifestyles as a result of their class position, still they are people from a Third World country and they experience the disadvantages this fact brings. Although it is easy for them to get visas, we should remember that they are still bound by visas when they want to go abroad. They are aware that showing the card of their corporation
eases visa procedures for them. Without that, with an ordinary identity card and passport, they will experience many problems. Moreover, as some of the managers talked about, there is a hierarchy among the managers of the corporation worldwide and Anglo Saxons stay at the top of this hierarchy, having more privileges compared to other managers from different national origins. Being aware of the disadvantages they have because of their national origin, they try to emphasize their corporate identity instead of national identity. As they regard themselves in an upper position compared to other Turks and as they accept Turkish identity as creating problems for them, they prefer being a citizen of their corporation or being a world citizen. These two citizenships make it possible for them to identify with people who have higher living standards and privileged positions, instead of Turkish people, the lifestyles of whom they disparage.

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NEOLIBERAL IMPERIALISM AND PAN-AFRICAN RESISTANCE

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ABSTRACT

Neoliberalism has in the past three decades had a tremendous impact on both thought and practice throughout most of the world, and has dominated international development since the early 1980s. Although neoliberalism presents itself as modern and progressive, it is argued that the underlying ideologies and power agendas have their origins in the political debates of the eighteenth century and earlier. Through an analysis of neoliberalism from a world-historical and global perspective, indications are seen that the international development agenda has more to do with political and economic interests than with benevolent pro-poor development. This leads to the debate about redistribution of resources and State-led Development versus Free-market Development, which is inextricable from the discussion of Liberal Democratic Peace Theory versus Realism. From this perspective it is argued that the notion of democratic peace is used as a popular seductive rhetoric, to legitimize western military interventions and the imposition of economic policies in the name of democracy, human rights and free market economy. In this context, it is argued that neoliberalism cannot be analysed without also considering inherent links to imperialism and neo-colonialism, which is being resisted by pan-African movements.

INTRODUCTION

Neoliberalism is the grand political and economic project of our time that since the early 1980s has had a tremendous effect on most people around the world. It penetrates private homes through the dominant media, shapes working environments in form of fierce competition and anti-labour legislation, increases the gap between rich and poor and determines the architectural design of public and private spaces in form of gated communities and increased surveillance systems.

The World Economic Forum at Davos was the locus for promoting the theory, which took form as a policy known as the “Washington Consensus” (Wallerstein 2004). This consensus is a convergence of the policies of the World Bank, the IMF, US Treasury, and subsequently other institutions such as the WTO and the European Central Bank. Neoliberalism cannot be analysed in isolation from the globalisation and imperialism that neoliberalism is a part of a hegemonic project, which concentrates power and wealth in local and trans-national elite groups around the world by transferring state owned assets to private people and Trans-National Corporations (Saad-Filho & Johnston 2005).
For the proponents of the neoliberal project, economic growth and development, through free market economies and free trade, is the way ahead to ensure freedom, democracy and sustainable peace (US National security report 2002). For most critics, neoliberalism is a trans-national elite project, which under the guise of a seductive rhetoric transfers power and wealth from the public sphere to a small elite, by rolling back the welfare state as the redistributive power and privatising public assets. However, outside the academic environment and the business community, the term neoliberalism and the powers behind the project remain obscure and largely unknown (McChesney 1999).

This paper will, from a historical perspective, analyse the neoliberal project in order to understand the ideology and powers behind it. From this perspective it will be argued that the international development agenda, which has dominated the Less Economic Developed Countries (LEDCs) in the past 25 years, has more to do with Western economic and political interests, than with a real intention to reduce poverty and ensure a sustainable development. By drawing on examples from the conflict ridden West African region it will be argued that the long-standing resistance to neo-colonialism automatically becomes a resistance to the neoliberal project, which is currently being imposed in Liberia under the protection of UN peacekeeping forces.

NEOLIBERALISM IN WORLD-HISTORICAL CONTEXT

The rhetoric behind the neoliberal globalisation presents itself as being modern and progressive. In this rhetoric, the state by definition is inefficient in opposition to the private sector, which per definition is effective and innovative (Saad-Filho 2005). As Bourdieu (2001) notes, neoliberalism becomes a force of attraction because the lines between the technology and speculative economic politics are being blurred. In this way, neoliberalism becomes loaded with a symbolic power because technological progress is being perceived as a result of neoliberalism and therefore a natural force for development, hence many critics of neoliberal globalisation are perceived as against progress and development. However, this perception is both misleading and dangerous. It is misleading because most major technological advances of the twentieth century, such as the transistor, radar, computers, nuclear fission, laser technology and the World Wide Web were created through strong state interventions in capitalist economies and not through free market economies (Chang & Grabel 2004). It is dangerous because it diverts mainstream attention away from the real ideologies and powers behind the neoliberal project.

In the first instance neoliberalism is in theory, policy and practice, the framework for policy makers in the international agencies such as the World Bank, the IMF, WTO, US Treasury and the European Central Bank. It has, a theoretical and intellectual history reaching back to classical political economists such as Adam Smith. Neoliberalism proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework. The role of the state is reduced to protect private property rights through police, military, and legal structures and to guarantee the quality and integrity of money and proper functioning of markets. Socio-economic rights such as education and healthcare are best ensure through the free market, where services are delivered by private providers. If markets do not exist, they must be created by state intervention if necessary.

Arrighi and Jason (2001) note that although the notion of neoliberalism or ‘neoliberal globalisation’ are presented as a completely new phase of capitalist development to which there are no alternatives, it is only the language, the technology and to some degree the
concepts that have changed. Examining the writings of classical economists such as Adam Smith, it can be argued that the rhetoric and arguments used today by the proponents of neoliberalism are to a significant degree identical to the writings of the classical economist of the 18th century.

When the former chief economist of the World Bank and Nobel price winner, Joseph Stiglitz, argues that the 1980s IMF’s Structural Adjustment Programmes (SAPs) failed, partly because of inappropriate “sequencing” and “pacing” of the economic programs and reforms, he can refer to Adam Smith who in 1776 wrote on deregulation, subsistence and free trade that:

> Humanity may in this case require that the freedom of trade should be restored only by slow gradations, and with a good deal of reserve and circumspection… to ensure not to deprive all at once many thousands of our people of their ordinary employment and means of subsistence (Smith 1776: 307).

The 1980s Structural Adjustment Programmes did deprive all at once many millions of people of their ordinary employment and means of subsistence, but this did not change the neoliberal discourse (Milanovic 2003). Neoliberal thinking has become hegemonic and created a ‘new normalcy’ and ‘common sense’ among capitalist dominated societies and countries. Failed neoliberal policies are being replaced by other neoliberal policies defended in terms of ‘logical’ explanations and positive rhetoric such as ‘voices of the poor’, Poverty Reduction Strategies and ‘participatory’ frameworks.

It is crucial to distinguish between the ‘logical’ and positive rhetoric of neoliberalism and the actual practice of neoliberalism. Usually, neoliberalism is presented as a humanitarian project, serving to protect democracy, human rights and freedom of trade, and its dissemination to other nations is framed even as the obligation of the greatest powers on earth, as the way to obtain perpetual peace (US National security report 2002). Harvey (2005) notes that neoliberalism can be interpreted as a “utopian” project to realise a theoretical design for the reorganisation of international capitalism. But in practise neoliberalism has more to do with a political project that aims to re-establish the conditions for capital accumulation and to restore the power of the economic elites. Expecting that the freedom of trade will be entirely implemented was for Adam Smith as:

> Absurd as to expect that an Oceana or Utopia should ever be established. Not only the prejudices of the public, but what is much more unconquerable, the private interests of the many individuals, irresistibly oppose it (Smith 1776:309).

From this perspective neoliberalism may be better understood from a global and world-historical perspective as a political construction and a hegemonic project that aims to concentrate power and wealth in elite groups around the world. Bourdieu (2001) argues that this project has strong parallels to the medieval feudal system, in an analysis that connects neoliberalism to the struggle for power and wealth between social classes and the balance of power within and between states, markets and civil societies.

It can be argued that the French Revolution in 1789 and the “social revolution” in 1848 were only the beginning of a battle across the Left-Right political spectrum, which is still reflected in today’s anti-neoliberal globalisation movements. Where the conservatives and liberals prioritise individual responsibility and the maintenance of inherent or natural
inequalities between people, the radical anti-systemic movements prioritise social equality (Wallerstein 2004). In the past two centuries, the radical movements have been key political players. Most states in the West established themselves as “liberal states” in the years up to the First World War, and pressure from the radical movements ensured gradual extension of the suffrage, increased access to education and health care, and protection of citizens against harm in the workplace. These changes are reflected in the legalization of the trade unions under Napoleon III and in Bismarck’s invention of the interventionist welfare state (ibid). Realism (real-politics) as the dominant political practice in international relations as well as within nation states, perceives humans as not inherently benevolent, and advancement of socio-economic rights must come through massive pressure from the different interest groups (Morgenthau 1978).

The Bretton Wood System, the US Dollar and the Debt Crisis

Since realism by definition defines humans as selfish and states as aggressive, peace must be maintained by balancing power between social groups within nations, as well as among nations, which leads to a complexity of relations within states as well as between states (Morgenthau 1978). Social groups and states are forged into a complex relationship of enemies, competitors and alliances, and to reduce conflicts between competing capitalist powers, the gold standard, where currencies were convertible into gold at a fixed rate, was in force from around 1870 to 1914, and subsequently reintroduced in 1925 (Toporowski 2005). This system was in general considered as “an essential factor in the maintenance of a reasonable measure of international stability, for which there is no practicable substitute” (League of Nations 1930 in Toporowski 2005).

At the end of the Second World War, the political leaders of the Western Allies sought to establish a monetary practice at an intergovernmental level at the Bretton Woods conference in the US 1944. This marks the beginning of Keynesian macroeconomics, which advocates control over markets as well as state intervention in the economy, in contrast to liberalism, which advocates non-intervention (Lapavitsas 2005). However, by then it was not possible for most central banks to return to the gold standard, because four-fifths of the gold outside the Soviet Union was in the US (Toporowski 2005), including much of the Nazi gold, such as looted jewellery and gold teeth, which can be traced back to the Holocaust in Nazi Germany (Mazurovski 2005). Instead, the Federal Reserve Bank of New York was given the responsibility of keeping the US dollar convertible for gold at a rate of US$ 35 per fine ounce of gold. The IMF was set up to monitor the system of fixed exchange rates, which could not be changed by governments without the approval of the IMF. The IMF would lend dollars under strict conditions if a central bank was running out of gold or dollars with which to maintain their fixed exchange rate (Toporowski 2005). The International Bank for Reconstruction and Development (IBRD) was also set up at the Bretton Woods to help finance the reconstruction of countries devastated by the war. Subsequently the IBRD expanded to a group of five institutions known as the World Bank, which became one of the most influential development organisations, tasked with prescribing development policies and financing development programmes in poor countries (World Bank 2006a). The establishment of a trade organisation to provide an international forum to encourage free trade between member states was also discussed at Bretton Woods, but an agreement could not be reached. As a compromise, the General Agreement on Tariffs and Trade (GATT) was established in 1947. After the 1986-94 Uruguay Round, the World Trade Organisation came into being in 1995 (WTO 2006).
The Keynesian compromise between the end of the Second World War and the start of the 1970s experienced the largest expansion of productive structures and economy in history (Chang & Grabel 2004). The US dollar was the only currency with which all other currencies and assets could be bought, which put the US in a hegemonic position of the economic system. However, in order to finance the US war in Vietnam, the US printed and spent more money than their gold reserves allowed (Toporowski 2005). A crisis point of this policy was reached in 1970-71 when some foreign central banks tried to convert their dollar reserves into gold. The US government was not able to buy back its dollars in gold, and unilaterally Nixon made the dollar inconvertible to gold, known as the “Nixon Shock”. The US dollar became a fiat currency which marks the end of the traditional Bretton Woods (ibid) and in March 1973 the Bretton Woods reopened in a floating currency regime.

The oil crisis in 1973-74 resulted in high unemployment and high inflation, which challenging the ‘scientific’ economic intervention of the major capitalist states. Increased public expenditure led to persistent government deficits and appeared to exacerbate the phenomena of global crisis, leading to the destruction of Keynesianism (Lapavitsas 2005). The critics of Keynesianism were largely advocates of Friedman’s monetarism, and the key economic problem of the 1970s was treated by Friedman as a purely monetary phenomenon resulting from too much money chasing after too few goods. If governments wished to avoid inflation, they had to rely on the ancient Quantity Theory of Money and restrain the growth of the money supply, a policy which was adopted by the Thatcher government in Britain and the Reagan administration in the USA in the 1980s (ibid).

During the period of Keynesianism there was a strong opposition that had also been present in the period of the New Deal. Keynes was a member of the British socialist Fabian Society that was committed to gradual rather than revolutionary social reforms. The Fabian socialism was in direct opposition to both the liberal and the conservative values; hence these groups have naturally played a significant role in the destruction of Keynesianism as a step to launch a liberal revival. However, as Palley (2005) argues, the ultimate cause of the change from Keynesianism to neoliberalism is to be found in the intellectual divisions and in the failure of Keynesianism to develop public understandings of the economy that could compete with the neoliberal rhetoric of ‘free markets’. The Cold War in general fostered antipathy to the notion of limitations to market capitalism, and state intervention and collective economic action was associated with the communist approach to economic management. This antipathy provided fertile ground for popularising an economic rhetoric which spoke of ‘natural free markets’ (ibid).

The Keynesian compromise and stabilisation policies, which attached the US dollar to an indirect gold standard, can be argued also to mark the beginning of the hegemony of the US dollar in international finance that increasingly becomes backed by military power. Powerful institutions, perhaps most notably the World Bank, have some significant links to the military branches of the US. Three years before the collapse of the Bretton Woods Agreement the former US Secretary of Defence Robert McNamara, who held a considerable responsibility for the Vietnam War, and who is considered a war criminal by many commentators (McNamara 2003), was appointed as the fifth President of the World Bank in 1968. The link between the World Bank and US military is further accentuated with the appointment in 2005 of former US Deputy Secretary of Defence Paul Wolfowitz, who is perceived as a prominent architect of the Bush Doctrine and a co-engineer of the illegal US military invasion of Iraq in 2003, known as “Operation Iraqi Freedom” (Watson, 2005).

By connecting the US dollar to the international oil market and backing the currency with military power the US has succeeded in sustaining the hegemony of the US dollar. From 1972 to 1974, the US government negotiated, through the US – Saudi Arabian Joint
Economic Commission, that Saudi oil would only be traded in US dollars, thus ensuring a continued demand for the US dollar. In return the US provided technical and military support to the Saudi regime (Gokay 2006). Appreciation of this agreement was in 2002 expressed by a former US ambassador to Saudi Arabia, who told a committee of the US Congress:

…one of the major things that the Saudis have historically done, in part out of friendship with the US, and out of their association with us, is to insist that oil continues to be priced in dollars. Therefore the US Treasury can print money and buy oil, which is an advantage no other country has (Freeman, 2000: in latter part of transcript).

In other words, the US ability to maintain this hegemony relies on dependency of the US dollar system, and the limitations of potential challengers. Saddam Hussein obviously challenged this hegemony in 2000 by insisting that Iraq’s oil should be sold for Euros. After Operation Iraqi Freedom, the oil was again traded in US dollar (ibid & Hoyos & Morrison 2003)

The early 1970s also mark the first stages of the debt crisis. In reaction to the “October war” in 1973, the Organisation of Petroleum Exporting Countries (OPEC) imposed a sharp rise in oil prices, which brought to those states huge windfall revenues. These revenues were deposited in private Northern banks, which in turn lent the funds to oil-consuming countries in the Third World, thus for a period boosting their economic growth (Radice 2005). In 1979 the US Federal Reserve, under the leadership of Paul Volcker, decided to suddenly increase interest rates, thereby increasing the cost of debt service. This event is often referred to as the “1979 coup”, and it marks the beginning of the “Third World Debt Crisis” and the neoliberal project (Duménil & Lévy 2005).

In August 1982 the government of Mexico announced that it was unable to ensure its earlier payment commitments (ibid), and subsequently more than 30 other countries followed this lead. In response, the IMF programmes aimed at ‘re-stabilising’ and ‘adjusting’ the macroeconomic fundamentals of debtor countries in order to secure repayment. These programmes became known as the Structural Adjustment Programmes (SAPs) in the 1980s, today known as Poverty Reduction Strategy Papers (Colás 2005), and represent the core of the neoliberal international development agenda.

THE INTERNATIONAL DEVELOPMENT AGENDA

Development can be perceived as the choice of institutions that paves the path to the kind of development that is desired. These choices are inextricable from political ideologies and the issue of power projection into weaker states. The two decades after the Second World War may have seen the end of one type of colonial empire. However, many African politicians and intellectuals argue that traditional colonialism was replaced by a new type of imperialism that is perhaps best captured in Nkrumah’s notion of neo-colonialism, a notion which became a central part of the theoretical underpinnings of the Organisation of African Unity.

The rivalry between the two superpowers that emerged after the Second World War provided different models of development supported by financial aid, technical assistance, and military support. Modernisation in terms of industrialisation becomes the shared destination in the 1960’s and 1970’s. Marxists saw this industrialised destination as a Soviet state-socialist future where a universal modernist model is imposed on the so-called ‘backward’ societies. This approach was legitimised by the fact that the Soviet Union over
very short time went through a transformation from a feudal society to a relatively advanced industrial society, most notably in the 1930’s while the West experienced the Great Depression (Fine & Saad-Filho 2006). Proponents of US-style modernization saw the capitalist free market and liberal democracy as the destination, but in general the European social democracy in form of the Keynesian Consensus became the be dominant approach, or as Leys (1996) puts it: “The goal of development was growth; the agent of development was the state and the means of development were Keynesian macroeconomic policy instruments” (ibid: 7).

The traditional colonial economies were perceived as extractive and exploitable, in the service of the Western powers. For many independent African states, development was to be achieved through ‘nation building’ and nationalism with a common sense of identity/citizenship, common language and symbols, national holidays and celebrations, within the borders imposed by the colonial regimes. National development and planning was in the core of developmentalism, and the World Bank was a leading agency in the design and methodologies of national development plans in the 1950s and 1960s. Modernisation was not discussed as being socialist or capitalist, but it was just named as “development” (Leys 1996).

Although Overseas Development Assistance (ODA) became a central economic tool of the US for advancing its geopolitical interests and preventing the spread of communism (Veltmeyer & Petras 2005), it can be argued that the mainstream literature on ‘development’ presents ‘development’ as a positive project, where the benevolent strong states give financial assistance to weaker states to help them through the transition from ‘underdeveloped’ societies to modern industrialised societies. While the notion of realism was dominant during the Cold War, considerations of Western covert intelligence operations, assignation of foreign leaders, proxy wars and neo-colonialism have been diluted, if not completely excluded, in most Western mainstream analysis written on development and modernisation theory.

The Underdevelopment Theories, most notable the Dependency Theory and World-System Analysis may provide a more comprehensive picture of ‘development’ that incorporates Western covert operations and wars by proxy, and that includes the notion of imperialism and neo-colonialism. As influential scholars such as Paul Baran (1957), Andre Gunder Frank (1967) and Wallerstein (1992) argues, economic development in underdeveloped countries is profoundly inimical to the dominant interests in the advanced capitalist countries. To avoid such development strong states will form alliances with domestic elites in the weak states, who will ensure that the strong states will have easy access to natural resources and cheap labour and thus be able to maintain traditional modes of surplus extraction. From this perspective aid is intended to undertake the interests of the core capitalist states and to keep competing capitalist states at bay, by ensuring functional military structures, and the maintenance of law and order through so-called development projects.

Underdevelopment theory and its focus on exploitation of the periphery, as captured in Frank’s phrase “the development of under development”, could not be ignored in the 1970s. As Leys argues, the 1970s became an era of dependency theory and the international ‘development community’ could no longer ignore these perspectives. In 1972 the Labour Office called for “redistribution with growth” and the World Bank adopted in the following year the principle of meeting “basic needs”. However, it can be argued that the attempt to implement these concessions was ‘untimely’ and did not have much impact on the opinion in the so-called Third World that perceived the Bretton Woods system as designed to benefit the states that had created it. In 1974, the “Declaration on the Establishment of a New International Economic Order” (NIEO) was adopted by the UN General Assembly. Although the declaration acknowledges the past three decades of technological and economic progress, the declaration addresses an increasing gap between the developed and the developing
countries and an unequal distribution of wealth, where 70 percent of the world’s population account for only 30 percent of the world’s income. The declaration considers the independence from colonial domination to be the greatest and most significant achievement of the 1950’s and 1960’s, but states that:

the remaining vestiges of alien and colonial domination, foreign occupation, racial discrimination, apartheid and neo-colonialism in all its forms continue to be among the greatest obstacles to the full emancipation and progress of the developing countries and all the peoples involved (UN General Assembly 1974. Resolutions A/Res/s-6/3201 adopted 1 May 1974.).

In opposition to the positive notion of ‘development’ and the Western mainstream perception of ODA as being altruistic and benevolent, the declaration indicates that economic and military support has more to do with the subordination of the states in the periphery and of their sovereign rights, so that the strong states can ensure a neo-colonial system that will “establish effective control over their natural resources and economic activities that have been or are still under foreign control” (ibid: point 4.i.).

The advancement of the underdevelopment theories, Third World activism and the Non-Aligned nations voting bloc in the UN lobbying in the 1970’s for a New Economic International Order declined in 1979 when the US Federal Reserve increased interest rates, marking the beginning of the “Third World Debt Crisis” (Duménil & Lévy 2005). As Harvey (2005) notes, the World Bank and the IMF changed their already disputed policy framework and made a radical change from Keynesian consensus and state-led development to neoliberalism and free market development.

**Human Rights: Liberty versus Equality**

With Regan and Thatcher coming into power, the decline of the welfare state begins and the promotion of neoliberalism accelerates. In the North, the hard-won socio-economic rights begin to decline (Amin 2006) and in the South these rights become even more distant than before (UNHCHR 2002). This development marks a return to liberal capitalism, which had been discredited by the economic, social and political disasters related to the First and Second World War (Radice 2005). Because of the controversial legacy of liberal market economics, it can be argued that the political rhetoric of neoliberalism is crucial to ensure popular support for the implementation of the project. The notion of human rights becomes a catalyst for the promotion of neoliberalism. By presenting neoliberalism as a general defence of human rights, especially the right to freedom, the neoliberal project gains massive popular support from civil society movements and international human rights organisations. However, in the debate on neoliberalism and human rights, the balance between liberty and equality becomes a point of tension between the welfare state system and the neoliberal project.

The decades following the Second World War bring the welfare state system and the ratification of several international conventions supporting human rights (Amin 2006). The Universal Declaration of Human Rights (UDHR) in 1948 can be argued to revitalise the old debate on the balance between “liberty” and “equality”. The slogan from the 1789 French Revolution, “Liberty, Equality and Fraternity”, is reflected in the first article of the UDHR that states; “all human beings are born free and equal…and should act towards one another in a spirit of brotherhood” (UDHR 1948).

Subsequently, the UN Economic and Social Council was established to promote higher standards of living and to identify solutions to international economic, social and
health problems, leading to the promotion of the welfare state as a means of redistributing resources more equally (ECOSOC 2006). The Scandinavian countries implemented the most comprehensive form of the welfare state, whereas the US implemented a minimal welfare state. Most other Western countries fell somewhere between these two points (MacGregor 2005). The comprehensive welfare state system build on three main pillars: 1) ensuring individuals and families a minimum income irrespective of the market value of their work, 2) “social contingencies” such as unemployment support and pensions and 3) ensuring all citizens are offered the best standards available in relation to a range of social services such as free health care, free education, free access to information etc. (Briggs 1961). Such a welfare system demands a strong state that is capable of collecting taxes and redistributing resources through social institutions. In this system, the majority of the citizens must possess a particular social capital, based on solidarity with the less privileged people. People must accept a sudden limitation of their individual freedom to ensure a higher level of equality.

This idea of a strong state and high taxation as a guarantor of social-economic policies is opposed by the neoliberal projects, which frame the conflict as a battle between neoliberalism and socialism (MacGregor 2005). As Fukuyama (2006) puts it, “equality cannot be maximised without the intervention of a powerful state that limits individual liberty; liberty cannot be expanded indefinitely without inviting various pernicious forms of social inequality”. Fukuyama further argues that each democracy must make tradeoffs between the two, and that this is more a “matter of pragmatic observation and taste than a matter of principle”.

However, it can be argued that the balance between liberty and equality goes much deeper than just a matter of “taste” and “pragmatic observation”. The balance of liberty and equality is inevitably a matter of balancing power between state, market and civil society, connected to the distribution of resources and a struggle for surplus value between social groups. This is reflected in the Universal Declaration of Human Rights, articles 1 to 21 that represent more the values of “liberty” and articles 22 to 29 that represent more the values of “equality” (UDHR 1948). This dichotomy is further accentuated in the two major international covenants from 1966 that elevate the values expressed in the UDHR to international law in 1976 (OHCHR 2006). The International Covenant of Civil and Political Rights (ICCPR) represents the rights of liberty, which are less costly, and protect property rights. The International Covenant of Economic Social and Cultural Rights (ICESCR) represent equality in the form of socio-economic rights, which are costly and require state interventions to redistribute resources (Evans 2002).

Although the covenants are interdependent, the US, as a prime advocator of neoliberalism, favours as Fukuyama notes, Liberty rights above Equality. This is further accentuated by the fact that US government has not ratified most of the international conventions protecting socio-economic human rights, such as the ICESCR, the Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination against Women and the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (OHCHR 2006). In spite of this paradox, the neoliberal project has succeeded to present itself as a defender of human rights in general. The state must protect civil and political rights, especially private property rights by sustaining law and order. The expensive social-economic rights must be left to the free market where people will pay for their individual services to private service providers, a model which the World Bank over the past 25 years has named cost recovery, user fees and lately “client power” (WB 2004).
The Decline of State-led development and the Rise of Neoliberalism

The rolling back of the interventionist welfare state system and the transfer of power and wealth from the public to private elites may be considered to be a complicated project in practice, not least because this system has been proven very successful. The decades of state-led development provided the fastest economic growth in modern history from 1960 to 1980 (Chang & Grabel 2004). In these decades the state protected infant industries and local markets through regulations, subsidies and import/export tariffs, and redistributed resources through taxes. From this perspective, it could be assumed that the neoliberal free market approach to development must have substantial arguments and empirical evidence that can assure even better development and faster growth than the state-led development approach. However, this is not the case and there is no historical evidence that free market economics can provide sound development (Chang 2003).

Without substantial historical evidence, the mantra-like claim of neoliberalism is continually repeated: that the state is inefficient and corrupt and that private corporations are efficient and less corrupt (Saad-Filho 2005). Neoliberal policies range from fiscal austerity, privatisation and liberalisation to decentralisation, deregulation and anti-labour legislation, and are naturalised through the mantra of globalisation as ‘the only game in town’, known as the “Washington Consensus” (Colás 2005.). The 1980’s generation of Structural Adjustment Programmes (SAPs), imposed by the IMF as a response to the debt crisis, falls under this Consensus (Stiglitz 2002). As Stiglitz argues, when one perceives the IMF as an institution pursuing policies that are in the interests of creditors, other IMF policies become more understandable. The SAPs have forced weaker states to open their frontiers by lifting import and export restrictions, to remove price controls and state subsidies, to enforce rapid privatisation or divestiture of all or part of state-owned enterprises, to implement user fees for basic services such as education and health and to cut social expenditures (ibid).

The US focused on the SAPs as a tool that could force countries to open their oil sector to foreign companies. From 1982 to 1984 the World Bank funded more than fifty-five oil and gas projects (Juhasz 2006). The World Bank’s principal counsel for energy and mining, William Onorato, has stated that the Bank was financing oil projects and writing legal reforms for recipient governments with the specific purpose of increasing the presence of foreign companies (ibid). The conditionality on privatisation and liberalisation imposed by the World Bank has benefited a range of TNCs, such as the water giants, Vivendi and Sues, which now operate in more than 130 countries and control more than 70 percent of the total water industry (Barlow and Clarke 2002).

Although some particular social groups have benefited from the SAPs, the bulk of the populations in the South have experienced the SAPs as a disaster. Latin American countries that followed the SAPs virtually stopped growing, while sub-Saharan Africa has experienced negative growth, and many former Communist economies have simply collapsed (Chang and Grabel 2004). The neoliberal free market approach in the 1980s demonstrated a significant failure (ibid).

From Washington Consensus to Post-Washington Consensus

While the neoliberals acknowledge that the transition from state-led development to free market approach induces short-term ‘adjustment costs’, opponents to neoliberalism consider the 1980s as “the lost decade”, which has left most of the world’s population worse off than before (Elliott 2003). The failure of the SAPs was even recognised by the World Bank in the early 1990s and a new development strategy had to emerge (Milanovic 2003). The World
Bank also recognised that those countries that did experience significant economic growth in the 1980s, such as China, Taiwan and India, used strong state interventions and protectionism, policies directly opposed to those of the Washington Consensus (World Bank 1993). However, the Bank claims that those which did follow the Washington Consensus and which experienced failure of the SAPs, failed because national governments were not fully committed to implementing the SAPs. So what is needed is more neoliberalism and deeper interventions, presented as a progressive development approach concerned with local participation and needs (Cammack 2004).

With the arrival of Wolfensohn as the new president of the World Bank in 1995 and Clinton’s former economic advisor, Stiglitz, in 1997, the ‘new’ development agenda was engineered. Many commentators present Stiglitz as a hero of the anti-neoliberal globalisation who has declared “war on the entire Washington financial and economics establishment” (Frazer 2002) and a “worthy successor to Keynes”, who can “restore the IMF and World Bank to their original purposes” (Blackburn 2002). However, Stiglitz promotes the same neoliberal free market approach as the Washington Consensus but emphasises “extreme care in sequencing - the order of which reforms occur – and pacing” for successful economic programs (Stiglitz 2002: 18). In contrast to the Washington Consensus, which mainly dealt with higher level polices, this ‘new’ approach entails a comprehensive and complete change at all levels of society, addressing issues from civil society and social capital to good governance and macro-economic policies. This new approach is named the “Post-Washington Consensus” (Stiglitz 1998.).

The Post-Washington consensus is materialised through the World Bank’s Comprehensive Development Frameworks (CDF), which deal with everything from aid delivery in complex political emergencies to Poverty Reduction Strategy Papers (PRSPs). The PRSPs are attached to the Enhanced Heavily Indebted Poor Countries Initiative II (HIPC) and represent the central approach to reach the eight millennium goals before 2015. A country’s willingness to implement the neoliberal PRSPs becomes an a priori condition for debt relief and international financial assistance (World Bank 2006-b).

Some commentators argue that the PRSPs are old wine in new bottles because the conditions for obtaining loans from the IFIs are still the same today as prescribed during the SAPs (Johnston 2005). However, it may be more profitable to perceive the PRSPs as an even deeper intervention into sovereign states that may be difficult to separate from imperialism and neo-colonialism. Some of the core principles of the PRSPs are that they are ‘Comprehensive’, that they integrate macroeconomic, structural, sectoral and social elements, and that there is a ‘Long Term’ focus on reforming institutions and capacity building as well as short-terms goals. The PRSPs are ‘Country-driven’, which means that the government writes and owns the PRSPs, which must be ‘Result-oriented’ with targets for poverty reduction that are tangible and monitorable. The ‘Participatory’ element involves all relevant stakeholders in formulation and implementation based on ‘Partnership’ between government and other actors such as INGOs, civil society, international institutions and other agencies (World Bank 2006-b).

In spite of the positive wording and rhetoric in relation to the PRSPs, local ownership can be perceived as an approach to embed the local elite into the neoliberal administrative structures to exploit the local formal and informal structures. As Robinson (2004) argues, neoliberal globalisation increasingly institutionalises a powerful transnational capitalist class which characterises the state and the political apparatus. Perceiving the transition from the Washington Consensus to the Post-Washington Consensus as a logical continuation of an imperial project where IMF’s “shock therapy” and anti-state SAPs demolished the existing structures for then to rebuild “new institutions” in the image of the market, may be more
beneficial than perceiving the Post-Washington Consensus and the PRSPs as completely new approaches to development. As UNCTAD (2002) formulates it; “the first generation of reforms was to get “prices right” and the second generation of reforms is to get “institutions right”.

New Institutions and Democracy

Getting “institutions right” can be argued to be crucial for the neoliberal project, because institutions set the “rule of the game” and offer services, choices, incentives and constraints to internal as well as external actors (Khan 2002: 2). Reforms of institutions are deeply political, and the power allocated will necessarily reflect the vision of what kind of development is desired (ibid), hence it must be questioned “who” decides what institutions are desirable and how much power should be allocated. Although the Post-Washington Consensus advocates democracy where ‘the people’ can decide, democracy is clearly restricted to certain sorts of democratically elected governments that will comply with the neoliberal project (Harvey 2003). When neoliberals advocate democracy they mean “liberal democracy”, which supports the liberty rights and protects private property as outlined in the ICCPR. “Social democracy”, which supports the more expensive socio-economic rights as outlined in the ICESCR and demands strong state intervention to redistribute resources through taxation, is not desired (Evans 2001).

From this perspective it can be argued that the Post-Washington Consensus seeks particular types of institution that will underpin the neoliberal project. In this context the “New Institutions” (NI) become a core element of the ‘good governance’ agenda and the PRSPs. As Wallerstein (2004) points out, TNCs are strongly dependent on strong states to protect their assets and economic interests. States set the conditions under which goods, capital and persons can cross their boundaries, and lay down the rules and regulation for operation. In pursuit of short term profits, TNCs prefer to operate in states that provide the necessary infrastructure, a strong legal and enforcement system (law, police and army) to ensure property rights, flexible labour regulations, low taxation, and possibilities for externalisation of cost. The latter often has a negative impact in the form of environment degradation, such as deforestation and pollution. Equally, TNCs prefer to be based in strong states that have the political and diplomatic power to influence the governments of the weaker state to provide optimal conditions for the operations of the TNCs (ibid).

The traditional distinctions between state and market, around which liberal democratic institutions were constructed, have become blurred, and the real political power lies in the corporate economy, the mass media and the IFIs (Kaldor 1999). Through privatisation schemes, the control of state-owned enterprises (SOEs) assets is being transferred to private elites who have secured increased veto power over the legislative and policy domain. Liberalisation and deregulation of markets provide large investors and firms with the additional power that they can merely threaten to relocate as a potent means of blocking government and citizen initiatives that may oppose the interests of the TNC (MacEwan 2005).

From this perspective it can be argued that the current rhetoric of democracy has more to do with legitimising the neoliberal project, which actually undermines democracy, development, and national autonomy. As Chang (2003) points out, the neoliberal international development policies are in direct opposition to the policies used by the successful developers in the past centuries. Successful industrial countries have protected their infant industries through regulation on import of competitive goods and provided state subsidies until they can compete on the international market. Insisting that weaker states adopt policies that are
opposite to those, which according to historical evidence lead to industrial development, does not make sense at all. The only explanation, as Chang (2003) argues, is that the strong states are deliberately ‘kicking away the ladder’ or as List (ibid) puts it:

it is a very common clever device that when anyone has attained the summit of greatness, he kicks away the ladder by which he has climbed up, in order to deprive others the means of climbing up after him (List 1841, in Chang 2004:4).

Although notion of “ladder kicking” is controversial in the West, most states that are exposed to the imposition of neoliberal policies, consider the issue of “ladder kicking” to be a fact on the ground (confidential source A 2006). This provides a dilemma for many governments and populations because more than two decades of neoliberalism have proved its failure to deliver development for the poor (Milanovic 2003). In 2000, the debt of the countries in the South was four times larger than in 1980 (Duménil & Lévy 2005). The number of undernourished people worldwide has risen to more than 852 million (WFP 2005). More than 2.8 billion people live for less than 2$ per day, and in Sub-Saharan Africa half of the population is poorer now than in 1990, with 46 per cent of the population living on less than 1$ per day (UNDP 2002). More than 1 billion people do not have access to clean water and 2.6 billion people do not have adequate sanitation (UNDP 2006a). Every year, more than 13 million children below five years die because of lack of access to basic needs (UNICEF 2005).

As previously mentioned, state-led development with focus on equality and socio-economic rights has in the past proven successful. However, such approaches are in opposition to the neoliberal ideology, and a country’s ‘choice’ of institutions will be assessed by the World Bank’s Country Policy Institutional Assessment (CPIA) (World Bank 2005). The less a country complies with the neoliberal free market policies, the lower the country will rank on the World Bank’s CPIA. In 2004 around 50 countries ranked so low on the CPIA that they were classified as Low Income Countries Under Stress (LICUS). Many of these countries will have difficulty getting access to international financial loans, since they are not considered to be “good governments” (World Bank 2006c). In the LICUS, which are often characterised by civil unrest and armed conflicts, the World Bank will often bypass the government and deliver assistance to the civil society by setting up an Independent Service Authority, from where private firms, INGO, civil society organisations, Private Military Corporations, etc. can compete for contracts (ibid) to implement ‘humanitarian’ assignments, in what can be considered as a conversion of the humanitarian space to a humanitarian market place (Feinstein 2005).

NEOLIBERAL IMPERIALISM AND RESISTANCE IN PRACTICE

Because of the severe human consequences of the neoliberal project, it can be argued that many governments and social movements will automatically oppose neoliberalism. In this way neoliberalism may provide an impetus for violent conflicts, wars and global instability, leading to calls for increased security measures and military interventions, which must be legitimised. Arendt (1969) argues that violence and power are opposites. Violence appears where power is in jeopardy, however, violence needs legitimacy through the goal it pursues. It will be argued that legitimisation of neoliberal military interventions is sought through the dominant media and the mainstream literature by presenting such interventions as a force of
good where democracy, human rights, and free market economic will lead to a perpetual peace. As Bourdieu (1991) notes, rhetoric, words and slogans, creates and maintains the social order by imposing visions and division to actualise and transform symbolic power into legitimated official politics. On the political scene, the words “democracy” and “democratisation” are used as political symbols of ‘good’ to legitimise official neoliberal politics in line with human rights. But as with human rights, the meaning behind the rhetoric of democracy, and the power of this rhetoric that is projected through the dominant media and mainstream literature, is rarely critically questioned.

Democracy has become a common popular word with little distinction between the different forms of democracy, such as social democracy, liberal democracy, direct democracy, etc. and in the context of neoliberal hegemony there may be a further a danger of not distinguishing between democracies and plutocracies. A number of pro-democratic social movements and think tanks can be argued to publicly advocate social democracy and socio-economic rights, while in real terms supporting the neoliberal project. The UK New Labour party and the revitalized Fabian Society is perhaps an eminent example on how the lines between different types of democracies is being blurred. Inspired by Giddens’s (1998) “Third Way” as an overarching label to renew social democracy in the age of globalisation, a significant step has been taken towards the neoliberal project. Under the leadership of New Labour in the UK, the Schröder-led Social Democratic government in Germany and the ‘new Democratic’ project of Clinton in the US, liberalisation and privatisation has taken place with little resistance, often described as ‘neoliberalism with a human face’ (Arestis & Sawyer 2005). Archibugi (2004) notes that with the collapse of the soviet system many people believed that the gates to democracy, as the dominant system of global governance, had opened and a movement of cosmopolitan democracy urged Western states to progressively apply their principles of democracy in form of the rule of law and shared participation as a “New World Order”. Although Archibugi argues that leading Western liberal states have not responded to the appeals of the cosmopolitan democracy, the proponents of cosmopolitan democracy can be argued to have become closely associated with the proponents of the liberal democratic peace theory.

Most proponents of cosmopolitan democracy that distance themselves from realism, such as Falk and Archibugi, arguably face a number of paradoxes when suppressing this grim theory for the noble course of cosmopolitan democracy. On the one hand they are very critical on US hegemony, violation of international law and projection of military power into foreign states, but on the other hand they seem to accept a number of military interventions, legitimised by the noble cause of promoting human rights and democracy. Falk (2003) consider the illegal war in Kosovo as a necessary war from a humanitarian perspective, which therefore becomes a moral war that triumphs international law. Falk also agrees with the US war in Afghanistan as a proper strategy of self-defence. In both cases it can be argued that Falk, in spite of his strong criticism of US use of military force, accepts the use of military force in violation of international law in certain cases, and advocates for broader peacekeeping and humanitarian functions to be adopted by the UN. Similarly ambiguous statements comes from Archibugi, who is critical to the US and UK intervention in Iraq, which violated international law, but on the other hand he argues that the international community lacked non-coercive instruments to stop the violation of human rights by the Iraqi government, while suggesting that smart sanctions would have been more appropriate.

Many movements that promote various forms of democracy and human rights may be driven by ideological and noble intensions to reject the defence of national sovereignty as a counter-balance to America’s hegemony. Instead they proactively promote global governance as a mean to counter US hegemony and often advocate for military interventions in the name
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of democracy and human rights to protect people who are subjected to oppression from their own governments. However, from a realist perspective, such system of global governance may be considered as a utopia, and the promotion of reforms to existing global institutions and the establishment of additional global institutions may further sustain and enforce the hegemony of the US and its allies. As Chandler (2000) notes, many international organisations, such as the IMF the WB, WTO and NATO serve the purpose of maintaining and preserving the interests of US hegemony. The empowerment of global institutions will lead to a decrease in the independence of the weaker states and ultimately reinforce the current hegemonic power. The period of UN reform and democratisation of global governance has witnessed a significant increase of Western military interventions based on the rhetoric of global order, human rights and democracy. By ignoring the underlying political and economic interests, movements that promote democracy and human rights may further underpin a mix of 'just’ war theory and a revitalisation of Kipling’s “white man’s burden”, in a modern form where the promotion of ‘democracy’ and ‘human rights’ becomes the new gospel that underpins the liberal democratic peace theory, that is based on Kant’s essay (1795) “Project for a Perpetual Peace”.

The revitalisation of democratic peace theory at the end of the Cold War can be argued to unite a number of different political camps in spite of different lineages and normative thrusts. By welcoming Fukuyama's (1989) “End of History” and indirectly declare realism for dead by stating that “the end of history… is the end point of mankind’s ideological evolution and the universalisation of Western liberal democracy as the final form of human government” (ibid) the neoliberals and the neoconservatives begin to converge towards a common interest in promoting the liberal democratic peace theory, arguable with the support of constructivism. The notion of democratic peace is arguably a new convenient tool to legitimise US hegemony and projection of military power into strategic areas around the world. Powerful politicians, such as Bill Clinton and George Bush, repeatedly advocate democracy, human rights and free market economics as the way to ensure a peaceful world because 'democracies do not go to war with each other' (Bush 2004; Clinton 1994). This popular mainstream political mantra is underpinned by influential academics such as Doyle, who has re-examined the ‘peaceful’ behaviour of liberal democratic states (Waltz, 2000), and Rummel’s empirical research that is based on strongly contested data. Mann (1999) notes that Rummel’s statistic outcomes are weak and strongly questionable and states that Rummel do not consider the more important cases of ‘democratic’ mass killings, like the fire-bombing of Dresden and Tokyo, the dropping of the atomic bombs or the napalming of the Vietnamese countryside, the Pakistan and India conflict. Mann’s definition of democracies may be questioned, and perhaps better examples can be drawn from a number of cover military operations carried out by states defined as ‘democratic’, which in general is ignored in the mainstream debate. Chile in the early 1970s provides one example out of many where democratic forces have clashed with US interests. Parenti (1995) notes that former US Secretary of State Henry Kissinger favoured capitalist economy above democracy (ibid: 76) and considered the election in Chile as too important to be left to the Chilean voters, as reflected in Kissinger’s statement; “I don’t see why we need to stand by and watch a country go communist due to the irresponsibility of its people” (ibid: 143). Subsequently the US supported a military coup against Chile’s President Allende and installed a military regime lead by Augusto Pinochet (ibid).

Chomsky (2002) notes that Woodrow Wilson declared war on “Prussian dictatorship” during the First World War, when in fact at that time Prussia had a democratically elected parliament. This marks the beginning of a new era of propaganda, where control of the dominant media and information becomes for democracies what violence is for authoritarian
regimes (ibid). Woodrow Wilson and Alexander Hamilton invested prodigiously in war propaganda that imprinted “democracy” in the American geopolitical lexicon as the highest term of praise (Schwartz & Skinner 1999).

The Rhetoric of Empires and Civil Society

The chaos caused by neoliberalism is mobilising social movements, from conservative Islamist networks to the revolutionary left, to oppose neoliberal imperialism and US hegemony (Sinha 2005). In some instances these movements poses real threats to US political and economic interests, and the groups are therefore being classified as anti-American, anti-globalisation movements, terrorists, rogue states or similar. This opposition to US hegemony must be controlled by changing legislations and additional legislation such as the US PATRIOT act of 2001, new surveillance systems, increased police forces and military interventions. Since these movements are a threat to the interests of both the neoliberalists and the neo-conservatives, these two camps naturally converge to a certain extent, based on common interests. Such convergence can be argued to have clear parallels to the complexity of relations between the liberals and the conservatives in the wake of the “world revolution” in 1848, where, as Wallerstein (2004) notes; the radicals posed a real threat to the ruling elite.

To reduce the threats from radical movements and to control what Hamilton called the “great beast”, the notion of liberal democratic peace may become the most powerful tool to legitimise military interventions as a force for good. Similarly the notion makes it an obligation of the international community to fight ‘terrorism’ and help implement democracy, human rights and free market economy, as the only way to ensure future peace and economic prosperity. This notion has repeatedly been promoted by the US administration, by both the Republicans and the Democrats, under the umbrella that democracies do not go to war with each other (Bush 2004; Clinton 1994). This discourse is further articulated by The Project for the New American Century (1997) that advocates significant increases in defence spending, to carry out the US global responsibilities such as preserving and extending international order, ensuring political and economic freedom abroad and challenging regimes hostile to US interests and values. Among the signatories to this discourse are significant politicians such Paul Wolfowitz, who subsequently became the president of the World Bank, Dick Cheney, Donald Rumsfeld and influential academics such as Fukuyama.

The introduction of liberal democratic peace theory necessarily displaces realism/power politics, which has been the dominant theory in international relations for centuries. But as Waltz (2000) argues, if the system on which a theory is based changes, the theory will no longer apply. The end of the Cold War was not a change “of” the world system but a change “in” the world system and therefore the democratic peace theory remains as a thesis while realism is still the dominant theory on which international politics must be analysed. However, realism does paint a rather pessimistic and grim picture of the development agenda and world politics, emphasising self-interest, international greed and competition for access to resources, with frequent application of military force (Mearsheimer 1995). The positive rhetoric of liberal democratic peace, may be a more seductive and convenient way of overruling state sovereignty and legitimising military interventions as a force for good, and for justifying imposition of the neoliberal project in the name of freedom, democracy, human rights and free market economy, while the interventions are in reality primarily driven by political and economic interests rather than humanitarian concerns.

At this point, the arguments of the realists correspond well to World-System Analysis, in spite of different perceptions and understandings of the world system. As Wallerstein (2004) argues, strong states relate to weak states by pressuring them to install and
keep in power persons whom will ensure the interests of the strong states and further placing pressures on other weak states to get them to conform to the policy needs of the strong state. Gowan (2004) points out that the modern empire states prefer not to use traditional command power but indirect or co-optive power behaviour, i.e. getting others to want what you want” (Nye 1990 in Gowan 2004: 488). This may firstly be a technique to get other strong states to want what the US wants, by shaping the political environment in such a way that other states become dependent on military protection from the US or in form of economic dependency. However, it is arguably also an important tool for creating popular support in civil society by manufacturing consent through the dominant media and mainstream literature, in order to tame the “great beast” and get large segments of the civil societies to want that the empire state wants.

Whereas in the past, political artists such as musicians and film actors could mobilise civil societies to demonstrate “against” Western military and economic dominance, popular musicians now go on stage to reproduce the positive rhetoric of democracy and human rights as advocates “for” Western neoliberal economic and military interventions. In this context, powerful and dominating so-called International Non-Governmental Organisations (INGOs) that are mainly funded by Western institutions (Macrae 1996) play an increasingly important role in “getting the populations to want what the empire state and its allied wants. With perhaps good intentions, powerful INGOs increasingly call upon the US and its allies to take military action under the umbrella of the “Responsibility to Protect” and in the name of democracy and human rights as promoted by the International Commission on Interventions and State Sovereignty (ICISS 2001).

In the early 1990s a number of influential INGOs and aid agencies called for a military intervention in Somalia, to help improve the humanitarian situation on ground. The intervention became a joint US/UN “humanitarian military intervention” under the name “Operation Restore Hope”. Most commentators refrained from mentioning that the US willingness to intervene militarily in Somalia could have more to do with oil interests in Somalia than with human protection (Fineman 1993). Nearly two-thirds of Somalia was allocated to US based oil companies, most notable Conoco, Amoco, Chevron and Phillips. Documents from the US embassy in Mogadishu states that:

Conoco is investing in oil exploration in Somalia on a scale unmatched by its rivals, building roads and airstrips… they have recruited a well armed force of over 100 police to provide security… an oil strike in Somalia would have little or no value unless the country achieves internal peace (Cable from US Embassy in Mogadishu to State Department 1990).

The US State Department and military officials acknowledged that US based oil companies have been very active in Somalia and with the deployment of the US marines, Conoco’s compound in Mogadishu was transformed into a de facto American embassy and military headquarter (Fineman 1993).

During the 1990s the relationship between the most influential INGOs and Western military coalitions was further confirmed during “Operation enduring Freedom in Afghanistan in 2001, when US Secretary of State, Colin Powell, confirmed the close relationship between the military coalition and the INGOs by stating:

we have the best relationship with the NGOs who are such a force multiplier for us, such an important part of our combat team, all committed to the same, singular purpose to help humankind (Powell 2001).

Arguable, the crisis in Darfur can be considered as an example of how imposition of visions and divisions are manufactured through control of the dominant media where rhetoric,
words and slogan create a popular consent among western civil societies, to push the US administration to do what the administration really wants, namely a military intervention in Darfur, ‘to save the people of Darfur’ (Bush 2007). As Mamdani (2007) notice, by simplifying and depicting the conflict as “Arabs against Africans” and promoting a politics of naming genocide, the US administration has succeeded in depoliticising the conflict in Darfur and in unifying a coalition of more than 500 faith-based, humanitarian and human rights organisations in a coalition that would not last if the issue shifted to Iraq. In spite of the fact that the commission of inquiry on Darfur, established by the UN Security Council, concluded that there is no pursuit of genocide in Darfur, coaltions of civil society organisations, such as the Save Darfur (2007) coalition, reproduce the notion of genocide and are pushing for a military intervention.

The International Crisis Group (ICG), that presents itself as a NGO, has produced a number of publications in favour of a military intervention in Darfur (ICG 2007). In spite of the strong political discourse set out by the ICG, these publications are very popular among many INGOs and aid agencies. Although the ICG is funded by Western governments and consist of a board of former politicians, such as the former foreign minister of Australia, a former US ambassador to the UN, Israel, Russia and a former Governor of Hong Kong/former European Commissioner for External Relations (ibid), the publications from the ICG are often referred to as a reliable source of information and objective analysis (UNOCHA 2007). This can be argued to enhance a mainstream consensus among the INGOs and aid agencies operating in Darfur, which further helps the dominant media to maintain the simplified and depoliticised picture of the conflict as one that can be solved by a Western led military intervention. The issue of oil interests in Darfur and the notion of competing powers for access to natural resources have been effectively marginalised in the debate, despite a World Bank-coordinated study in 1991, puts Somalia and Sudan at the top of the list of prospective commercial oil producers among eight East African countries (Fineman 1993). In particular, the oil factor makes many Darfurians to believe that the conflict is partly a result of fierce competition, for access to the Darfurian oil resources, between powerful countries, such as US, UK, France, Russia and China. By extending the Chad-Cameron oil pipeline, the US can extract the Darfurian oil resources if they succeed to get control over the resources in one way or another (confidential sources B 2007). Many politicians and intellectuals in Darfur argue that the US has not been very successful in supporting the rebels; hence the US is now pursuing its interest in Sudan through its dominant position in the UN. Many people in Sudan perceives the UN and the US as being the same, and any military intervention dominated by the US or the UN will therefore, by many Sudanese people, be perceived as a form of US imperialism and neo-colonialism. The Darfurian crisis may therefore deteriorate if any military intervention is perceived as being dominated by the US, either directly or by proxy. Having African soldiers on the ground in Darfur may increase the legitimacy of a military intervention, but this legitimacy will be very limited if the leading commanders and decision makers are from Western countries, or from other African countries that are considered to be ‘friendly’ towards US interests in general. In such case, the military intervention in Darfur may create a similar chaos, to that created by the US-led military intervention in Iraq. Many Sudanese politicians and intellectuals further compare the rhetoric of genocide in Darfur with the rhetoric of weapons of mass destruction in Iraq, in order to raise popular support in the West. In this context most Western INGOs and aid agencies calling for a military intervention, in the name of human protection, are being perceived as “Trojan horses” of the governments that fund them as a part of an imperial discourse (confidential source C 2007).
New Imperialism?

Despite the practice of most influential mainstream commentators, who promote the rhetoric of democratic peace in the West and ignore the critical voices that underpin a realist picture of armed conflicts, it has become more common to perceive the US as a New Empire. As Wood (1999) states, the US intervention in Kosovo, in conjunction with NATO and other allied states, is a new imperialism exerted by the US, in violation of international law. Mann (2003) defines the US illegal intervention in Iraq in 2003 as a “new imperial” and “new militarist” discourse that seems to have arisen.

However, much indicates that the US has been an imperial power for a much longer period, in spite of the fact that the “new imperial” discourse is often dated to either the post-9/11 era or the end of the Cold War (Stokes 2005). Confining the analysis of US imperialism to illegal exercise of direct US military power over weaker states in the post-Cold War era, or to post 9/11, may direct focus away from the historical facts that may be crucial for an appropriate analysis of contemporary policies related to the neoliberal project. The past 50 years of history shows that weaker states opposing US political and economic interest are likely to be exposed to armed conflicts, either through proxy wars or by direct US military involvement. The US has militarily attacked more than 70 foreign sovereign states since 1945 (Pilger 2002). Besides this the US has overthrown several democratically elected presidents, such as Iranian Prime Minister Mossadegh in 1953, Chili’s President Allende in 1973 (Chomsky 2000), supported the coup of President Nkrumah in Ghana 1966 (US State Department 2006; Stockwell 1992) and ordered the physical removal of Lumumba in Congo (CIA 1999).

The proponents of US imperialism may justify these actions as a force of “good” against “evil”, and argue that if the world is going to remain a stable entity, the US as an empire must accept the responsibility that goes with it and intervene to ensure freedom and democracy (Cox 2003). However, this perspective does provide a paradox in that the US and its allies have supported dictatorial regimes such as Mobutu in Congo, Suharto in Indonesia, Saddam Hussein in Iraq (Chomsky 2000), the Mujahidin and the Taliban in Afghanistan (Rashid 2001). The “United States Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities” (Church Committee), revealed that the so-called “secret wars” of the CIA up to 1975 included more than 900 major operations and 3000 minor operations, which are estimated to have killed more than 6 million civilian people in the Third World from 1945 to 1975 (Church Committee 1975). Many of these operations lead to long armed conflicts or so-called ‘civil wars’, and since 1975 the CIA budget and number of operations has not decreased, but increased significantly (Stockwell 1991).

In spite of the fact that these activities are illegal according to international law, international sanctions against the US have been proven difficult to apply in reality. Because proponents of US imperialism consider the US to be both distinctive and superior to other nations, the US can go against international law when they have to and enjoy “exceptionalism” (Cox 2003). The International Court of Justice convicted the US for unlawful use of force against Nicaragua in 1986 (ICJ 1986). Subsequently the US simply increased its military and paramilitary activities in Nicaragua and vetoed a draft resolution in the UNSC, which requested all countries to comply with international law (UNCS 1990).

Analysing neoliberalism and the international development agenda from the perspective of democratic peace theory and ‘new’ imperialism obviously generates a number of paradoxes as outlined above. However, from the perspective of realism the US can be considered as an imperial power that has dominated the international development agenda over the past five decades. Desai (2004) argues that the East Asian financial crisis and the
launching of the war on terror can be seen as a passage from one strategy of US imperialism to another, where the US is now more openly in direct control of productive assets and territory, such as in Iraq, as geopolitics and control of oil resources play a new crucial role for the US led international order. However, in most cases the US seems to prefer a strategy of indirect control of national governments, often known as “puppet governments” (Said 1999). Such governments may consist of a national elite, which preserves a relative autonomy and security guarantees, and which plays a role in collective policymaking coordinated by the US (Desai 2004).

**Neo-colonialism and Pan-African Resistance**

Although the US may be the most dominant Empire today it can be argued that it is far from the only strong state that practices imperialism, which in most African countries cannot be separated from neo-colonialism. Despite the fact that a form of imperialism is exercised over the entire African continent (Wallerstein 2003), Americans in general, and most mainstream academics in particular, appear uncomfortable with the idea of imperialism (Mabee 2004). However, if one ignores the notions of imperialism and neo-colonialism, it can be argued that one is contributing to a dichotomy of mainstream perception between the West and the South. In the West, populations may perceive imperialism and colonialism as belonging to the past, and the international development agenda as philanthropic and a force of good. In the South populations consider neo-colonisation to be fact on the ground and the international development agenda to be an imperial project to control populations and resources. This dichotomy is visible in the UN Open-ended Working Group (2004). The Security Council, dominated by the Permanent Five (P5), which all are former colonial masters with strong competing political and economic interest around the world, is by many UN members states being accused of being “anachronistic, discriminatory and undemocratic”. The P5’s use of the formal and “informal” veto power represents a complete erosion of the principles of transparency and accountability of the Security Council (ibid), including the arguments presented by the proponent of a global democratic world order. As the deputy to the UN Secretary General states, there is an understandable hostility by the wider members of the UN towards the Permanent Five who tend more to prioritise their own interests over human rights. Currently there is a perception that anything the US supports must have a secret agenda (Brown 2006).

The events in Somalia and Rwanda in the early 1990s may serve as an illustration of the UN Deputy Secretary General’s statement. Somalia was left in a more disastrous situation than before the intervention, after the US military attacked and killed 50 clan leaders during a peace negotiation meeting in July 1993. This operation disturbed the local power balance and increased the local hostility towards the international operation. Three months later an armed clash between groups of Somalis and the US military took place in Mogadishu, and subsequently the UN ‘peacekeeping’ mission withdrew completely from Somalia (UNOCHA 2006). A decade later, details were exposed of the covert support from the US for particular groups of warlords who fought against undesired groups (Gedi 2006) and in early 2007 the US carried out new bombardments in Somalia to ‘fight terrorism’ (Pentagon 2007). In Rwanda 1994, more than 800,000 people were killed in a genocide, while the UN decided to withdraw its forces (Dallaire 2003). The passivity of the UN can be directly linked to the UNSC and French/US use of hidden veto (Nahory 2004).

In the dominant media and in mainstream literature many African conflicts are framed as being part of a pre-modern world where barbarians, chaos and disorder prevail, posing a grave threat to Western civilisation and providing bases for terrorism (Cooper 2002).
Building on contested empirical data from Collier and Hoeffler (2002), the World Bank states that most armed conflicts are driven more by greed than grievance (World Bank 2003). Interestingly, the World Bank only focuses on local greed and not on international greed, in spite of clear evidence of significant Western political, economic and military involvement in most African armed conflicts.

The depiction of African conflicts as being rooted in local barbarism, greed, ethnicity and religion are being promoted by influential scholars such as Kaplan (1994) and Huntington (1993) and may in the West, depoliticise the conflicts and displace the notions of imperialism, neo-colonialism and proxy wars. However, in Africa the perception of the same events seems to be very different. In Ivory Coast the ‘civil war’ is by pan-Africanists considered to be French and neo-colonial (Nanga 2005). In 2003 the Government of Ivory Coast started to take control of the water, electricity, telecoms, marine and air transport, and established closer ties to China. This threatened French interests and ownership, and France deployed military troops in Abidjan in 2003. French control of the economic capital was resisted by pan-African pro-government movements who took the streets in anti-French demonstrations (ibid). Ivorian intellectuals and politicians accuse the UN peacekeepers under French command of de facto partition of the country (Koulibaly, 2006). The president of the Ivorian National Assembly has stated that the rebels in the north are puppets paid by France to destabilise the country and orchestrate the plunder by French multinational companies of national resources. Similar accusations of neo-colonialism were expressed in relation to the bilateral deployment of British troops and provision of technical assistants and advisers in most civil ministries in Sierra Leone, 2000. Several influential West African politicians and commentators considered this intervention as a fact that Britain is back in Sierra Leone (Richardson 2006).

As the competition between powerful states may increase in the scramble for the oil resources of West Africa, which according to the Cheney Report is the third most important oil strategic area in the world (NEP 2001), the resistance against neo-colonialism under the umbrella of “pan-Africanism” may increase as well. Many pan-African movements are inspired by people such as Frantz Fanon who advocated socialism as the foundation on which to build an African identity, and justified violence as a mean to achieve independence through statements such as; “colonialism is naked violence and only gives in when confronted with greater violence” (Fanon 1961: 23).

Ghana’s first president, Nkrumah (1965), who was overthrown in a coup in 1966, endorsed by the US (US State Dep. 2006), stated that neo-colonialism is the worst form of imperialism, because those who exercise it have little or no responsibility. In extreme cases the imperial powers will intervene directly with their own military, but most commonly neo-colonialism is exercised through economic and monetary means, establishing control over foreign exchange through the imposition of a banking system controlled by the imperial power (Nkrumah 1965). For Nkrumah, African Unity was considered to be the first requisite for destroying neo-colonialism (Nkrumah 1973), a goal also reflected in the charter of the Organisation of African Unity, which states that the OAU members are:

- determined to safeguard and consolidate the hard-won independence as well as the sovereignty and territorial integrity...and to fight against neo-colonialism in all its forms (Charter of OAU 1963: Preamble).

Many Pan-African movements that were considered to be terrorist organisations by some influential commentators, have later become legitimate governments. After the 1969 revolution in Libya, President al-Qaddafi came into power, and in 1980 the ZANU-PF formed
the legitimate government of Zimbabwe (Davidson 1994). In 1996 a terrorist-labelled
movement, the ANC, an organisation following a pan-African ideology and led by Nielson
Mandela, became the legitimate elected government in South Africa (Tambo 1988).

The US is aware of the widespread perception of neo-colonisation and states that the
US is not likely to respond to challenges of instability in West Africa by deploying its own
troops, and projecting an image of colonialism, “but Washington is willing to step up military
aid to friendly regimes in the region” (Klare 2004). However, ‘friendly regimes’ are criticized
by pan-African movements for playing the game of Washington, Paris and London (Ellis
2003). Several decades of armed conflicts have created a large pool of fighters with different
nationalities and ethnicities, and no matter what their motivations are, they become natural
allies of pan-Africanist ideologies (ibid). Public pressure from pan-African movements may
force US ‘friendly regimes’ to make concessions to pan-African interests and to seek support
from competing external powers, which may challenge US interests. Since 2003 the US has
considered the islands of Sao Tome and Principle to be an appropriate place to establish a
military base to safeguard and monitor its oil interests in West Africa (BBC 2003).

**Liberia – Challenging US Imperialism**

The Liberian conflict, which is considered to be the epicentre of destabilisation in the West
Africa region, illustrates the classic debate of Liberty for the few versus Equality for the
many. Liberia has for more than a century been ruled by a small elite of Americo-Liberians
with close ties to the US (Johnson-Sirleaf 2006). In 1972 the President Tolbert challenged US
long term hegemony in Liberia by establishing diplomatic relations with the USSR,
denouncing Israel’s illegal occupation of Palestine and Lebanon, supporting the independence
war in Rhodesia and denying US to use Liberia for a military rapid deployment unit (Ellis
1999). Subsequently, Tolbert and 13 ministers were murdered in a military coup in 1980 lead
by Samuel Doe and supported covertly by US (Mulbah 2006). The US officially supported
the Doe regime but half a decade later the relationship between President Doe and the US
departures. In 1985 Charles Taylor ‘escaped’ from a maximum security prison in Boston
(Richardson 2006), and at the end of 1989 Taylor’s National Patriotic Front of Liberia
(NPFL) invaded Liberia, in close coordination with the US embassy in Monrovia (Taylor
2002). Less than a year later the Independent NPFL (INPFL), a break away group of the
NPFL, led by General Prince Johnson captured President Doe with support from the Nigerian
lead ECOMOG peacekeeping forces. General Johnson contacted the US embassy to ask what
to do with President Doe but did not get any response and President Doe died in the custody
of the INPFL (Johnson 2006).

Taylor broke with the US in the early 1990s and clashed with the regional mainly
Anglophone peacekeeping ECOMOG, which by pan-Africanist revolutionaries was accused
of prolonging a neo-colonial order in West Africa. ECOMOG was strongly opposed by
Francophone Ivory Coast and Burkina Faso, which further enforced the
Anglophone/Francophone divide in Africa (Ellis 1999). Taylor won a free and fair election
with more than 75 percent of the votes in 1997 (ibid). However, the relationship between the
US and the government of Liberia deteriorated further, and after early 1999 the US indirectly
supported the rebel group Liberian United for Reconciliation and Democracy (LURD) by
supplying arms and military training to Guinea, which hosted the rebels (HRW 2003;
UNHCR 2001; Richardson 2006).

Liberia is as an attractive area for oil exploration (TGS/NOPEC 2004) and in 2000
the National Oil Company of Liberia was established to deal with the highly competitive and
aggressive oil industry (NOCAL 2006). However, Halliburton was denied off shore oil
drilling concessions by President Taylor, who publicly stated that “Liberia is not for sale” because the contract was not favourable for Liberia (Dunbar 2006; Desmond 2002). The tensions between the government of Liberia and the US were reflected in a statement from the US ambassador: “Taylor has to go... The United States has a lot more involvement in Liberia than just what it does directly with its own military” (Blaney 2003).

In June 2003 the rebels attacked Monrovia and the following August Taylor went into exile in Nigeria (ACPA 2003). In 2006 Taylor was extradited to the UN-backed Special Court in Freetown set up by the government of Sierra Leone in 2002 on recommendations of the US and UK. As Gberie (2006) notes, this court is, by many intellectuals and politicians in the region, being perceived as “selective” in the indictment and a mechanism for “global governance” which the West wants to impose worldwide. The Court is being accused for depoliticising the armed conflict in the region and the previous American chief prosecutor David Crane rejected any “injection of politics” into trials. Critics of the US/UK initiative are questioning how the court has spent more than 80 million US$ when at the same time the Truth and Reconciliation programme was threatened because of lack of funds (TRC/SL 2003).

**Coercive Imposition of Neoliberal Practice**

Over a period of 25 years, three Liberian presidents, who have not been fully committed to safeguard US political and economic interests, have been killed or forced out of office. Subsequently, after Taylor went into exile in Nigeria, 15000 UN peacekeepers and 1100 international police officers were deployed under the UN Charter chapter seven in 2003 to ensure law and public order (UNMIL 2006a). It can be questioned why UN peacekeepers were not deployed in the beginning of the conflict, when the deployment could have saved thousands of lives, and why the UNSC did not put sanctions on Guinea for supporting the LURD, in accordance with the UN Charter article 24 (Charter of the UN 1945), while sanctions were enforced on Liberia for allegedly having supported the RUF in Sierra Leone (Richardson 2006).

From the perspective of the world-system analysis, it can be argued that neoliberal reconstruction takes place under the protection of UN peacekeepers, allowing the US, as the dominant power, to install an acceptable local power that must keep the country’s frontiers open, be friendly toward firms based in the US, and help keep other competitive powers away from the country’s natural resources (Wallerstein 2004). Or from the opposing perspective of “democratic peace”, the intervention can be perceived as a force of good to promote democracy, human rights and the free market economy (US-NSR 2002). It can be argued that while “democratic peace” remains an unproven thesis (Waltz 2000), the promotion of the notion of democratic peace through the dominant media and mainstream literature, provides the incentive and justification for all international actors to converge and join forces into one Integrated ‘Western’ Mission. From this perspective the military, TNCs, UN agencies, local NGOs and International NGOs all become important implementation partners of the international development agenda (Corry 2006), hence forced multipliers of neoliberalism.

However, many Liberian intellectuals and politicians argue that the reconstruction programme cannot be separated from direct colonialism, imperialism and racism, which violate the Liberian Constitution (confidential source E 2006; Mulbah 2006; Taylor 2006). Those who question the intentions behind the intervention or who oppose the neoliberal development agenda are personally threatened and classified as rebels and terrorists by the Western powers (ibid). The Liberian intellectuals and politicians base their arguments on the fact that the Result Focused Transitional Framework (RFTF), which is a predecessor to the
Interim PRSPs and the overarching Partnership framework (GEMAP 2005), have not passed the Liberian legislative power. The RFTF is monitored by the Economic Governance Steering Committee (EGSC), chaired by the national president and deputy chaired by the United States Government (EC 2006) and has been written in such a way that they do not have to pass the legislature (World Bank 2006-d). The more technical part of the RFTF is undertaken by the RFTF Implementation and Monitoring Committee (RIMCO), which is chaired by the government of Liberia and vice-chaired by the World Bank and the UN (ibid).

The transition framework is divided into four main pillars; Security, Economic Revitalization, Governance and Rule of Law and Infrastructure and Basic Services. The US controls the military power and the economic power (Richardson 2006; UNMIL 2006b). The Security Sector Reforms (SSR) is implemented by the Security Committee, which is chaired by the minister of defence and vice chaired by the United States Government (USG), UNMIL and ECOWAS (ibid). The training of the new armed forces of Liberia is undertaken by the US Private Military Corporation (PMC) Dyncorp, and the military infrastructures are undertaken by US based Pacific Architects and Engineers (Richardson 2006). Other security tasks, such as external protection of the UNMIL headquarter have been outsourced to US based security corporation Intercon (confidential source D 2006.).

The second main pillar, the Economic Revitalization Committee, is chaired by the Minister of Finance and vice chaired by the United States Government, the World Bank and the European Community. The Economic Management Assistance Programme (GEMAP) is attached to this pillar, ensuring the deployment of international recruited experts with co-signature authority in selected enterprises and institutions (GEMAP 2005). As the investment environment improves, the state owned enterprises will be privatised (EC 2006; UNDP 2006b).

The Governance and Rule of Law committee is vice chaired by the UN and the EC in partnership with the WB, UK and USG, and the Infrastructure and Basic Services committee is vice chaired by the WB and China in partnership with the UNMIL and USG (UNMIL 2006b). Most influential INGOs are represented through the Monitoring and Steering Group (MSG), which has welcomed the neoliberal RFTF (MSG 2004). According to the MSG, a closer cooperation between the INGOs and the military under the concept of Civil Military Cooperation (CIMIC) is not a question of “if” but more a question of “how” (MSG 2006). Although service sector reforms can be argued to be at the heart of the development debate, the discussion about the ahistorical neoliberal free market approach to development, versus state-led development is absent in the MSG (ibid).

In spite of the rhetoric of country ownership, participatory and voices of the poor, the drafts of the Interim PRSPs are strongly influenced by expatriates and show evidence of copy and paste from previous I-PRPS imposed on other African countries (World Bank 2006-d). The service sector reforms, which will have a direct impact on poor people’s life, will follow the neoliberal direction as recommended by the World Bank (2004) and outlined in the World Development Report, “Making Services Work for the Poor”. This means leaving basic services such as education and health care to a privatised competitive free market, where the client will be ‘empowered’ through paying for services (ibid). However, the past 25 years of experience have shown that service delivery though the free market deprives poor people of access to basic services such as basic health care (IRIN 2006; MSF 2004), arguably the most obvious violation of international law inherent in the forced imposition of neoliberal reforms. According to the International Covenant of Economic, Social and Cultural Rights article 12 (ICESCR); “The States Parties to the present Covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health”. This preceding article was reaffirmed in 2002 by the UN High Commissioner for Human Rights, who added
that, “especially for those living in poverty, this goal is becoming increasingly remote” (UNHCHR 2002: Preamble).

If the common people do not have access to their basic socio-economic rights and do not benefit from development, they may easily be encouraged to take up arms again (MODEL 2006). Armed groups fighting against any external dominating power naturally sympathise with the pan-African ideology (Ellis 2003). These concerns seem to be shared by the International Crisis Group, which states that “it is a very fine balance between intrusive and overbearing... we are always going to be sensitive to charges of neo-colonialism, imperialism and racism (McGovern 2005).

CONCLUSION

The mind frame that perceives neoliberalism and the international development agenda as a benevolent project, being both pro-democratic and pro-poor, and as a prerequisite for sustainable development, gives rise to a number of paradoxes, which have been pointed out in this paper. Identifying the original liberal ideologies and analysing neoliberalism from a world-historical perspective brings us back to the classical debates on the balance between liberty and equality, on how to redistribute resources and on what kind of development is desirable as a long term vision.

In spite of many attempts to prove that the neoliberal approach to development works, the global figures on poverty and mortality in the neoliberal era provide evidence that something is clearly wrong. Many influential commentators, such as Dollar and Kraay (2001) claim that neoliberal globalisation in the past two decades has contributed to narrowing the gap between rich and poor worldwide. In contrast, a comprehensive study by the ILO (2005) indicates that the gap between rich and poor has increased significantly since 1980. As Milanovic (2003) points out, the countries that by the World Bank and the IMF have been praised as the best model reformers, and that have followed several structural adjustment programmes, find themselves in crisis with their GDPs halved and in need of debt forgiveness.

Cheng’s argument, that the neoliberal international development agenda and the PRSPs “kicks away the ladder” and deprive weaker states from development may appear as cynical to some people and these arguments are likely to be neglected or completely rejected by the proponent of neoliberalism and the democratic peace thesis. Nevertheless, much indicates that the end of the Cold War was as a change in the world system and not of the world system as Waltz (2000) argues, hence realism remains the dominant theory in international relations. This automatically brings back the more grim theories on imperialism and neo-colonialism, including the important theoretical frameworks of dependency theory and World-Systems Analysis, from where relationships between strong and weak states can be analysed.

But these theories present the world as consisting of selfish people and states struggling for power and wealth through domination and exploitation of other people and weaker states, and where the political and economic interests of the strong states are endangered, military force will be applied, disguised in a political rhetoric of human rights and democracy to gain popular domestic support. However, by relating the end of the Cold War to Fukuyama’s “End of History”, which indirectly declares realism for ‘dead’, the liberal democratic peace theory has become a seductive and useful tool to vilify dissenting groups as terrorists, justify increasing surveillance of populations and legitimise military interventions in the name of democracy, human rights and free market economy.
While realism and imperialism will continue to dominate in practice, the rhetoric of democratic peace will dominate the mainstream media and literature to manufacture public consent. However, because neoliberalism pulls societies away from democratisation despite its proponents claims that it is an instrument for the promotion of democracy (Radice 2005), and because it attacks the public sector as a whole, social movements have arisen that aim to reconstitute a regulatory and redistributive state, which is opposite to neoliberalism (Bourdieu 2001). Civil societies offer alternative politics of accountability (Sinha 2005), and as Deacon (1997) points out, there is a growing number of social movements, which aim towards long-term visions of a global welfare state, founded on the principles of a sound balance between Liberty and Equality.

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ASIA COMES TO MAIN STREET AND MAY LEARN TO SPEAK SPANISH: GLOBALIZATION IN A POOR NEIGHBORHOOD IN WORCESTER

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ABSTRACT

This paper considers how and why an Asian enclave of small businesses has appeared in a poor neighborhood characterized by Puerto Rican and other Latino immigration in the post-industrial city of Worcester, Massachusetts. We begin by examining the role of the US in the world system, and argue that the US hegemonic role and specific political economic aspects of global capitalism (i.e., deindustrialization) account for some of the migration stream. Next, using socio-economic and historical data, interviews, and observations, we outline the history of Worcester’s economy and immigration patterns. We demonstrate that the increasing economic inequality leaves few promising employment options for newcomers to Worcester. Drawing on existing literature on immigrant entrepreneurs and ethnic enclaves, we argue that some aspects of the literature appear to shed light on the Vietnamese enterprises which have so visibly appeared (e.g., ethnic niches), while others, (e.g., middle-man minority theory) are not now reflected in local conflict. We conclude by considering the prospects for immigrants to this neighborhood in light of its political economic context.

INTRODUCTION: IMMIGRATION AND GLOBALIZATION

Walk just one block in either direction along Main Street in front of the Clark University campus in Worcester, Massachusetts, in the neighborhood known as Main South, and one cannot help but notice a series of Asian (Vietnamese) owned businesses – among them three Vietnamese or Vietnamese-Chinese restaurants, two Vietnamese groceries; a trinket shop that rents Asian videos. A bit farther on, more of the same type appear. A cluster of businesses owned by Asian immigrant entrepreneurs in a poor neighborhood with an even larger Latino population in a provincial city does require some explanation. This article shows how macro-level social science – globalization and inequality, deindustrialization, core v. periphery and hegemonic status in the world hierarchy – come together with middle level concepts of urban sociology to render order out of the apparently accidental appearance of “Asia on Main Street” in the form of immigration to Worcester’s poorest neighborhood.
THE HEGEMONIC ROLE COMES HOME

The city of Worcester has been marked by recent trends in the global political economy and by the U.S. role in world affairs – and by more local forces of regional redistribution. These have come together in one of the city’s oldest and poorest neighborhoods to create something entirely new for the city: an Asian enclave in the midst of an increasingly Hispanic area. War and peace, boom and bust – all have stamped the human variety of the Main South neighborhood. In this paper, we explore the global and regional economic trends that have enabled an enclave of Asian immigrant owned businesses to pop up in Main South at this moment in time, when little else is “popping up” in the post-industrial city of Worcester, MA.

Our initial insight concerns hegemony and migration. As the hegemonic power of global capital, the United States served as the armed rampart against revolution in the Cold War period (and beyond) (Chase-Dunn 1989; Kentor 2000). The U.S. thus engaged in a string of large and small wars – Korea, Vietnam (and Laos and Cambodia), interventions in Cuba, Guatemala, and Iran; interventions in the Dominican Republic and Haiti; participation in civil wars in El Salvador and Nicaragua. These interventions each involved client relations with governments and associated local personnel and, in a number of instances, obligations to provide for the safety of these clients by giving them refuge in the U.S. In other instances, the traffic between client states and the U.S. produced at first smaller and then larger trickles of migration that, by a familiar pattern of chain migration and internal redistribution, led a variety of post-World War II immigrants to settle in different places within the U.S (See, e.g., Boyd 1989; Jones 1989; Russell 1995; Zolberg 1995). In Massachusetts, for example, the city of Lowell’s large numbers of Cambodian migrants are products of this process (Gerson 1998, 2003), as refugees from Pol Pot’s regime were given special access to U.S. visas. (Gall and Natividad 1995). As in the Roman Empire, the U.S. global role entails an inevitable flow of peoples toward the center. Let us call this angle of perspective on Worcester’s post-1965 immigrant flows the “global hegemonic” perspective. It informs our understanding of how and why Vietnamese restaurants should appear in a middle-sized city’s low income neighborhood.

Not only is labor migration to U.S. cities partly a consequence of our imperial wars, but the globalization of (especially) manufacturing capital and the restructuring of regional economies are also part of the story. Economic marginalization in peripheral countries, especially among landless laborers, pushes them towards cities (see, e.g., Shaw 1974). In developing countries, these cities frequently grow in population much more rapidly than in their basic employment structures – and so, many of their residents look outwards for work and survival. Simultaneously, capital’s search for low wage or compliant labor forces has caused manufacturing jobs to flow from older “advanced” industrial regions to semi-peripheral and peripheral developing countries (Ross and Trachte 1990), producing deindustrialization in one place and industrialization in the others. In a paradox first noted by Sassen-Koob, (e.g. 1983, 1989; Sassen 1988), the flight of capital from older industrial regions may be accompanied by an influx of migrants from the very regions towards which investment is moving.

In the Worcester region, as other Northeastern cities, what Sassen called “downgraded” manufacturing attracted Puerto Rican migrants who settled in Spanish speaking neighborhoods (Gomez 2002). In turn, they were followed in the 1980s and 1990s by migrants thrown up by revolutionary and counter-revolutionary wars in Central America. As a consequence, Latino migrants moved into whole new industrial sectors and job niches, e.g., landscaping, flower-growing at the metropolitan periphery, central city fast food restaurants. Through this process, after the 1960s, first, Puerto Rican and then Central American migrants came to dominate migration to the Main South neighborhood. Its character changed from working class with an Irish plurality to a mixed working class and poor neighborhood with a very large Latino fraction.¹

¹ For more background on Worcester’s ethnic and migration structures see Cohen 1976.
In the remainder of this investigation we work towards the examination of a poor neighborhood in a middle sized Northeastern city showing the ways that two faces of world system dynamics -- immigration towards the center, and manufacturing job flow outwards – have brought Asian entrepreneurs to Main South. We begin by considering the economic trajectory of Worcester and the region in the context of a larger history of urban industrial decline in the US. We examine the impacts this history has had on the labor market in Worcester and argue that by at least two measures, immigrants arriving in Worcester face an increasingly bleak labor market with little opportunity for upward mobility. We then situate current patterns of immigration to Worcester in the city’s larger history of immigration. Next, we explore the literature on immigrant entrepreneurs to consider what research on other such immigrant enclaves might tell us about how and why this particular enclave has appeared. We argue that this literature is useful in explaining this particular enclave, but that the phenomenon in Main South differs in important ways. Having laid out these social and economic contexts, we discuss our empirical findings with respect to the particular enclave of immigrant entrepreneurs that we are interested in, and conclude by considering the prospects for these, and other immigrants to Worcester, Massachusetts.

METHODS

In addition to our extraction of US Census and American Community Survey Data from American Factfinder online, our examination of Vietnamese businesses in the Main South neighborhood is based on three waves of student seminar work. The first, in the spring of 2003 was a workshop project of MA students in Community Development. These students located Asian businesses in the neighborhood close to Clark University and asked the owners about their perceptions of business conditions and about their own immigrant origins. No common interview instrument was used but student ethnographic reports were provided to us. In 2004 when the present authors worked on the project a “windshield” and walking survey counted Asian businesses along a strip of the main shopping street in Main South (“Main Street”) and students asked the owners about their clientele and their origins. In addition, interviews with the staff leaders of a Vietnamese social service office in the neighborhood and with the local Community Development Corporation were conducted. Also in 2004, student seminar participants sought to supplement city’s ethnic immigrant historical material that had been collected since the 1976 Bicentennial.

INEQUALITY AND STRUCTURAL CHANGE

The particular enclave in which we are interested was formed in the context of increasing inequality in the US labor market. Pulling oneself up by the proverbial bootstraps to achieve the American dream of prosperity is increasingly difficult for natives and immigrants in the US, and Worcester, Massachusetts is no exception (Sawhill and Morton 2007). Located 50 miles west of Boston, Worcester, Massachusetts is approximately tied with Providence, Rhode Island, as the second largest city in New England. It is part of a quadrangle of Southern New England cities in the same size class dominated either by New York City’s reach, or Boston’s, or in a field of influence shared by both: Hartford, Providence, Springfield, Worcester.

Worcester’s deindustrialization was part of a process that began in the older manufacturing-intensive regions and is now a structural reality for the whole nation. This

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2 Providence, RI is marginally larger. From the 2000 Census: Hartford, CT, city, 121,578; Providence RI, city, 173,618; Springfield MA city, 152,082; Worcester MA city, 172,648
Restructuring is contributing to the growth of inequality in America. As Harrison and Bluestone (1988) noted, the older mill-based economy tended to produce an income/occupation structure with a sizable middle income stratum: bulky in the middle with smaller tails at the top and bottom – like the hump of a dromedary camel. By contrast, the postindustrial structure creates high paying jobs for the few at the top, and, and weakens the labor market position of those at the bottom, creating a large number of service sector jobs of low pay (Bluestone 1995; Harrison and Bluestone 1988). The structure evolves toward the two-humped shape of a Bactrian camel.

These trends show up in national data. The ratio of the top 10% of wage earners to the bottom 10% of wage earners was 3.7:1 in 1973; 4:1 in 1983; 4.3:1 in 1993 and in 2003. Another way to see this is the ratio of average hourly wages of those with college education to those with less than High School. College educated workers earned 1.7 times as much as high school dropouts in 1973 and 1983; 2.1 times the more than high school wages in 1993; and 2.4 times more in 2001 (Mishel, Bernstein, and Boushey 2003).

The national trends are part of the Massachusetts and Worcester stories as well. The Commonwealth (of Massachusetts) had higher levels of inequality than the nation in 1998-99; and those levels had grown between 1979 and 1999. Using the ratio of the incomes of the top 10% of families, to the bottom 10%, Andrew Sum and his colleagues calculated the increase as rising more than a third from 6.4:1 to 8.7:1 (Sum et al. 2000). The same ratio for household incomes in 1998-99 showed Massachusetts at 11.5 and the U.S. at 10.5.

### Table 1: Some measures of income deprivation and inequality

<table>
<thead>
<tr>
<th></th>
<th>US</th>
<th>MA</th>
<th>Worcester Metro</th>
<th>Worcester city</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extreme Poverty (1)</td>
<td>1990</td>
<td>5.8%</td>
<td>1990 4.4%</td>
<td>1990 4.7%</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>5.6%</td>
<td>2000 3.6%</td>
<td>2000 3.3%</td>
</tr>
<tr>
<td>Very Low Income (2)</td>
<td>1990</td>
<td>Na</td>
<td>1990 Na</td>
<td>1990 18.0%</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>Na</td>
<td>2000 Na</td>
<td>2000 25%</td>
</tr>
<tr>
<td>International Relative</td>
<td>1990</td>
<td>24%</td>
<td>1990 20%</td>
<td>1990 21%</td>
</tr>
<tr>
<td>Poverty (3)</td>
<td></td>
<td></td>
<td></td>
<td>1990 28%</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>23.0%</td>
<td>2000 20.5%</td>
<td>2000 21.7%</td>
</tr>
<tr>
<td>Median Household income</td>
<td>1990</td>
<td>$30,056</td>
<td>$36,952</td>
<td>$35,977</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>$41,994</td>
<td>$50,502</td>
<td>$47,899</td>
</tr>
</tbody>
</table>

1) Households Under 50% of official poverty standard; Table P121 (1990); P88 2000  
2) Households under 50% of metro unit median income (HUD); (NB: not adjusted for family size) calculated from SF3, 1990, 2000  
3) Households under 50% national median (NB: not adjusted for family size), calculated from SF3, 1990, 2000

These larger trends have had a clear impact on Worcester. Between 1990 and 2000, a period of very high employment levels for most of Massachusetts, and falling unemployment rates in Worcester, metro region median incomes grew less rapidly than the state’s – the ratio fell from about 97% to about 95%. As a region going through the final phase of deindustrialization, Worcester has little of the high technology industry of the areas to its East, nor the FIRE (Finance Insurance and Real Estate) headquarters functions that contributed so largely to Boston regional incomes.

More ominously, some measures of inequality and deprivation grew markedly in this decade of growth. By two of the three measures of inequality that we examined for the Worcester
region between 1990 and 2000 (reported in Table 1), things are getting worse in Worcester. The first is “extreme poverty”. This measure indicates the number of households that fall below one-half of the official US poverty line (corrected for family size). As many observers believe the U.S. official poverty level is considerably lower than it should be, incomes that fail to reach over one-half of it suggest painful suffering. This is a measure of absolute suffering, using a “market basket” approach to defining poverty. Happily, this proportion in extreme poverty actually fell slightly in the US as a whole, and fell more markedly in the Commonwealth, substantially in the Worcester Metro region and fell dramatically in Worcester City. Indeed, it was cut nearly in half. The other measures we calculate, however, are more relative, and indicate localized inequality. In these, the story is more mixed.

The second measure uses a figure calculated by the federal Department of Housing and Urban Development (HUD). HUD creates income guidelines to define eligibility and target populations for public housing and housing subsidies. Different levels of income qualify a family for different subsidy programs. As housing markets vary locally, the subsidy levels are tied to local incomes. For the HUD “Section 8” housing vouchers, which families may use to pay rent on the private market, levels of subsidy depend on family income in relation to the local median. HUD uses three levels. Families with incomes no higher than 30% of the local median are called “extremely low income”; those whose incomes are no higher than 50% of the local median are considered “very low income,” and those at 80% of the median are “low income.” HUD adjusts these definitions by family size. In Table 1, we use the HUD 50% level (very low income) income cutoff as a proxy for a localized inequality measure. It is only an estimate, since, unlike HUD, we a) did not adjust it for family or household size and b) use household, not family income data. At the metro and city level, a higher percentage of households fell under the 50% level in 2000 than in 1990. The growth was more rapid in the metro area, reflecting its enlargement between the two periods and the even lower rates of economic growth in some of the other urban centers in the region (i.e., the smaller cities of Fitchburg and Leominster). Still the level of the “very low income” population in the city (34%) is a strong reminder of the polarization between the central city poor and those living in the “new economy” suburbs, especially to the city’s east.

Finally, the third measure in Table 1 is the international measure of relative poverty, household income one-half or less than the national median. (e.g., Rainwater, Smeeding, and Coder 1999). By that measure, used most frequently by rich European countries, the region as a whole showed no change, but the city of Worcester edged upwards, with 30% of its households among the poor or those “very much less than average.”

The occupational structures driving the increasing income inequality in Worcester can be illustrated with some simple job change data which shows a dramatic loss in manufacturing jobs and a gain in service sector jobs. From 1990-2003 the Worcester metro area lost 13,600 manufacturing jobs (32% of all); an estimated third of these – over 4,000 were from the city itself. Worcester gained over 10,000 miscellaneous service jobs (about a 32% gain). In 2001, the average Worcester manufacturing job produced weekly earnings of $870. By contrast, the average service producing job (including its higher paid sub-sectors, which did not produce job growth) provided earnings of $698 (Extracted from Massachusetts Division of Unemployment Assistance 2004; and U.S. Department of Labor 2004).

Adjustments for family size are beyond of the scope of this work; the use of household data captures a broader range of persons and units.

Among the principal centers of work on income inequality using this definition is the Luxembourg Income Study. Their leading American principals now appear to advocate using regionalized median, rather than national median as the benchmark for comparative inequality/poverty studies. See Rainwater, Smeeding, and Coder (1999).
The erosion of middle-income producing manufacturing in Massachusetts did not begin recently – but it has accelerated with the neoliberal trade regime of contemporary global capitalism. For example, the Economic Policy Institute estimates that the Commonwealth lost over 59,000 jobs (about 75% of which were in manufacturing) due to trade with China between 2001 and 2006 (Scott 2007). Some major fraction of the job losses from the China trade would partly account for the Worcester loss of over 13,000 manufacturing jobs.

Things could be worse – and they are in Providence, Hartford and Springfield, where poverty and inequality measures are higher. Nevertheless, Worcester has not been a hotspot of growth, and its poor and working poor – while employed at higher rates over the decade – have fallen farther behind their region and nation. Yet immigrants still come, and immigrant entrepreneurs and workers pursue their own versions of liberty and happiness.

COMING TO WORCESTER

The city of Worcester has a long history of immigration, and the experience of each wave of immigrants has reflected the labor market to which they were introduced and the response of the host culture to their ethnicity. When the textile industry grew in New England in the early nineteenth century, so did Worcester’s industrial base. Though home to some mills, Worcester took a backseat to cities like Lowell, Massachusetts in the textile industry. Instead, the city’s diversified manufacturing base grew to include wire manufacturing, boots and shoes, machinery, arms and ammunition, metal, paper goods, leather, and woolen goods (Kolesar 1989; Worcester Historical Museum 2004). Worcester’s manufacturing diversity rivaled that of major industrial centers like New York and Philadelphia by the late nineteenth century (Worcester Historical Museum 2004). A major destination for immigrants in the mid-19th Century, Worcester also shared the late 19th Century surge of migrants from Eastern and Southern Europe. The national origins and ancestries that Worcester residents reported to the U.S. Census in 2000 register clearly these two waves. Table Two shows the reason that Irish and Italian politicians dominated the late 20th Century history of the city: together, members of these ethnic groups compose 30% of the population.

Other ethnic groups compose part of a distinctive immigration history for Worcester, including Swedes, Armenians and African-Americans, but are not so apparent from Census data on ancestry. Worcester was unusual as an East Coast urban destination for Swedish industrial workers (Estus and McClymer 1995; Parkinson 2004; Runblom 1995). They were largely recruited by the founder of the Washburn and Moen Company, which specialized in wire production for barbed wire fences and hoop skirts, who was impressed by the quality of Swedish steel and the talents of the Swedish workforce. He and other iron and ceramic manufacturers actively recruited Swedes to Worcester (Salomonsson, Hultgren, and Becker 2002). Swedes also

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5 Gini coefficients of income inequality (calculated by author from census SF3 for: Hartford: 44; Springfield and Worcester 42; Providence 47; and by reference US 41. NB: this is considerably lower than the Census Bureau national calculation, undoubtedly because of the estimation of grouped data used here, that counts the top bracket of the publicly reported grouped data at its lower-bound. The comparisons however, are instructive. Worcester’s official poverty rate (1999) is considerably lower than the other cities’ as well: 16.8% of households compared to Hartford 29%; Springfield 21% and Providence 28%. Author’s calculations from Census SF3, Table P92.

6 The Census Bureau question is: “What is your ancestry or ethnic origin?” They also report: “The question also provides examples of particular ethnic groups, which have changed since 1980. The response options to the question are two blank spaces in which respondents can write in whatever ancestry(ies) they want. We coded up to two ancestries per person.” See U.S. Census: http://www.census.gov/population/www/ancefaq.html#q02. “Ancestry” is thus about ethnic self-identity. It differs from the foreign born category which is derived from census respondents’ reports of where they were born.
initially accounted for nearly the entire workforce at Norton Company, manufacturer of industrial abrasives and heavy duty grinding machines (Worcester Historical Museum 2004). At the turn of the 21st Century, there were still over 5500 Worcester residents who identified as Swedish.

Worcester was also among the earliest Armenian immigrant portals to America, and thus, the home of the first Armenian Church in the United States (Deranian 1998). Armenians were able to find jobs within walking distance of their homes at the American Steel and Wire Company in Worcester (Apkarian-Russell 2000). Small grocery stores specializing in Armenian goods are still present in Worcester, although their customer base has diversified over the years to include non-Armenians (Apkarian-Russell 2000). Though Providence, RI and Watertown, MA would later prove to be more important centers of Armenian-American life, the establishment of a Chair in Armenian Genocide Studies at Worcester’s Clark University registers something of this history.

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Table 2: Worcester Ancestry: 2000 Census (Single or Multiple)

<table>
<thead>
<tr>
<th>Total population</th>
<th>172,648</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total ancestries reported</td>
<td>188,978</td>
<td>109.5</td>
</tr>
<tr>
<td>Irish</td>
<td>32,784</td>
<td>19</td>
</tr>
<tr>
<td>Italian</td>
<td>19,950</td>
<td>11.6</td>
</tr>
<tr>
<td>French (except Basque)</td>
<td>17,719</td>
<td>10.3</td>
</tr>
<tr>
<td>English</td>
<td>10,633</td>
<td>6.2</td>
</tr>
<tr>
<td>Polish</td>
<td>10,482</td>
<td>6.1</td>
</tr>
<tr>
<td>French Canadian</td>
<td>7,394</td>
<td>4.3</td>
</tr>
<tr>
<td>United States or American</td>
<td>6,054</td>
<td>3.5</td>
</tr>
<tr>
<td>German</td>
<td>5,894</td>
<td>3.4</td>
</tr>
<tr>
<td>Swedish</td>
<td>5,535</td>
<td>3.2</td>
</tr>
<tr>
<td>Lithuanian</td>
<td>3,812</td>
<td>2.2</td>
</tr>
<tr>
<td>Subsaharan African</td>
<td>3,878</td>
<td>2.2</td>
</tr>
<tr>
<td>Greek</td>
<td>2,431</td>
<td>1.4</td>
</tr>
<tr>
<td>Arab</td>
<td>2,292</td>
<td>1.3</td>
</tr>
<tr>
<td>Russian</td>
<td>2,174</td>
<td>1.3</td>
</tr>
<tr>
<td>Scottish</td>
<td>2,156</td>
<td>1.2</td>
</tr>
</tbody>
</table>

All others below 1%

1: It is likely that most “French” are “French Canadian”

Though the African-American population of Worcester doubled between 1860 and 1870, these newcomers did not enjoy the same industrial labor market opportunities that their white counterparts did (Greenwood 2003). Local industrialists preferred to hire white immigrants in their factories, often complaining of shortages of workers while refusing to hire blacks. Fewer than 20% of African Americans worked in manufacturing in 1900. In contrast, roughly 66% of French Canadians, many of whom emigrated around the same time as African-Americans and also came from non-industrial backgrounds, worked in manufacturing in 1900. Almost 60% of Worcester’s African-American population worked as domestic workers in white homes (Greenwood 2003). The African-American community in Worcester suffered in terms of social mobility and wealth as a result of their exclusion from industrial jobs (Greenwood 2003).

An industrial town, like many other New England’s older cities, Worcester’s Rust Belt experience of deindustrialization led to population stagnation and fiscal stress (Ross and Riesman 1994). After the 1960’s Worcester became a migration destination for the Puerto Rican journey Northeast from New York (Gomez 2002). Originally recruited as farm workers by the Massachusetts Department of Employment Services in the early 1950’s, Puerto Rican workers in the Northeast have been relatively concentrated in manufacturing industries (Morales 1986; Rodrigues 1979; Ross 2004). Their migration patterns have in part followed the paths to work provided for operatives. In the Census of 2000, fifteen percent of Worcester residents were classified as “Hispanic or Latino”; 13% of those over five years of age speak Spanish at home (US Census Bureau 2007a). In 1990, 9.6% of Worcester Residents were “Hispanic” (US Census 2007b). In addition to the influx of people of Puerto Rican descent, the increase from Hispanic to Latino from 1990 to 2000 also included individuals and families from Central America.


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>0.7</td>
<td>1.5</td>
<td>2.9</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td>Northeast</td>
<td>0.4</td>
<td>1.1</td>
<td>2.6</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Massachusetts</td>
<td>0.4 .57</td>
<td>0.9 .6</td>
<td>2.4 .92</td>
<td>3.8 1.05</td>
<td></td>
</tr>
</tbody>
</table>


In these ways – Rust Belt decline, and a shift from European to Western Hemisphere migrants -- Worcester was like other New England cities. But in the last decade or so, Worcester has experienced an influx of Asian immigration somewhat greater than many other Rust Belt cities (except for e.g., Lowell, as above), and that is something very new for the city. In the Census of 1970, Massachusetts’ Asian and Pacific Island population composed but 0.4% of the whole, about 60% of the nation’s ratio. In the ensuing generation, the Northeast and the Commonwealth attracted Asian migrants at a faster rate than the nation as a whole, and Massachusetts now is home to over 53,000 Asian people, 3.8% of its population, somewhat higher than the Nation’s 3.6%. [See Table Three]. From the 1990 to the 2000 Censuses, the number and proportion of people of Asian background in the central city of Worcester nearly doubled, from 4800 to 9400 (See Table Four). More numerous than any other national-origin group among the new Asian migrants to the city, however, have been those from Vietnam. The

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7 The 2000 Census separated Asian from Pacific Islander populations – 0.1% of the U.S. population.
2400 Vietnamese who lived in the city of Worcester in 1990 grew in number to 5100 by the year 2000. From a barely visible 1% of the population they are now a very visible 3% of the population. As with the Cambodians in Lowell, Worcester’s Vietnamese newcomers appeared as part of a long wave of consequences of the wars in Southeast Asia (just as the Cuban population in South Florida and New Jersey are a function of the Cold War and the campaign against Castro). They were admitted to the US through special non-quota arrangements and were usually linked somehow as clients of our partners in Republic of Vietnam. (Campi 2005; Hohl 1978).

This new cohort of immigrants are not only changing the demography of Worcester: since 1993, thirteen small Asian immigrant owned businesses have opened their doors along Main Street in a neighborhood called Main South.

### Table 4: Worcester, MA-CT PMSA Asian Population Data for the Central City Area

<table>
<thead>
<tr>
<th>Race &amp; Ethnicity</th>
<th>Population Distribution</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1990</td>
<td>2000</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>Total</td>
<td>169,738</td>
<td>100</td>
<td>172,648</td>
</tr>
<tr>
<td>Non-Hispanic White</td>
<td>141,395</td>
<td>83.3</td>
<td>122,211</td>
</tr>
<tr>
<td>Non-Hispanic Black</td>
<td>6,746</td>
<td>4</td>
<td>12,132</td>
</tr>
<tr>
<td>Hispanic</td>
<td>16,258</td>
<td>9.6</td>
<td>26,155</td>
</tr>
<tr>
<td>Asian</td>
<td>4,770</td>
<td>2.8</td>
<td>9,377</td>
</tr>
<tr>
<td>Asian Indian</td>
<td>557</td>
<td>0.3</td>
<td>1,153</td>
</tr>
<tr>
<td>Chinese</td>
<td>694</td>
<td>0.4</td>
<td>1,347</td>
</tr>
<tr>
<td>Filipino</td>
<td>122</td>
<td>0.1</td>
<td>221</td>
</tr>
<tr>
<td>Japanese</td>
<td>178</td>
<td>0.1</td>
<td>259</td>
</tr>
<tr>
<td>Korean</td>
<td>231</td>
<td>0.1</td>
<td>265</td>
</tr>
<tr>
<td>Vietnamese</td>
<td>2,391</td>
<td>1.4</td>
<td>5,061</td>
</tr>
<tr>
<td>Other Asian</td>
<td>187</td>
<td>0.1</td>
<td>144</td>
</tr>
</tbody>
</table>

Source: American Communities Project, Lewis Mumford Center Census analysis database (2008).

### Problems, Issues, Theories

What accounts for this seemingly high instance of newly arrived immigrants starting businesses in poor, minority dominated neighborhoods? On the one hand, a minority ethnic group may be part of an immigrant cohort that lacks the technical skills to fit easily into the mainstream
A second potential advantage held by immigrant entrepreneurs is the dense network of coethnics supplying wholesale goods to their retail counterparts. The ethnic retailer may thus gain a significant advantage over his native counterpart. “Family, regional, dialect, sect, and ultimately, ethnic ties are used for preferential economic treatment” (Bonacich 1973:586). Such vertical distribution networks provide information and employment for newcomers, as well as loyal employees for ethnic entrepreneurs (Bonacich 1973; Waldinger 1994). Some research suggests that the type of work immigrants pursue is influenced by an evolutionary chain of immigrant retail niche domination (Lee 1999). “As immigrant entrepreneurs gather experience and capital, they move up the retail chain and penetrate more capital-intensive industries, thereby leaving room for newer immigrants to occupy the abandoned niches” (Lee 1999:1414). The more recently a group has immigrated, the more likely it is to occupy labor intensive industries, like take out food stores and groceries (Lee 1999).

Bonacich (1973), in particular, has conceptualized a theory about immigrant entrepreneurs which she calls the “middleman minority” phenomenon. In so doing, she lays out a series of interrelated traits that characterize middleman minorities. First and foremost, they are sojourners who do not intend to stay in the country. As such, they tend not to integrate into the

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8 The clustering of two Asian grocery stores and four Asian restaurants (One Vietnamese-Chinese, two Vietnamese and one Thai) within three blocks along Main Street suggests just such a supply network – and the restaurant prices are very low. See below
community, and are more willing than others to life a thrifty lifestyle. Their short term orientation to their host countries causes them to choose business that are easily liquidated, such as retail stores. They also take advantage of their closed ethnic networks by depending on their families for cheap labor, and by taking advantage of vertical distribution networks of coethnics.

In addition to influencing their choices and business practices, their short term orientation to their host country can create hostility from members of their host country. This conflict, she argues, arises from what she sees as the incompatible goals of each of the groups involved. As sellers, middleman minorities invariably come into conflict with their buyers. As business owners, they come in conflict with other business owners. And finally, as employers, they come into conflict with labor. Thus, she concludes, host hostility toward middleman minorities and the frequent resulting scapegoating may not be justifiable, but can be explained by the inherent contradictions between the host and the middleman minorities.\footnote{For a critique of the Middleman Minority theory, see Wong 1985.}

In addition to what may be a preference by some immigrants to open easily liquidated enterprises, local retail niches for ethnic entrepreneurs open up when large retail chains desert inner city neighborhoods (Waldinger, McEvoy, and Aldrich 1990). High crime rates (and/or the perception of such) and other challenges to doing business in largely minority areas leave neighborhoods with low income populations who cannot access necessities locally and often are without adequate transportation to shop elsewhere. The apparent undesirability of the neighborhood reduces rents and keeps out competing businesses. Ethnic entrepreneurs capitalize on this opportunity. Captive Black and Hispanic communities are particularly important to ethnic entrepreneurs, who have set up shop in neighborhoods with high concentrations of minority populations. Lee finds that recent immigrant insecurities about interacting with a more affluent clientele also play into their decision to situate in low income, minority neighborhoods (1999). She quotes a Korean restaurant owner in West Harlem:

\begin{quote}
Here they don’t have many car, so easier, cheaper rent. When you go to White location… rent is already cost $20,000 [per month], you know, and they don’t have any room for us. But Black people area, other people hesitate to come because they worry about crime and something like that, so they got a lot of room for Koreans (Lee 1999:1402).
\end{quote}

The relatively new enclave of Vietnamese owned business in the midst of a Latino neighborhood in the post-industrial New England city of Worcester, Massachusetts reflects some of the patterns of immigrant entrepreneurs and middleman minorities, but is also differs in important ways, as we will see below.

**MAIN SOUTH**

Consistent with the classic models of immigrant economic enclaves and community building, the Vietnamese presence in Worcester is accentuated by the concentration of enterprise along a particular stretch of one of the two main North-South commercial streets of the city. Main Street bisects Worcester on a North-South axis. South of the Central Business District, Main Street enters the poorest precincts of town. Emerging from the older, and far from thriving, commercial center of the city, Main Street becomes the center of a community known as Main South, housing among other institutions, Clark University. In Main South we have seen the tides of the 20\textsuperscript{th} century ebb and flow of immigrant labor. Following those from Ireland and Latin America, the 21\textsuperscript{st} century brings newcomers from Asia.
The community known as Main South\textsuperscript{10} is among the poorest in Worcester County: 17.9\% of the Worcester city population fell under the official poverty line in 2000, but 28.5\% of Main South residents did. A quarter of Main South residents are Hispanic, and 60\% of these are Puerto Rican (15.8\% of the total). Over 9\% of Main South residents are Black – a bit over double the City’s average. And now, as has usually been the case with immigrants who arrive without technical skills, the late 20\textsuperscript{th} Century witnessed a new influx into this historically poor community. About 11\% of area residents are from Asia (1364) and two-thirds of these are from Vietnam (877).

The Vietnamese population arrived relatively recently in the community. In 1975 a large cohort of Vietnamese immigrated to Massachusetts. Catholic Charities of Worcester played a large role in settling some of the immigrants in Worcester, helping the newcomers find jobs and housing (Le 2005). Drawn by the prospect of living near friends, relatives and coethnics (Le 2005), the Vietnamese population of Main South has almost doubled in the past 10 years. Only 533 persons in 1990, Vietnamese residents number about 1000 and composed seven percent of the Main South population by 2000\textsuperscript{11}. Local observers, including those who have done housing surveys for the local Community Development Corporation, report with some assurance that the Census underreported the number of Vietnamese. Reluctant to talk to outsiders, the Vietnamese who even answer a knock on their front doors seem reluctant to tell how many people are living in their apartments. This leads the local CDC workers to guess they are saving on rent and living quite densely. Still, the Vietnamese in Worcester are a smaller group than the Cambodians in Lowell, a near by post-industrial city, and their appearance in the city is more recent.

Despite their relatively small number, the business presence of Asians is quite large and visible. A windshield survey of Main South, not restricted to the main Shopping street, with follow-up interviews in October, 2003 found 23 (26.5\%) Asian businesses, 36 (41\%) Latino, and 28 (32.5\%) categorized as other (i.e., Greek, African American, Caucasian) totaling 87 businesses. The rate of Asian business ownership in relation to the local population is very high. Thirteen of the Asian-owned businesses are owned by immigrants from Vietnam along a five or six block length of Main Street that has become something of an ethnic enclave. Nine of these are owned by ethnic Vietnamese, two by ethnic Chinese – and two would not respond to student interviewers. None of these businesses existed before 1993.

The enterprises include one grocery (Chinese owner); one Vietnamese/Chinese restaurant (Vietnamese owner); one nail salon (Vietnamese owner); one Chinese restaurant (Chinese owner); one Laundromat (Vietnamese owner). Six others are a variety of food stores. An earlier interview study conducted by community development students collected data from six of these business owners. Not all live in the community; most complained of poor business in the spring of 2003. Most express the typical complaints of retailers in poor neighborhoods: dirty streets, perceived dangers that deter outsiders from coming to eat or shop.

There are thirteen more Asian and Vietnamese-owned business locations outside of this striking single strip, including those on a large shopping street (Park Avenue) that is a border of the neighborhood. However, their distribution is not as dense, and there is not as visible a pattern as that of the relatively new businesses along Main Street.

This new Vietnamese business enclave mirrors some of the typical models of immigrant entrepreneurs outlined above, but does not so easily fit others. The New York and LA stories of Korean business owners in Black communities has had an ominous dimension, as have Asian contractor-Latino worker relations in the apparel industry (Bonacich and Appelbaum 2000). The

\textsuperscript{10} Main South is comprised of Census Tracts 7312.01, 7312.02, and 7313

\textsuperscript{11} Note the discrepancy with the official Census number (877) and our “guestestimate” of 1000. As in the text, numerous informants told us that because many people ‘crowd’ into apartments, and because the residents have fairly high distrust of authority, they probably understate the number of people living in each household when disclosing information to officials, i.e., the Census.
tension in those places is not apparent in Worcester. Furthermore, Worcester’s Vietnamese do not share the exact circumstances of the Koreans of Spike Lee’s fiction or of Los Angeles: their median incomes are below those of local African Americans (although they are higher than local Latinos). Asian poverty rates in Worcester (27%) are comparable to African Americans (25%) but less than Latinos (37%). No class conflict is obvious in Worcester’s Main South between the new Asian entrepreneurs and the largest ethnic minority in the community, Hispanics of Puerto Rican and Central American background. Asians do not monopolize the local economy. There are also substantial numbers of small retail establishments owned by and catering to Spanish speakers – Bodegas, a hair salon, etc. Though the rate of Hispanic self-employment is lower, the presence of a vibrant Latino commercial sector is inviting to Spanish speakers. Local businesses from both ethnic groups benefit from a common customer base. The tensions and scapegoating that the “middle-man minority” thesis predicts are poorly echoed in the data or the relations of Worcester and Main South.

Main South’s Vietnamese businesses reflect Waldinger, Aldrich, and Ward’s (1990) research that finds immigrant entrepreneurs often thrive in market conditions in which they can primarily cater to coethnics by selling products that natives and other may also enjoy. Thua Le, the Southeast Asian Outreach Coalition’s Executive Director points out that although the Vietnamese businesses in Main South are largely set up to serve co-ethnics by selling products Asians desire but are not available in local grocery stores, they also sell products that appeal to the local Latino community (Le 2005). Chinese and Vietnamese restaurants in Main South have menus in both English and Vietnamese, making their products accessible to both natives and co-ethnics. This is a familiar pattern in Worcester: Armenians and Swedes set up small grocery stores and bakeries to provide their co-ethnics with a “taste of home” and some of those markets are still open, although their customer base has expanded beyond coethnics (Apkarian-Russell 2000; Salomonsson 2002). These immigrant owned businesses have the privileged knowledge required to offer co-ethnics specialty goods they cannot obtain at local supermarkets or franchise restaurants (Waldinger, Aldrich, and Ward 1990). To the low income locals, they offer cheap food and the choice to eat another group’s street food.

The theories of ethnic entrepreneurs as middle men serving an impoverished community lacking the transportation or the purchasing power to attract retail chains are reflected by the Vietnamese enclave in Worcester. Main South is much poorer than the rest of Worcester, and has double the African American residents. There is little competition nearby from large retailers. Chain grocery stores can be found on the periphery of this neighborhood, but are not within convenient walking distance of Main Street. One of the primary appeals of Main South to the newly arrived Vietnamese population is the density of coethnics that can provide transportation to employment, according to Le, Director of the local South East Asian Outreach Center. Low cost dining and shopping options specializing in Vietnamese cuisine enjoy a captive audience of coethnics with limited mobility.

Asian restaurants (and indeed, those in Main South) give very high value for money: they are inexpensive or they are moderately priced at higher levels of service. This is where the exploitation of both co-ethnicity and family members is relevant. By holding labor costs down, such establishments reach out to a broader public; the Latino establishments, though inexpensive, use less labor and provide a less service-oriented atmosphere. Indeed, the Vietnamese business owners with whom we spoke in Main South employ their families at high rates and themselves work long hours.

Furthermore, the Vietnamese wholesale grocery supplier in the neighborhood suggests there is an element of vertical distribution in Main South, with Vietnamese wholesalers selling to Vietnamese restaurants and groceries who then sell exotic goods to their loyal coethnic consumers, still newcomers to Worcester. Le (2005) confirmed that in Worcester, many Vietnamese grocery and convenience store owners get their start with the help of coethnic wholesalers who front the merchandise for the first delivery.
Main South’s Vietnamese enclave follows Lee’s theory (1999) that newly arrived immigrants occupy the most labor intensive industries like food stores and grocery stores. Only time will tell if they will eventually move up the retail chain into more capital intensive industries, as Lee’s theory predicts.

The Vietnamese (and other Asians) in Worcester hold college degrees at about the same rate as other local residents, according to the Census, but are considerably less likely to hold high school degrees. They are, compared to the other major immigrant groups, highly entrepreneurial. Ten percent of Vietnamese employed persons are self-employed in the city and the Main South census tract where they are concentrated; this compares to a 2.5% self-employment rate for Puerto Rican-Americans citywide, and 2% in Main South.\textsuperscript{12}

In contrast to the Cambodians in Lowell, the Worcester Asians are invisible in political and civic affairs. There is a Southeast Asian Outreach Center along Main Street at the heart of the neighborhood. Founded in June of 2002, it is housed in a structure shared with the Main South Community Development Corporation. The Outreach Center’s services include referrals, education and job training, social and cultural support. According to the staff, the center serves as many as fifteen drop-in clients per day. Two people maintain the Center. So many clients with so many service needs have overloaded this minimal staff. The Outreach Center relies heavily on the network of other social organizations that provide more specialized services. In October 2003, the staff told student interviewers that Vietnamese value Massachusetts for the level of social benefits offered, mainly healthcare and childcare.\textsuperscript{13} The Outreach Center staff also noted that Worcester is popular because the cost of housing is considered reasonable compared to surrounding areas.

The Center staff reported that a Southeast Asian Coalition between Southeast Asians and Latinos is working on an education initiative to strengthen school attendance, and parental support. Neither the Center staff nor knowledgeable observers with whom we consulted are aware of any other deliberate political coalition efforts at a common cause with local Latinos. Vietnamese merchants we interviewed affirm the lack of coalition activity. In sum, the picture that emerges of Main South’s (and Worcester’s) Vietnamese and Southeast Asian immigrants is that of a relatively insular, hard-working and entrepreneurial population, whose civic presence is but a fraction of its commercial visibility.

\section*{Prospects}

Although the arrival of Asian migrants to Worcester’s poorest neighborhoods, and its commercial sector may presage an unfolding story of increasing diversity, cultural globalization and, if we are lucky, a happy immigration saga, there is also a darker possibility. Recession, loss of working class purchasing power, increasing crime, business failure, immigrant privation, and tension among competing groups loom as potential hazards.

The softening of the Massachusetts and Worcester labor market in the 2001-2003 period did not have a dramatic impact on daily life in Main South.\textsuperscript{14} There are no prominent business failures along Main Street, and there is no obvious tension between Latinos and Asians. Unemployment is up citywide, however, and prostitutes, after a period of relative absence, can, occasionally, once again be observed on Main Street. The 2005 American Community Survey of the U.S. Census measured official poverty at 18.7% -- up from the Decennial Census 17.9%.

\textsuperscript{12} Author’s calculations from Sample File 4, 2000 Census, Table PCT 87.
\textsuperscript{13} As of late Spring 2004, medical care and other means-tested benefits for legal immigrants are in jeopardy in the state legislature.
\textsuperscript{14} A well-known local activist, Lynne Simonds, claims homelessness is growing in and around the neighborhood, and she launched in 2004 an (unsuccessful) write-in campaign for City Council to put her agenda forward.
The type of growth experienced in Worcester and in the Commonwealth over the last 15 years or so has had a mixed impact. Low unemployment rates have relieved the intense suffering of desperate poverty (those existing at less than 50% of the official poverty income), but the globalization of manufacturing has produced higher rates of inequality. As mentioned, officially measured poverty has increased slightly. If these trends are extrapolated into the future, with no public policy intervention or civil society innovation (e.g., a rise in union density or in social sector housing provision), the neighborhood and its Asian and Latino migrants are likely to share the fate of the nation’s working poor. Some may find middle income status and leave the neighborhood, but most others will not. The majority of Asians and Latinos would live lives at the margins of poverty and deprivation, hoping for their children, who will likewise experience diverse futures.

One factor weighing in favor of reduced friction and somewhat more amenity for Main South’s migrants is the collaboration between the Main South Community Development Corporation and Clark University – the University Park Partnership. (Main South CDC 2008; Clark University 2008). Although less wealthy than many private universities that found themselves in increasingly poor neighborhoods, Clark University has endeavored to leverage its expertise and values on behalf of the neighborhood and its self-interest in being situated in a sustainable environment. The university encourages middle income and aspiring immigrant families to stay in the neighborhood by guaranteeing Clark admission and needs-based financial aid to students who live in the neighborhood and achieve good high school records. This amounts to several hundred thousand dollars a year in subsidies. It modestly subsidizes faculty and staff who buy houses in the neighborhood (few have done so). The University has acted as loan guarantor for the local CDC’s housing rehabilitation activity. Indeed, the CDC has refurbished or created over 200 units of affordable housing. Reversing the stand-offish, even antagonistic town/gown record of prior decades, the University has opened its recreational facilities to local youngsters and runs free summer activities for them.

In brief, Clark has tried to turn its neighborhood from a liability to an asset, proclaiming its commitment to both good works and urban research. Doctoral, Masters and undergraduate research students do benchmark research on business, housing, and social conditions in the community.

This activity and the local presence of an educational and research institution cannot possibly compensate for the losses caused by globalization or affect the tides of immigration that wars at the periphery of the empire may bring to the community. But Clark University does offer marginal resources to help buffer the blows, compensate for injuries, and invent solutions.

Conceptually, the story of Main South is that of the tension between the military/political hegemony of the United States that attracts migrants and clients, on one hand, and on the other, the faltering economic role and structure that no longer provides a an abundance of middle income jobs for those without higher levels of technical and cultural skills. The era of the dromedary (one humped) camel distribution of jobs and income has given way to the hour-glass (or bactrian, two-humped) distribution of jobs and income. In this one small neighborhood that means the Asian immigrant entrepreneurs will have to struggle ferociously to hold onto or to attain their version of the American Dream – and many of their coethnics and their Latino neighbors may not be alongside them if they succeed.

Now in the middle years of the first decade of the 21st century, Worcester’s Main South fears not so much the racial tension of Bedford Stuyvesant as depicted in Spike Lee’s Do The Right Thing, or LA’s South Central where African-Americans vented frustration upon Korean store-owners. Rather, Main South lives with the grinding anxiety of not enough; of worry about where the next job will come from; of whether one’s child will come home safe. It is not a race riot that haunts the neighborhood; it is instead life at the margins of the Big Feast.

15 Clark has lowest endowment per student of the research universities to which it compares itself.
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CONVERGENCE OF WORK STOPPAGES – A GLOBAL PERSPECTIVE

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ABSTRACT

This paper analyses the changing pattern of work stoppages at a global level for the period 1960 to 2002. Rather than analysing the pattern for individual economies, it analyses the data for a two-fold division of the world’s economy: namely the North American economy (comprising the USA and Canada) and the rest of the non-North American world economy (comprising the 36 economies for which data are available). This involves an approach to the analysis of international data and an accompanying perspective on global interdependence and convergence that has not thus far been explored. The evidence presented suggests that these two parts of the global economy display broadly converging patterns of stoppage rates. It is suggested that the converging pattern of stoppages is, in turn, symptomatic of a general worldwide convergence of general politico-economic perceptions broadly in favour of, or at least receptive to, an approach to political-economy management that might be summarily labelled: neoliberal.

INTRODUCTION

There has been much debate regarding the tendency for socioeconomic systems to converge over time. These ideas can be traced back to the work of Saint-Simon, Marx, Hayek and others. In the post-World War II years, general socioeconomic convergence, of one form or another, has been advanced by Tinbergen (1959, 1961), Kerr et al. (1960), Kerr (1983), Wilensky (2002) and others. In addition to broad socioeconomic convergence, specific areas

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1 Corresponding author.
2 For further background discussion of the historical roots of convergence theory see Kerr (1983) and Wilensky (2002). See also Durkheim (1958) for a discussion of Saint-Simon, and Marx (1867) and Hayek (1944).

This paper focuses on one particular measure of labour market relations, namely work stoppages (due to strikes and lockouts). It examines the data for evidence of convergence at a global level, building upon, though also in some ways departing from, the work of Fisher (1973), Walsh (1983), Shalev (1992), Edwards and Hyman (1994), Blyton and Tumbull (1996), Aligisakis (1997), Stokke and Thornqvist (2001), Piazza (2005), Chernyshev (2003), Beardsmore (2006), Scheuer (2006) and others. The next section of this paper explores the concept of convergence and some of the ways convergence might be tested empirically, with special reference to global work stoppages. This is followed by a discussion of the data used in this study. The penultimate section reports on the results of the global aggregation of data and the results of a number of statistical tests carried out on the data. Conclusions then follow. Technical aspects of the study appear in the appendices.

CONCEPTUALISING CONVERGENCE

As mentioned above, the idea of convergence has long been around - sometimes implicitly, at other times explicitly - in the work of many influential writers. Convergence itself occurs when socioeconomic systems, or components thereof, take on common characteristics, perhaps increasingly common characteristics when the forces of convergence are strong. During the post-war period much has been written on the tension between the forces of convergence and divergence. It is not possible to briefly review this vast literature and do it justice, so we will focus instead on identifying the form that the forces of convergence and divergence might take with reference to our particular topic of interest: work stoppages.

A Framework for Testing for Convergence

The variable to be analysed in this paper, work stoppages due to strikes and lockouts, is a measure of industrial conflict between the owners and representatives of capital and labour resources. The exact form of the measure will be elaborated upon in Section 3. In this subsection we shall seek to explain the particular approach adopted in this paper to analysing the data.

In the literature on work stoppages and the forces of convergence and divergence, the focus has, to date, been mainly on country by country comparisons (for example Shalev 1992, Edwards and Hyman 1994, Aligisakis 1997, Piazza 2005 and Beardsmore 2006). The approach adopted in this paper is to analyse work stoppages in terms of a two-fold split of the

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3 The debate has been particularly contentious with respect to the role that globalisation may have played in fostering the convergence of per capita income. For example, the recent notable contribution of Firebaugh and Goesling (2004) arguing that globalisation has been associated with declining inequality has attracted a critical response from Wade (2004b). See also Wade (2004a) and Edward (2006).
global economy. That split involves North America as one “half” of the global economy. The other “half” of the global economy is the rest of the (non-North American) world.

The rationale for this split is as follows. First, North America, which for the purposes of this exercise is composed of the USA and Canada, is of course dominated by the USA. The USA is the world’s largest economy and has been so throughout the period of this study. Of the countries incorporated in this study, the USA accounts for about 40 per cent of global GDP (as defined).

The USA was the driving force behind the resurrection of a tattered European economy after the World War II via the Marshall Plan and it was similarly important in giving a new direction to the Japanese economy at around the same time. In the early 1990s, with the disintegration of the Soviet Union, the singularly powerful position of the USA became further entrenched. Thus the split of the global economy into a North American “half” is based, in part, on recognition of the singularly powerful position of the USA in the political economy of the globe since World War II.

The other “half” of the globe is composed of the rest of the world. In fact the rest of the world excludes both China and the Russian Federation. This is because there are no official data on work stoppages for China and data for Russia has only recently become available for the last decade or so. The “rest of the world” is composed of a collection of countries for which data on work stoppages are available in one form or another for the period 1960 to 2002. More details of how the index of stoppages for the rest of the world is constructed are given below and in Section 3 of the paper.

The second reason for the global split is that we hypothesise that the North American economy and the rest of the world (as defined) (a) respond to one another and (b) respond to common stimuli that affect, to varying degrees, all the economies of the world. In other words, we hypothesise both (a) interdependence between North America and the rest of the world and (b) sensitivity of both North America and the rest of the world to global stimuli such as global changes in (say) energy costs, telecommunications technology, political perceptions and so on.

The third reason for the global split is that we argue that convergent tendencies can be understood and measured from various perspectives. A micro perspective might focus on the convergent behaviour of (say) individual firms. A couple of levels up from that might involve convergent behaviour by regions within a country. A further level up might involve the convergent behaviour of nation states. And a further level up might involve convergence by global regions. The latter perspective is of course the one of interest in this paper. We note that all approaches offer insights into the dimensions of convergence. However, to date, convergence at a global level has not been explored, and our purpose is to do just that.

The final reason for the global split, and perhaps the reason most central to providing this approach with its own particular form of theoretical leverage (so to speak), is that this approach mitigates the potential influence of small idiosyncratic countries whose atypical experiences may be assigned a greater degree of significance than is, in an aggregate sense, warranted. This needs elaboration.

Imagine, for the purpose of illustration, that the world is made up of just five countries: North America plus countries A, B, C and D; and that all countries have the same per capita income levels and the same initial stoppage rates. Imagine further that North America and country A experience a 20 per cent fall in work stoppages rates, while countries B, C and D each experience a 100 per cent rise in work stoppage rates. In country-by-country comparisons, we would be drawn to the prima facie conclusion that, at a global level, there are very mixed trends in stoppage rates; though, a majority of countries have experienced a rise. Now imagine further that North America and Country A have populations of 300 million each; while countries B, C and D each have a population of 1 million. When the relative size of economies is allowed for, there will be an overall decline in stoppages; in other words there will be decline in stoppages for countries A, B, C and D combined, as well as a decline in North America.
The above illustration indicates a central advantage associated with taking, what might be called, a “super-macro” approach. It offers an alternative global perspective that country-by-country approaches typically ignore.

In this study we focus on the overall stoppage rate for the rest of the world by weighting each country’s contribution to the global stoppage rate according to the relative size of its Gross Domestic Product. Thus the Japanese and German economies are accorded more influence in the index than, say, Nigeria and Bangladesh. We argue that labour market events in Japan and Germany register more profoundly in North America than do labour market events in Nigeria and Bangladesh in spite of the fact that the labour forces are somewhat similar in size.

Visualising the Processes of Convergence

The forces of convergence can take different forms (Kerr 1983, Wilensky 2002, Islam 2003, Parente and Prescott 2006). With reference to the area of interest of this paper, we can envisage a number of different possible forms of convergence that will act as a frame of reference for later sections of the paper. We start with Panel A of Figure 1. Here we have a relation between two variables (X and Y) which is obviously divergent over time. Variable X is trending down over time, while variable Y is moving in the opposite direction. Panel B of Figure 1 depicts what has been labelled “complete convergence”. Variables X and Y eventually merge to travel identical paths. Panel C depicts what we have labelled “parallel convergence”. Here the two variables are moving in the same direction, perhaps responding in much the same way to some exogenous force, but their underlying values differ. This is a weaker form of convergence than the “complete” form, though it may be the case that the short-run dynamic path travelled by the variables in the “parallel convergence” story is highly similar, indeed conceivably identical. Panel D depicts what we have labelled “cross-over convergence”. Here the two variables are moving in the same broad direction; however the short-term paths that the variables take are often at odds. The short-term path, as reflected in the proportional (say) annual change in the variables, may differ quite markedly, but in the longer term, the two variables will end up in a similar long term position.

The impression that variables are converging or diverging over time can be affected by the timeframe chosen. For example, if we had chosen a period of time up until the crossover point “a” in Panel D of Figure 1, the impression would have been formed of complete convergence. If we had chosen a time frame from crossover point “a” to point “b”, the impression would have been formed of a divergent relation. Point “c” following on, on the other hand, is suggestive of the emergence of parallel convergence. It is important, thus, to keep in mind that the results of any empirical analysis are specific to the timeframe under consideration. Broad generalisations and extrapolations beyond the period under study can be hazardous.

Drivers of Convergence

What is it that might generate a tendency for social systems and/or the subcomponents (e.g. labour markets) of those social systems to converge, not necessarily completely, but at least partially and noticeably?

We suggest that, in the first instance, the core of any explanation of convergence requires an appreciation of some of the characteristics of the single key element of all social systems. That irreducible key element is of course the human primate. Among many other things, humans have evolved to copy the behaviour of others. The copying instinct enables humans to acquire know-how and skills that are advantageous, more often than not, for survival. Human society is replete with manifestations of the human proclivity to imitate. Fashions in clothing design, hair styles and expression serve as common illustrations. Fashions also influence the world of ideas where abstract “isms” of one form or another attract adherents, for varying amounts of time. Communism, monetarism, postmodernism,
existentialism, Confucianism, atheism and so on are examples of templates for bringing a form of order to the world. Imitation is not the only human behavioural characteristic that produces convergence. Tribalism, the sense of belonging to one or another clan or extended group of individuals, is also a powerful motivator of human behaviour. At times, tribalism may cause patterns of behaviour to diverge. For example when one group, informed by one set of theological stories, sets itself apart from another group beholden to another set of stories. Nevertheless, even when tribal groups have apparently little in common, it may still be the case that they will learn from one another, if only in their weaponry.

There is a tension between forces of convergence and forces of divergence; and over time, the relative strength of these forces may rise and fall. The separation of societies in time and space and the absence of communications between different societies will act to generate divergence. Indeed, over the millennia, human societies have adapted in different ways to all manner of different environments. It has been this capacity to adapt and be different that has enabled humans and their societies to survive. Drawing on a number of anthropological studies, Kerr (1983) observed that:

“Humans have spread around the world in all kinds of climates and into all types of natural resource situations, and have adapted to each more creatively than any other living organism. This is one source of their worldwide dominance” (p. 2).
Thus, the underlying forces for convergence – the scope for imitation and learning from the actions of others – will likely increase if communications between individuals in different societies are allowed to flourish. The spectacular growth in global communications in recent years will likely more strongly foster the forces of convergence, at least in some areas. Similarly, the continued growth in international trade in goods and services and the freeing up of capital and labour flows globally might also be expected to have a positive impact on the forces of convergence.

**Choosing between “Attractants”**

We distinguish in this paper between, firstly, the innate propensity for copying and imitation that leads to a convergence of individual and group behaviour and, secondly, the acquired or learned behaviour itself – which we shall refer to as the “behavioural attractant”, or more simply the “attractant”.

To illustrate, imagine a new menswear fashion emerges of wearing a black tie dangling from the back of the neck in combination with a collarless shirt; and this fashion becomes known as the “back-dangling tie look”. We might imagine that the instigator of the fashion is a particularly popular movie actor who was required to assume that appearance in a top-grossing movie.

The first element in our illustration is the innate propensity for copying and imitation. This is reflected in this example in the adoption of the behaviour of wearing a back-dangling tie by various individuals within the community. Community members will adopt this fashion for various apparent reasons. The prime movers may take up the fashion because it bestows upon them a vague resemblance to the character portrayed in the movie and, by consequence, a greater ability to get a date with adoring females fans of the movie actor. Others may subsequently take up the fashion because their peers have; while somewhat further down stream, others may adopt the fashion because back-dangling ties are all that is available in the stores (assuming that the fashion catches on) and these individuals tend to wear whatever happens to be available.

All of the adopters of the fashion will, we argue, take to the fashion for various self-gratifying reasons. In other words, they will adopt the fashion because it yields them perceived benefits. The “prime movers” will perceive a benefit of having more dates. Others will perceive a benefit associated with gaining peer-group approval; while still others, further downstream, will perceive a benefit associated with minimising their search time and wearing whatever is on the racks.

The second element in our illustration is the “behavioural attractant” itself. We have imagined thus far that the attractant is wearing a back-dangling tie. But other attractants – i.e. patterns of behaviour - may also attract followers. Other attractants might include having long hair or having no hair or wearing thin-rimmed glasses or thick-rimmed glasses or wearing baseball caps back-to-front and so on.

Potential attractant can be viewed as being, in many ways, quite independent of the copying process. There are very many potential attractants. However, in a society that permits choices, those attractants that gain the greatest number of adherents are likely to be those that are perceived to generate the greatest benefits to their adopters.

**Contextualizing Concepts**

Now let us contextualise the notions developed in the preceding subsection so as to relate them to the issues of political economy to which this paper is addressed.

During the period under examination (1960-2002), there were two very broad approaches to economic management vying for ascendancy in the market place of ideas and ideologies, as well as vying for ascendancy on various battlefields – both hot and cold. One approach or paradigm favoured individual choice, free markets and minimum government involvement in the day-to-day management of the processes of production. This approach is
broadly consistent with what is generally known as neoliberal economics. The other approach or paradigm favoured collectivism in various forms, production and distribution by government decree, and government involvement in the day-to-day management of the production process. At its most extreme, this approach was broadly consistent with the policies pursued by the former Soviet Union and China under the leadership Mao Zedong.

It is important, of course, to recognise that there have been many intermediate systems in place during the period under review. The USA has never had anything but a neoliberal economy, but it has, at different times, had various degrees of government involvement and intervention in the economy. Many Western European economies have pursued social-democratic (i.e. socialist-inclined) policies, at various times; as has India, particularly during the Prime-Ministerial periods of Nehru and Sonya Gandhi. Thus there have been, at different times, various degrees of neoliberalism and collectivism simultaneously present in the mix of policies employed in managing various economies.

These various systems of economic management can be viewed as “attractants” to governments, policy advisors and citizens in general. Those policies that are perceived to generate the greatest benefits will likely attract the greatest support. Different sections of the citizenry will be attracted to different policies because of the perceptions of benefits to be gained. Democratically accountable governments are typically mindful of the need to succeed in providing for the material wellbeing of their citizens and, in the long run, will likely adopt policies that work (and thus win votes) rather than simply conform to ideology. Thus governments of all leanings, and especially democratic governments, will in the long run likely adopt or converge on those policies that are perceived to be most likely “to deliver”. In coming to a judgement as to which policies (ideas and ideologies) work best, governments and policy advisors will be obliged to evaluate the evidence as revealed by the successes and failures and near misses of other nations.

It will be argued in Section 4 that perceptions about the effectiveness of different (“attractant”) paradigms of economic management changed quite noticeably during the period under review, and these changes contributed in part to the changing global pattern of work stoppages. More specifically, it will be argued that in the early 1980s there was a marked general shift towards the adoption of the “attractant” neoliberalism and a concomitant shift away from the “attractant” of collectivism. This shift and the accompanying convergence of policy in turn impacted on labour market management approaches in general and work stoppages in particular. These issues will be further explored in Section 4.

THE DATA

We base our comparative analysis on days not worked (DNW) due to strikes and lockouts per labour force (LF) member – hence forth abbreviated DNW/LF – for the period 1960 to 2002. For these years data are available from the International Labour Organisation – the ILO-(augmented by a number of local sources and international bodies, see Appendix A) for 38 countries. These include 14 countries from Europe, 6 from the Americas, 14 from Asia and Australasia and 4 from Africa. Our intention, as discussed in the previous section, is to compare North American experience with that of the rest of the world. In other words, we wish to explore the possibility of there being a long-term convergence in DNW/LF due to work stoppages in North America with the rest of the world.

Before proceeding, we note that there are well-known limitations placed on comparisons of international data on working days lost due to work stoppages. Different countries employ different methodologies in calculating these data (Walsh 1983, Beardsmore

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4 Those countries are: Austria, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, UK, Canada, Guyana, Peru, Puerto Rico, Trinidad & Tobago, USA, Australia, Bangladesh, Cyprus, India, Israel, Japan, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, South Africa, Mauritius, Morocco and Nigeria.
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2006) and thus caution needs to be exercised when drawing strong conclusions from these data. Nevertheless, it is not unreasonable to employ these data for the purposes of this exercise for the following reasons. First, the possible effect of definitional and collection differences are limited when the focus is on (as in this study) DNW, rather than, say, the raw number of stoppages. This is because DNW statistics tend to be dominated by major disputes about which relatively reliable data are recorded on account of their high visibility (Turner, 1969). Thus numerous smaller disputes, the dimensions of which may not be recorded as accurately as for larger disputes (Kelly and Nicholson 1980, Korpi 1981), have collectively a much less similar impact on the shape (i.e. the volatility) of the aggregate data, than do the relatively small number of large-scale disputes. A second reason for applying these data is that these are the officially recorded data that signal to the world community the state of affairs in different countries around the world. It is this information – for better or for worse – to which much of the world community respond after perhaps factoring in an allowance for characteristics of the data that are idiosyncratic to particular countries. Finally, these are the only data available that come in any way close to being an objective long-term measure of changing patterns of conflict in the labour market. There simply are no alternative or superior measures available of this important labour market dimension.

As discussed in the preceding section, our data are split into two semi-global aggregates. The first aggregate is for North America, which is composed of the USA and Canada. The second aggregate is for the rest of the non-North American world for which data are available for the whole 42 years of the study.

More on USA Data

The North American Series is the weighted average number of DNW/LF for the USA and Canada. The weights are determined by the ratio of each country’s nominal GDP denominated in USA dollars to the combined GDP of the two countries. The shape of this series is dominated by the pattern of DNW/LF in the USA.

One important adjustment to the USA data should be noted. In 1982 the USA ceased collecting and publishing data for small-scale stoppages and continued publishing data solely on large-scale stoppages, i.e. stoppages involving 1000 workers or more and lasting at least one full shift (Bureau of Labor Statistics 1982a, p 102 and 1982b, p. 111). This was a major definitional change. Between 1947 and 1981, small scale disputes had accounted for, on average, about 30 per cent of all days not worked. To correct for this change, we adjust or “gross-up” the post-1981 data for the definitional change. Rather than simply grossing up the data by apportionment, we model DNW/LF for small-scale stoppages and forecast small scale dispute numbers. The overall shape of the aggregate DNW/LF series are similar regardless of whether small-scale DNW/LF numbers are forecast through a simple apportionment procedure or whether forecast via regression analysis. However, given that in the past the DNW/LF for small-scale stoppages was much less volatile that DNW/LF for large-scale stoppages and the forecasts based on regression analysis generate forecasts more comparable to past patterns, we have elected only to employ regression-based forecasts in our tests.

For the USA, for example, between 1947 and 1981 approximately 70 percent of all DNW were attributable to large-scale strikes (involving one thousand or more workers). These large-scale stoppages accounted for merely 7 per cent of all stoppages. See Bureau of Labor Statistics (1982a), p. 102 and (1982b), p. 111.

We hypothesise that the change in the log-linear value of DNW per employee in small-scale stoppages is a function of the change in the log-linear value of the following 5 variables: (i) DNW per employee in large-scale stoppages, (ii) union density, (iii) the unemployment rate, (iv) the price level and (v) real GDP. The data are stationary and coefficient estimates are all significant at (minimally) the 5% level. The adjusted coefficient of determination is 0.72. Further details will be supplied on request.

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5 For the USA, for example, between 1947 and 1981 approximately 70 percent of all DNW were attributable to large-scale strikes (involving one thousand or more workers). These large-scale stoppages accounted for merely 7 per cent of all stoppages. See Bureau of Labor Statistics (1982a), p. 102 and (1982b), p. 111.

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More on the Rest of the World

The stoppage rate for the rest of the world is calculated on the following basis. First, for each country, DNW/LF data are calculated. Second, each country’s contribution to the “global” index is weighted according to its relative size amongst the 36 non-North American economies that make up the index. The relative size of each country is determined by each country’s nominal US$ GDP for each year. Because of this weighting procedure, the rest of the world’s “global” index is most strongly affected by stoppages in those economies with the largest GDP. Less developed economies with large populations but small GDPs are much less influential.

The rationale for the weighting arrangements is that we have sought to construct a global index of stoppages that reflects the influence of such stoppages on the world economy in general, as discussed in the preceding section. Thus while Nigeria, for example, may have had an explosive increase in stoppages during the mid 1990s, the global economic impact of its experience has arguably been quite small. On the other hand, the explosive increase in stoppages in France during May and June of 1968 did register around the world, and arguable did influence perceptions and mind sets around much of the world, because of the relative importance (i.e. size) of the French economy.

Finally note that the comparative GDP figures are not based on purchasing power parity adjusted estimates. The GDP estimates are all denominated in terms of nominal $US values. These values, it is suggested, may better reflect commercial perceptions of the relative international economic status of the various economies that are constituents of the rest of the world’s “global” index.

TESTING FOR CONVERGENCE

In this section we, firstly, chart the DNW/LF data so as to gain a visual impression of the pattern of change in the data. Secondly, we test the statistical properties of the data so as to gain a fuller appreciation of the relationship, if any, between the pattern of work stoppages in North America and the pattern in the rest of the world. Finally, we comment on how these results might be interpreted.

Visualising Data

Figure 2 depicts the pattern of DNW/LF for North America (USA plus Canada) and the rest of the (non-North American) world. So as to get a better visual sense of the underlying relation between the two series, Figure 3 presents a smoothed rendition of the data. The following observations are offered. First, there are broad similarities in the data for the two series. During the 1960s and 70s both series record, on average, relatively high values. During the 1980s and beyond, both series have, on average, relatively low values. Second, the North American series peaked in 1970; two years after the series for the rest of the world peaked in 1968. During that year, major disruption accompanied student strikes and protests in France during May and June. Phelps-Brown (1975) observed that the: “French students revolt in 1968, and the near general strike that followed, sparked a Prairie fire of strike action that spread across Europe in the next two years …” (p. 5-6). Third, from 1970 to 2002, DNW/LF for North America trended down; while for the rest of the world from 1968 to 2002, DNW/LF trended down. Fourth, the data suggest that North America has been, on average, relatively more dispute prone than the rest of the world (as defined). Fifth, both series appear in broad terms to converge over the entire time frame, this is more in evidence in Figure 3. During the 1960s the data initially diverge but then converge by the end of that decade. During the 1970s the series initially diverge but then...
Figure 2. Work Stoppage Rates – North America and the Rest of the World

Figure 3. Smoothed Stoppage Rates - North America and the Rest of the World
converge by the end of that decade. From the 1980s onwards both series trend down, diverging a little along a common downward trend to re-converge by the end of the period under review.

**Statistical Tests**

We next conduct a number of statistical tests on the data. The intention behind this section is to check on the stability of the relation between the two series over the timeframe under consideration. In other words, we are testing for evidence of a durable relation between the two series, as well as for the possibility that there may have been, at various times, fundamental (or structural) breaks in the underlying relationship between the two series that cannot be attributed to chance events. So as to avoid being side-tracked by technicalities that might be expected in a statistical section, we place the details of the statistical testing procedures in Appendix B, focussing here instead on the broad findings.

The statistical test results are consistent with a view that the series exhibit a significant long–term equilibrium relationship (i.e. the two series are cointegrated). However, there is also evidence of a break in the long-term relation most likely on or around 1967.\(^7\) A visual inspection of Figures 1 and 2 might suggest that this result is not unexpected. The stoppages series for the rest of the world does after all noticeably spike in 1968 because of the explosive increase in time lost due to strikes in France during the period of the aforementioned student revolt. Also, for some years prior to the 1968 spike in stoppages, stoppage rates were diverging. Thus our statistical results confirm the significance of the jolt to the long-term relation in 1968.

The evidence of a jolt to the long-term equilibrium relation does not in anyway negate the evidence that there is a statistically significant long-term equilibrium or durable relation between the two series over the timeframe under review. Rather it adds to the detail of the relation. The tests also suggest the long-term relation has remained in tact since 1967, in other words undisturbed for over 30 years.\(^8\)

**Interpreting results**

There is strong evidence of linkages in the global pattern of stoppages as defined. These linkages can be gleaned from a simple visual inspection of Figures 2 and 3, and are confirmed more formally through the statistical tests. It is suggested that these data are consistent with a view that, at a very broad “super-macro” level, what has happened in one part (i.e. one approximate half) of the world economy has impacted on what has happened in the other part of the world, and both “halves” of the globe have responded somewhat similarly, in the long run, to various socioeconomic stimuli.

We suggest, somewhat speculatively, that one of the major forces giving shape to the work stoppages series in Figures 2 and 3 has been the general perception of the relative effectiveness of two broad policy approaches to economic management.\(^9\) In Section 2, we

\(^7\) There is evidence of a possible break in the long-term equilibrium relation on or around either 1967, 1978 or 1981. However, the tests most strongly support the case for a break on or around 1967 for two reasons. First, the author of the tests (Inoue 1999) argues that, when a break date is not known a priori, a particular form of structural break test is preferred (Form B discussed in Appendix B). When this preferred form is tested for, it is only in evidence in 1967. Second, the test statistics for a break in 1967 are stronger than the test statistics for a break at other dates (where different structural breaks assume different forms to the form of the break in evidence for 1967).

\(^8\) Short-term (year by year) changes in the relation are not precluded.

\(^9\) It is recognised that at a global level, as well as at a nation-by-nation level, a number of factors influence stoppages, as well as being influenced by stoppages (Franzosi 2002, Piazza 2003, Perry and Wilson 2003, Scheuer 2006). For example, during the 1980s and beyond
referred to two competing paradigms (i.e. attractants) vying for support. These were neoliberalism versus collectivism, though it was noted that there have been many approaches to economic management involving various mixes of neoliberalism and collectivism.

We argue that during the early 1980s a major shift occurred in perceptions of the relative effectiveness of neoliberalism versus collectivism. Specifically, a critical mass of support emerged in favour of neoliberalism sufficient to propel the progressive introduction of numerous reforms including those that reduced the power and influence of unions and their capacity and inclination to strike.

This raises two questions. First, what were the changes during the early 1980s that propelled the ascent of the neoliberal attractant and contributed to a marked reduction in global stoppage rates? Second, what were the circumstances and events – the antecedents, so to speak - that promoted a perception more favourable to neoliberalism and less favourable to collectivism?

First, we point to two key and iconic changes that propelled the ascent of the neoliberal attractant and subsequent decline in stoppages. One was the coming to power in the UK of the Thatcher Administration in 1979; the other was the coming to power in 1980 of the Reagan Administration in the USA. Both of these conservative administrations succeeded in defeating various challenges to their authority by militant unions (Pettersson 2004, Reagan 1990, Western 1997). The conflicts were well publicised and relayed graphically around the world. Arguably the disputes and their outcomes had a strong demonstration effect worldwide.

Second, we point to 3 antecedent developments that helped form perceptions that were increasingly in opposition to collectivism in its various forms and manifestations. The first antecedent development was the sense of community frustration and antagonism towards the way in which unions in much of the world exercised power during the economically-troublesome 1970s. In the UK, for example, during the 1978-79 so-called “winter of discontent”, public services such as garbage collections, ambulance services and nursing were severely disrupted as a result unions refusing to abide by government attempts to restrain wage and price inflation. These disruptions and the chaos and disorder they promoted became increasing unpopular, as did their instigators. A second antecedent development involved the jettisoning of collectivism in China. China’s collectivist policies, under the leadership of Mao Zedong, had long been a role model to many sympathetic politicians, unionists and intellectuals in the “West”. When Deng Xiaoping abandoned these failed policies in favour of individual responsibility, market forces and the encouragement of international trade, much of the credibility of collectivism collapsed. The third antecedent development to affect perceptions – but more so we suspect the perceptions of policy makers than the general citizenry – was the rise to prominence of the “Asian Tiger” economies during the 1960s and 1970s. These economies (South Korea, Taiwan, Hong Kong and Singapore) experienced high growth and falling unemployment rates while other developed economies experienced the opposite. The Asian Tiger economies eschewed collectivist policies, and their conspicuous successes stood in stark contrast to the flat performance of, for example, China’s failed dictatorially-driven collectivist policies and India’s failed democratically-endorsed collectivist policies (Little, Scitovsky and Scott 1970, Riedel 1989).

Doubtless other historical events and circumstances contributed to changing perceptions about market-oriented policies versus collectivist policies. The critical point, union density (the fraction of employees in unions) fell in many, though not all, countries (Visser 2006). For developed countries some of these falls have been linked to a relative rise in female employment, services sector employment and casual employment (Franzosi 2002). Inflation in developed countries fell. The forces of globalisation of trade and investment may have weakened domestic bargaining power of labour (Katz and Darbishire 1999, Munck 2004, Silver 2003, O’Brien 2004, O’Brien and Williams 2004). Moreover, neoliberalism itself may have partly influenced changes in these areas. We plan to explore these issues in a later paper. At this stage, we seek to focus, in a preliminary fashion, on the possible influence on labour market outcomes of different broad policy frameworks or paradigms.
though, is probably not so much exactly which historical events were most influential, but rather that, by the early 1980s, relatively significant reforms found approval and were introduced at various times in a large number of countries. The eventual collapse in 1990 of the Soviet Union, which was for a long time the world’s pre-eminent collectivist state, further reinforced the ascendancy of the neoliberal paradigm.

Neoliberalism that found favour during and after the 1980s has been generally unsuited – if not hostile - to the interests of unions and their capacity to engage in work stoppages. The widespread adoption, in one form or another, of neoliberal approaches to socioeconomic management has meant that, over time, an increasing number of countries have opted for policies that have either directly or indirectly acted as a constraint on union activity and the capacity of unions to invoke work stoppages as a vehicle for getting what they want.

CONCLUSIONS

This paper has applied the general notion of convergence to global work stoppage rates. A “super-macro” perspective is taken on the patterns of work stoppages, by dividing the globe into two approximate “halves”: North America and the rest of the world. This approach gives an alternative perspective on trends in work stoppage rates that augments existing approaches that analyse the forces of convergence at, for example, (i) an industry level, (ii) a national level and (iii) an international, i.e. country-by-country, level.

It has been argued that there have been strong forces generating a broad convergence in the pattern of global work stoppages over the period 1960 to 2002. It has been suggested that the global decline in work stoppage rates has been linked, in part, to the worldwide ascent of neoliberal socioeconomic policies. Nevertheless, other factors have also likely contributed to the long-term pattern of declining stoppage rates. These influences, as well as determinants of short-term (year-to-year) fluctuations in stoppages, warrant separate investigation, which the authors hope to be able to pursue some time in the future.
REFERENCES


APPENDIX A: DATA AND SOURCES


APPENDIX B: STATISTICAL TESTS

Section 4 tests for evidence of cointegration. If two variables are cointegrated then this implies that there is some common (stochastic) trend that “holds” the variables together (i.e. does not allow them to drift too far apart) over the long term. Consider a simple example from economic theory.\(^{10}\) It has been well established that there is an equilibrium relationship between consumption and income, which maybe written in equation form as:

\[
C_t = bY_t
\]  

(B1)

Where the subscript refers to an observation in some given time period, \(t\), and \(b\) refers to the proportion of each extra dollar income that is spent on consumption (known as the marginal propensity to consume). In this form, equation B1 is portraying an equilibrium relationship between the two variables \(C\) and \(Y\). Equation B1 can be re-written as:

\[
C_t - bY_t = 0
\]  

(B2)

However, it is unrealistic to expect equation B2 to hold exactly at every possible time period. Instead, for a variety of reasons, one would expect random departures from this relationship at any time, \(t\), and we can measure these random departures as:

\[
C_t - bY_t = e_t
\]  

(B3)

Where the term \(e_t\) captures short-term movement away from the long-run equilibrium position that holds between the two variables. If, in fact, there is a long-run equilibrium relationship between \(C\) and \(Y\), then \(e_t\) should fluctuate around some value which is the average of the \(e_t\), or even decline over time. This is basically saying that there is some linear combination of the two variables, \(C_t\) and \(Y_t\) that is said to be stationary. In its simplest form, then, the two step test for cointegration as developed by Engle and Granger (1987), examines the behaviour of this “disequilibrium” error term to ascertain whether there is a long-term relationship between the variables in question (in our simple example, \(C\) and \(Y\))\(^{11}\). If it can be

\(^{10}\) An excellent introduction to the concept of cointegration may be found in Perman (1991).

\(^{11}\) The two steps of the Engle-Granger process consist of a regression to estimate the long run relationship between \(C_t\) and \(Y_t\) and extract the estimated residuals, \(e_t\). The second step is to run a further regression of the differenced residuals against residuals lagged one period. The
established that the variables are cointegrated, then this implies that there is a long-run equilibrium relationship between these variables. In summary, cointegration is a test to establish if there is evidence of a statistically significant long-term relation between the two variables; such a relation is consistent with the presence of a long-term equilibrium relation, subject to short-term variations. A cointegrated relation is, in turn, evidence of a form of convergence – such as parallel convergence as discussed in Figure 1 Panel C, or crossover convergence as discussed in Figure 1 Panel D.

Our tests to establish the presence or otherwise of a long-term cointegrated relation between our two super-macro variables of work stoppage rates involves three sequential procedures.

The first procedure is to establish that the variables, (i) the natural log of North American DNW/LF and (ii) the natural log of the rest of the world’s DNW/LF, are stationary in terms of their first differenced values. A well-established battery of tests show the differenced series are stationary. In order to keep things brief these results are not tabled, but will be supplied on request.

The second procedure is to test for cointegration between the variables described above. While Engle and Granger (1987) introduced the concept of cointegration, and developed a two step procedure to test for the existence of such a relationship, this procedure had certain limitations. A more general test was developed by Johansen (1988) and Johansen and Juselius (1990) which is commonly known as the Johansen “rank” test - so called because it tests for the number of cointegrating vectors in a system of equations, which is called the cointegrating rank of the system. While the Johansen rank test also examines “disequilibrium” behaviour it does so in a much more sophisticated fashion that can incorporate any number of variables (at least theoretically) and does not need the analyst to distinguish between dependent and independent variables for the regression equations in the system under study. Very briefly, one undertakes a Johansen procedure within what is known as a Vector AutoRegression (VAR) framework. For example, in a VAR framework with two variables, say $C_t$ and $Y_t$ from our earlier economics example, there will be two equations, such that in one equation the dependent variable is $C_t$, and in the other equation, the dependent variable is $Y_t$. The regressors in both equations are lagged values of both variables - this can be extended to any number of variables.

Now, in the Johansen procedure two types of regressions are estimated. First a VAR of differences is estimated. So in this case, to continue our consumption/income example, we would run the differenced value of $C$ against lagged values of the differenced value of $C$ and $Y$ and we would repeat the procedure for differenced $Y$. We would save the residuals from these estimations in two vectors (because we have run two regressions), let us call these vectors $u_1$ and $u_2$. A second battery of regressions is now run. In this case we regress the level of each variable against a set of lagged differenced values of each variable. Again, we save the residuals in two vectors, let us call these vectors $v_1$ and $v_2$. Next the variance-covariance matrices of these four residuals are calculated (these are generally termed product moment matrices). These product moment matrices are then used to find the cointegration vector (or vectors if a large number of variables are being examined and the possibility of more than one common trend exists). Without delving into technical detail this is done by forming a larger matrix from these product matrices and then finding the eigenvalues of a determinant of this matrix such that this determinant is zero (i.e. “vanishes”). An eigenvalue, also known as a characteristic root, is simply a number (scalar) that ensures the determinant of the matrix vanishes, i.e. equals zero. If the determinant vanishes then the matrix is said to be singular. A singular matrix is one in which there exists linear dependence between at least two rows or columns (a cointegration test is checking for such linear dependence). The Johansen procedure is often referred to as the rank test since the rank of a matrix is defined as the maximum number of linearly independent rows or columns there are in a matrix (hence this regression coefficient from this second regression is then tested for stationarity which will determine whether the variables $C_t$ and $Y_t$ are cointegrated or not.

12 For a discussion of these limitations see Enders (2004).
allows the determination of the number of linearly dependent rows or columns there are – the
cointegrating rank). How many such numbers (eigenvalues) there may be will depend on the
number of variables in our system. Once all such eigenvalues are found they are arranged in
order of “significance” – in the first instance this will be a high to low ordering in terms of the
size of the eigenvalue, with “significance” being determined by further tests. It is these further
tests that will resolve the number of cointegrating equations (vectors) there are in the system.

Let us suppose the eigenvalues are denoted \( \lambda_i \) and these are ordered \( \lambda_1 > \lambda_2 > \lambda_3 > \ldots \) etc. Now,
if the variables are not cointegrated the cointegrating rank will be zero and all eigenvalues
(characteristic roots) will equal zero. Johansen devised two statistics to test this, viz. a trace test (statistic) and a maximum eigenvalue test, which effectively determine whether the
eigenvalue is significantly different from zero. Johansen adopted a clever approach to this
test. First we note that \( \ln(1) = 0 \) (i.e. the natural logarithm of one is zero). Consequently each of
the expressions \( \ln(1 - \lambda_i) \) will equal zero if the variables are not cointegrated (since all
eigenvalues will equal zero). Following this reasoning Johansen developed two tests for the
number of eigenvalues that are insignificantly different from unity – the trace statistic and the
maximum eigenvalue statistic. The trace statistic tests the null hypothesis that the number of
distinct cointegrating vectors (equations) is less than or equal to \( r \) (where \( r \) ranges from zero
i.e. no cointegration, up the maximum number of variables being tested). The maximum
eigenvalue statistic tests the null hypothesis that the number cointegrating vectors is \( r \) against
the alternative that it is one greater than \( r \) (i.e. \( r+1 \)). So the testing procedure is sequential
from no cointegrating vectors up through at least one, at least two and so on. For example, in
the trace statistic rejection of the null that \( r=0 \) implies the alternative of at least one
cointegrating vector and so on.

So, the Johansen procedure just outlined can test for the presence of a cointegrated
relation between our two variables – North America and the rest of the world - without
any allowance for a change in the structure of that relation. By this is meant that there is no
allowance for the possibility that there has been some change in the estimated coefficients
within the system that might impact on the outcome from the procedure used to estimate the
cointegrating rank. For example, there may have been a change in the levels (reflected in a
changed intercept) or a change in the trend slope (reflected in a “bend”), or a change in both.
The results of this test are given in Table 1 below. This table indicates the presence of a long-
term (cointegrated) relation between our variables.

### Table 1: Johansen Rank Tests\(^*\)

<table>
<thead>
<tr>
<th>( H_0: )</th>
<th>Nth America and ROW</th>
</tr>
</thead>
<tbody>
<tr>
<td>( r=0 )</td>
<td>( \lambda_{\text{Trace}} ) ( 26.7 ) (a)</td>
</tr>
<tr>
<td>( r \leq 1 )</td>
<td>8.3</td>
</tr>
</tbody>
</table>

\(^*\)The results presented are the Johansen trace and maximum Eigenvalue statistics. Results tabulated assume a trend component and critical values are taken from Mackinnon-Haug-Michelis (1999). A sequential estimation procedure was used to determine lag order. ROW refers to the rest of the world. (a) indicates reject null at 5% level.  

Our third and final procedure is to test for the presence of a cointegrated relation
between our two variables but this time with an allowance for a possible structural break in
the trend that may impact on the conventional Johansen approach, since other research has
shown that trend-breaks can produce an incorrect outcome from conventional tests of
cointegration (Gregory and Hansen, 1996 a,b and Inoue, 1999). In this instance we employ
the methodology developed by Inoue (1999) since it is a Johansen type test where an entire
system can be analysed in one pass as described above (as opposed to the Engle-Granger
(1987) type test developed by Gregory and Hansen (1996) where a two step procedure is
employed thereby increasing the likelihood of an error being introduced to the test)\textsuperscript{13}. The results of this approach are reported in Table 2 below. Note that the Inoue methodology does not presuppose (i.e. it does not assume \textit{a priori}) any particular year or set of years when a break may, for one reason or another, have occurred. Instead, the Inoue methodology is entirely data driven. The Inoue methodology allows for three varieties of trend-break. The first, referred to as Model A in Table 2, tests for a possible shift in the constant term in the linear equation linking the two series. If we assume this type of shift alone in the relation, there is evidence of cointegration with a possible break on or around 1978. The second variety of structural change, referred to as Model B in Table 2, tests for a possible shift in the slope coefficient in the trend component of the cointegrating equation. If we assume this type of shift alone, there is evidence of cointegration with a possible break on or around 1967. Finally, the third variety of structural break, referred to as Model C in Table 2, tests for a possible simultaneous shift in both the constant term and the slope coefficient. If we assume this type of trend break, there is evidence of cointegration in the presence of a possible break on or around 1981.

### Table 2: Inoue Rank Tests

<table>
<thead>
<tr>
<th>Nth America and ROW</th>
<th>Model A</th>
<th>Model B</th>
<th>Model C</th>
</tr>
</thead>
<tbody>
<tr>
<td>( H_0: \lambda_{Trace} = \lambda_{Max} )</td>
<td>( r=0 )</td>
<td>( r \leq 1 )</td>
<td>( r=0 )</td>
</tr>
<tr>
<td>( \lambda_{Trace} )</td>
<td>32.5 (b)</td>
<td>57.1 (a)</td>
<td>34.5 (a)</td>
</tr>
<tr>
<td>( \lambda_{Max} )</td>
<td>27.7 (b)</td>
<td>42.1 (a)</td>
<td>28.2 (a)</td>
</tr>
<tr>
<td></td>
<td>7.3</td>
<td>15.6</td>
<td>8.1</td>
</tr>
<tr>
<td></td>
<td>7.3</td>
<td>15.6</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Critical values for the trace and maximum Eigenvalue statistics are taken from Inoue (1999). ROW refers to the rest of the world. (a) indicates reject null at 1% level, (b) at 5%.

We note that reasonable arguments can be mounted to support the possibility of a structural break in the equilibrium relation between the two series on or around 1967 or on or around 1981 (or perhaps 1978). For instance, we have argued that a structural break in 1967 can be aligned to the spectacular increase in work stoppages in France in 1968. Or, a break around 1981 (or perhaps 1978) can be aligned to the successful rebuttal of militant unionism in the USA and the UK and the beginning of the decline in the status of collectivist policies starting in China with the coming to power of Deng Xiaoping. However, it is not our purpose here to develop an elaborate rationalisation for a break in the relation on or around one of these date since our purpose is simply to test for cointegration under the scenario of a possible trend-break that might otherwise yield incorrect results using a conventional Johansen approach. Now, if the precise form of the trend-break is unknown, Inoue (1999) recommends the use of model B which, in this case, identified cointegration with a possible break on or about 1967.\textsuperscript{14} Ultimately it comes down to a matter of judgement as to what weight we might

\textsuperscript{13} As explained in an earlier footnote the Engle-Granger procedure uses two regressions or passes through the data. The first regression estimates the residuals and these residuals are then used in a further regression. Two such “passes” increase the likelihood of an incorrect finding from the test. In addition, it is possible that the outcome may be different depending on which variable is used as the dependent variable. In contrast to this, the residuals from the Johansen procedure are not used in a further regression. In addition, since the procedure is developed in a VAR framework, all variables become dependent variables.

\textsuperscript{14} In hypothesis testing the probability that the test correctly rejects the null when the alternative is true is known as the power of the test. The three models that Inoue (1999) developed – Models A, B and C - tested the null of no cointegration against alternatives that allowed for mean and/or trend breaks in the cointegrating equation. In his Monte Carlo
choose to attach to different historical episodes. Nevertheless it would be incorrect to overstate the significance of these trend-breaks to the underlying long-term relation between the two variables. The evidence of cointegration in the presence of possible trend-breaks merely enhances the detail of the long term relation, the relation itself is not defined by possible structural breaks; rather it is defined by the durability of the long-term association – that has been shown to exist between the current series.

Simulations and development of asymptotic critical values Inoue found that (a) the power of his tests was not sensitive to the location of the break and (b) his Model B produced the highest probability of correctly rejecting the null compared with the other models. Under these circumstances Inoue suggested that, if the exact form of the trend break was unknown, then Model B should be the preferred model (see Inoue, 1999:233). In addition it should be noted that the Inoue methodology does not set out to identify a break-date, but rather to test for cointegration in the presence of a potential break. Consequently the procedure may miss the true breakpoint by an observation or two and, with annual data, this means a year or two.
BOOK REVIEWS


The last three decades have witnessed a changing social reality marked by neoliberalization, financialization, structural adjustment, post-Fordism, the new international division of labor, and the undoing of the welfare state. As scholars of global social change, we are constantly in search of new tools and concepts for making sense of these realities. This collection of both new and previously published essays offers a host of new ideas and fresh approaches through the lens of world-systems analysis. Chief Editor of this volume, Christopher Chase-Dunn, succeeds in connecting the new global research program to the older and broader literature on social change, grounding the seemingly new reality in its long historical and comparative context. Overall, this volume contributes to (a) improving the standards of global research, (b) expanding the scope of world-systems theory, and (c) transforming a world that has come to be dominated by transnational corporations and non-democratic governing bodies through the rational coordination of transnational social movements and the creation of a global democratic institutional framework.

The discussion for improving the standards of global research begins first with the critical step of distinguishing the global from the non-global. Babones (2006: 16) draws a line of demarcation with his definition of “a single, interacting system on a global scale that does not respect international borders.” This contradicts a widely held view that research is global when it includes the majority of the world’s population or countries. In light of the new definition, analyses drawing from this older and widely held standard often turn out to be non-global. For example, cross-national comparisons of life expectancy—though highly inclusive of world population—are of an aggregate rather than of a systemic nature. Life-expectancy in one country is not connected to life-expectancy in other countries due to some underlying system. This can be contrasted to climate change, since this is systemic in nature and the experience of one country can be linked to the experience of another. In a later chapter, Turner and Babones also discuss the global system of inequality. Here they give a rather technical discussion of the different relative and absolute measures that are available, describe the reality of inequality in the world, and attempt to understand it through modernization, dependency, and world-systems theories.

Beyond drawing the line between the global and the non-global is the even more daunting task involved with undoing the confusing and contradictory images that are evoked by the term globalization. These include the notions that globalization is entirely new, disconnected from the past, moving in a unilinear direction, and is primarily a positive economic force in terms of improving the conditions of traditionally poor societies. Most of these images are debunked in the chapters specifically addressing globalization, but additional chapters throughout the book contribute to this effort as well. Sklair broadly surveys the cultural, economic, and political conceptions of globalization that are found in the academic literature, maintaining that the world-system perspective can potentially integrate these. While it is not an exhaustive review—this would require another two or three volumes—it does address several important points. Hall and Chase-Dunn provide a discussion of globalization as being tied directly to historic cycles of expansion and contraction that include the Age of Discovery in the 16th century and the Industrial Revolution in the 18th century. They observe that the latest wave has achieved levels of spatial expansion heretofore unseen, thus giving the impression of globalization as an entirely new
phenomenon. However, they emphasize the real possibility of future deglobalization, since historical cycles suggest that contraction is an inevitable part of the systemic logic. Thus globalization does not move in a unilinear direction. In a later chapter, Gowan builds on this point when he addresses the process of hegemonic shifts, emphasizing that there are some historically unique qualities in the United States as global hegemon. Chase-Dunn summarizes the multifaceted view of globalization embodied in world-systems theory, and emphasizes the central importance of economic and political change. Consistent with the rather Habermasian vision of the book, Chase-Dunn concludes that the solution lies in a “global democratic commonwealth based on collective rationality.”

Another major contribution of this work is its theoretical insight. The first includes the aforementioned alternative views of hegemonic shifts. On one hand, the world-system can be understood as being dominated by one power (a unipolar core)—the U.S.—which Gowan suggests has altered the traditional pattern of hegemonic shifts. On the other, Arrighi maintains that the cyclical rise and decline of hegemons is inevitable and asserts that the U.S. is in decline. Perhaps a third view is the possibility of a transnational structure replacing historically national hegemons, in which existing institutions are reformed or re-made as Boswell and Chase-Dunn suggest. While Arrighi views hegemonic shifts to be endemic to the logic of the system—along with the decline of U.S. hegemony—Gowan takes the position that the U.S. has adapted and reasserted itself in ways that indicate otherwise. Might it be the case that the U.S. has become such a powerful hegemon that it can prevent its own decline? Can it do so against the will of a unified transnational government? These are some of the central questions that are considered.

A further theoretical discussion involves expanding world-systems theory to incorporate the environment, as emphasized most emphatically by Hornborg. Early environmental sociologists such as Riley Dunlap and William Catton, Jr. belabored the point that the environment should be treated not as a peripheral concern in sociological theory, but as dialectically related to changes in society. Hornborg is one of the few theorists to provide a serious treatment of the environment in this manner. He elaborates Marx’s labor theory to include the idea that natural resources can be exploited to increase profits in much the same way as labor. His perspective can be described as an ecological dependency theory or as ecological Marxism. The chapter on energy inequality by Bruce Podobnik lends an empirical illustration of why such a green theoretical expansion is desirable. For instance, by re-thinking inequality in terms of energy usage, economic and political inequalities are re-cast as different dimensions of the global hierarchy alongside the environment. Jorgenson builds on the notion of global environmental inequalities and hierarchy in his discussion of consumption and the reciprocally related uneven distribution of environmental problems. Jorgenson’s chapter is grounded in historical developments beginning with the end of the 15th century, highlighting differences in the development of the core and the underdevelopment of the periphery. Moreover, Jorgenson relates his discussion to the extant literature in environmental sociology by discussing treadmill of production theory, the second contradiction of capitalism, ecological modernization theory, and the empirical literature associated with IPAT (first with Ehrlich and associates, and later with Dietz, Rosa, York, and associates). In sum, rather than making an additive contribution, the inclusion of environmental considerations has the potential to radically alter world-systems theory.

A final major contribution of this volume deals with future alternatives, and attempts to be forward-looking without being utopianistic. The focus is on Transnational Social Movements and the need for a global democratic institutional framework. Although not presented in this way, I view the foundation argument for this section to be in the environmental, labor, and anti-corporate globalization movements outlined in the chapter by Buttel and Gould. The central
emphasis of their discussion is on the need to overcome differences between individual movements in order to provide a unified resistance to the now dominant actors that are transnational corporations and international financial institutions. This discussion is bolstered by a chapter on gender and globalization by Moghadam, and a chapter on global civil society by Smith and Weist. Moghadam’s discussion reveals the dynamics of economic and cultural globalization in terms of gender. Central to this is her claim that the feminization of labor goes hand-in-hand with the general pattern of downward pressure and the cheapening of labor. Moreover she illuminates the cultural backlash to the feminization of labor in the forms of sexual harassment and discrimination. The chapter by Smith and Weist takes an empirical approach to understanding individual level participation in TSMs, while accounting for national level variables. They find that the national indicators of political democracy are important predictors of individual level participation, but that economic integration is not a good predictor because it does not guarantee greater political openness.

The two concluding chapters, by Boswell and Chase-Dunn and by Markoff, deal with the democratic institutional basis for TSMs. What these chapters respond to is global economic and political integration and the formation of a non-democratic transnational institutional structure. Consistent with the earlier chapter by Buttel and Gould, Markoff points to the immense diversity within the different TSMs, in terms of ideology, tactics, organizational structure, and long-term objectives. Boswell and Chase-Dunn take this a step further by adopting a strong stance that essentially denounces the global anarchy philosophy that many organizations and social movement participants espouse either explicitly or implicitly. Boswell and Chase-Dunn claim that the only way to counter global economic and political integration is to create a transnational democratic institutional framework by either reforming existing institutions such as the United Nations, or by creating new institutions. Retreating into localism does not accomplish this goal, so it is thus criticized as an alternative.

For any graduate student or serious researcher in the area of global social change this book is a must read, as it contains the most up-to-date discussion of several key issues that have long been neglected in the literature, particularly with respect to doing comparative, cross-national, or global social research. Certainly more could be added to the discussion of globalization and its many different meanings and approaches, but an adequate treatment of this has already been attempted in several other edited works, such as the one by Held and associates. It is more worthwhile to delve into specific theoretical and substantive issues—as this volume does tremendously—with respect to global social movements, civil society, hegemony, democratization, environment, inequality, gender, and labor issues.

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If there are any positive outcomes of global warming they may be the growing awareness that it is indeed at global issue that requires similarly scaled solutions (albeit with regional and local variants of each) and that \textit{Homo sapiens} are integral parts, to the enhancement and detriment, of the ecological system(s) of the earth. Among intellectuals, global anthropogenic climate change is fostering the blurring divisions between those who exclusively study human-centered social systems and those focused solely on non-human “natural” systems. While disciplinary boundaries are not in imminent danger of disappearance, there are a number of scholars who are taking a more holistic approach to their research by extending the reach of their areas of inquiry and seeking collaboration with colleagues in other departments as well as those outside of the academy.

This edited volume reflects these welcome developments. Its publication is part of a two-volume collection of papers from scholars who had participated in a conference held in Sweden in 2003, titled “World-System History and Global Environmental Change.” The goal of the conference was to bring together researchers studying world systems; i.e., human social systems, and those specializing in earth-systems; i.e., “natural” ecosystems. The attendees came from a number of different fields and this diversity is reflected in the range of their contributions.

It is the focus on world- and earth-systemic processes such as climate change, socioeconomic synchrony, and energy, material, and information flows, that unites this collection, along with the realization that a robust understanding of those processes requires an approach that recognizes the recursive interaction of humans and nature in socioenvironmental change. Much of the research presented is over \textit{la longue durée}, here extending as far back as the Neolithic. The scale and temporality featured here is what is different from most work in the field; these scholars think big, and they benefit from new data and computer applications that can enhance our understanding of systemic complexity at regional and global levels and deep into history.

A number of chapters attempt to specify a framework for analysis of this type. In her contribution, Carole Crumley calls for a holistic and transdisciplinary (or possibly unidisciplinary?) “historical ecology” that utilizes complex systems theory, multi-scale ecology, and heterarchy (non-linear, non-hierarchal order) to understand the environment-culture interaction. In recognition of the variability of the natural environment and the human response to it, she would also include locals with intimate knowledge of their ecosystem, a point shared in a later chapter by Emilio Moran.

Christopher Chase-Dunn, Thomas Hall, and Peter Turchin discuss the need to spatially bound world-systems according to their unique set of nested social interaction networks (Bulk Goods, Political/Military, Prestige Goods, Information), an interaction requiring two-way and regular contact to be systematic. Societies can also be differentiated according to their population density and/or complexity and by their dominant or subordinate position relative to each other. The necessity of addressing power differentials is echoed in the chapter by Susan Stonich and Daniel Mandell, who stress their importance in shaping the human-environment relationship and thus the need for a “political ecology” perspective. Thomas Abel, however, proposes a somewhat different method to bound world-systems than Chase-Dunn, Hall, and Turchin. In his chapter, Abel argues for a reconceptualization of world-systems as “complex human ecosystems,” bound according to their energy and material flows (resulting in a rough equivalent to Wallerstein’s bulk-goods definition). Based on this approach, Abel suggests that the twentieth century began
with three world-systems: a dominant European-centered system, and U.S.- and Japan-centered systems. During the Cold War a Soviet-centered system also emerged while the Japan-centered system declined, today there is a single world-system with a U.S.-E.U.-Japan hegemon. While many world-systems theorists will be surprised by this contention, the use of complex system dynamics in a human ecosystem framework deserves further consideration.

Assessing systemic interaction via energy and material flows receives treatment in two additional chapters. Andre Gunder Frank, in a piece that was not finalized before his death, discusses the possibility of accounting for entropy transmission from the core to the periphery of the world system. While years before Schnaiberg and Gould had highlighted multinational ecological disorganization as a negative outcome of human ecosystem intervention, particularly during industrialization, Gunder Frank examines entropy as constitutive of the cost of unequal economic production and growth in the world system; it creates order in the Global North and disorder in the Global South. Tracing its flow in the world-system, then, can explain hegemony and hierarchy. Closely related is the chapter by Nina Eisenmenger and Stefan Giljum, who use material flow accounting to enter a discussion of unequal trade from the perspective of social metabolism. In what would be a global extension of Marx’s metabolic rift (as drawn out in other publications by Foster and then Moore), they find that the Global South exports low-value raw materials to the Global North, increasing the economic growth of the latter at the expense of the economy and environment of the former.

There are a number of chapters dealing with systemic synchrony in Eurasia. Thomas Hall and Peter Turchin suggest that climate change could be an exogenous system shock that leads to socioeconomic synchrony across large regions of the globe (the “Moran effect”). Curiously, they find that east and west Asia were in synchrony over a thousand-year period, but the south displayed a different periodicity. This leads them to speculate that either climate change must have had differential effects across the region, a theory modeled in the chapter by Chase-Dunn, Hall, and Turchin, or other factors may have produced the anomaly, including a possible link between south and southeast Asia. Focusing on an earlier period in history, Kristian Kristiansen suggests east-west synchrony occurring by the end of the second millennium B.C.E. was caused by geographic expansion, including migration and conquest, following the emergence of grassland and steppe environments that had created the conditions favorable for flourishing agropastoral economies.

Chapters appearing in this volume on disease and island ecology are intriguing means of demonstrating socioenvironmental interaction. Alfred Crosby discusses the influenza pandemic of 1918-19, which killed 25 to 50 million people. He reminds us that disease is an unfortunate part of the global system and warns that humanity needs to be better prepared for when the next pandemic inevitably hits. Separately, Thomas Malm contends that islands are affected by contact—physical, environmental, and social—with other parts of the earth and are therefore as much a part of the world and earth systems as the continents. As he states in the chapter title: “No Island is an ‘Island.’”

Specifying the relationship between the environment and social instability receives consideration by a number of authors. William Thompson tests hypotheses derived from a model in which water availability, indicated by warm and dry climate and river levels, explain trade interruptions, regime transitions, and hinterland attacks in the ancient Old World. He finds correlations that suggest that there is a link, and possibly causation, between environmental conditions and the indicators of social disorder, and that the crises were more likely to occur together during declining environmental conditions. This is echoed in a contribution by Karin Holmgren and Öberg, who find that social instability and population movements in southern and eastern Africa from 800-2000 C.E. were likely correlated with climate change, and climate
change exacerbated already unstable societies. In contrast, Jonathan Friedman takes the position in his chapter that climate change cannot be the sole determinant of socioeconomic failure; instead, we need to look at accumulation cycles that strain the social system and leave it vulnerable to a climatic shock.

George Modelski discusses “ages of reorganization” in which growth in world urbanization and population slows or stops as the preceding period of expansion and concentration is broken by events such as environmental catastrophe, economic collapse, overextension, and attack from the hinterlands. Rejecting the notion of systemic dark ages, Modelski suggests that there have been areas of “dark spots” but that the evolution of the world-system since 3000 B.C.E. has been marked by alternating 1,000-year periods of concentration in which population, environmental degradation, urbanization, and inequality increase, and then periods of reorganization marked by slow or zero population growth, lessening environmental impact, decentralization, and more equality. Modelski contends that we are currently in a period of reorganization, beginning sometime around 1850, the outcome of which is likely to be an integrated world community with democratic global governance. Similarly, Björn Berglund finds that from 3900 B.C.E. to 1900 C.E northwest Europe was characterized by “step-wise” development, in which a crises led to restructuring and then recovery. Climate was a major cause of this phenomenon for Berglund, but he notes that the specifics of its influence must be further researched.

Two chapters are on Amazonia. Betty Meggers uses carrying capacity to dispute the claims that the existence of large empires in the region was possible; the environmental constraints were too formidable. Alf Hornburg suggests that there was a regional system around the first century B.C.E in which economies were conditioned by both cultural and environmental forces, a phenomenon he suggests is common to all continents for millennia. This leads me to wonder if the carrying capacity of Amazonia could have been partially mediated by exchange with more productive areas?

Finally, computer-aided modeling is discussed by a number of contributors. Frank Oldfield discusses Integrated Assessment, John Dearing touches on cellular-automata and agent-based systems, and Bert de Vries presents models of historical climate and vegetation change developed from satellite and field studies: all of these tools hold promise to effectively deal with the complexity and scale of earth-system change. These models are useful for testing the feasibility of evolutionary and system theory and will hopefully lead to reliable predictability of future outcomes. This area should continue to dazzle as new technology and data are brought online.

On the whole, this is a solid collection from some leading scholars working toward a holistic and systemic history of the world. It is apparent that we know quite a bit about the human-environment interrelationship across vast swaths of time and space. But, as many of the authors point out, there is much more to discover and many of the contributions are merely suggestive about needed directions in future research. Yet their preliminary nature is more thought provoking and forward looking than incomplete.

What is missing, however, is a discussion of antisystemic movements in the world-system that can counter the threats to the earth system. The academy is only one site in what is still a nascent global reaction to anthropogenic ecological degradation. Global governance, including the World Social Forum, and other regional and local movements warrant inclusion beyond the light touch they receive here. A historically and scientifically informed discussion of viable alternatives to the projected socioenvironmental catastrophe would also be instructive.

Nonetheless, what is here is of considerable value and those seeking an overview of current thinking on the human-environment relationship across many different sciences and at a
macro-systemic level will be rewarded with an enlightening compendium. As such, this text will be of value to a broad range of graduate-level courses in addition to personal libraries. As a collected volume, some chapters will likely be of more or less value than others to a particular reader or for a specific purpose, yet they hang together fairly well, surely a result of their origin at a thematic conference. As with all collected volumes, the ideas and interest that are stimulated will require further exploration in single-topic sources but there is much here to be excited about and the material will likely generate that kind of action.

Finally, calls for interdisciplinary collaboration have a long history of proclamation and an equally long history of modest success or failure. Despite the promises this volume presents, further unbounded collaboration will be necessary to build on the possibilities it raises as intellectual integration is essential to the endeavor for a comprehensive understanding of the world. It is also urgent given the threat to the earth-system and world-system from the unsustainability of our present trajectory.

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Probably the largest number of “wow, I didn’t know that” moments I receive in the undergraduate classroom occur when teaching about the Bretton Woods Institutions. This is because 1) I teach in the United States (structural adjustment programs being much less mysterious to educated teenagers in say Argentina or Nigeria); and 2) It is not immediately clear to most people living in the global North more broadly how, if at all, these institutions affect their lives (or for that matter the lives of people living in the global South). Rich people lending money to poor people in the guise of fighting poverty seems fairly innocuous on its face.

But as readers of this journal know, and as Michael Goldman’s book *Imperial Nature: The World Bank and Struggles for Social Justice in the Age of Globalization* makes perfectly clear, the World Bank is not the Bailey Building and Loan. The biggest beneficiaries of World Bank activities live in the global North, and for every dollar invested by the Bank in the global South somewhere between ten and thirteen go back to Northern-based multinational firms. Much more capital flows out of borrowing countries — either from loan interest or the (often mandated) purchasing of goods and services from Northern-based firms — than flows in. Governments in sub-Sahara Africa, for example, now spend four times more on debt service that they do on health care.

But *Imperial Nature* offers much more than a typical description of the disastrous environmental and social effects of World Bank lending. This book uncovers the process. Goldman spent ten years conducting ethnographic and archival research at different sites around the world (Bank headquarters, research training seminars, dam projects in Laos, etc.), apparently with the blessing of the Bank itself (at one point he was even offered a desk). The end result is a sociological analysis of the actual production of development hegemony. While many scholars would not be surprised by the book’s main finding — that the Bank continues to enlarge the scope for capital accumulation in the global North through the grand illusion of development in the global South — Goldman shows us the processes by which this task is accomplished, especially given a world where the disconnects between the rhetoric of development and the realities of global poverty should be well-known.

The central fact framing Goldman’s analysis is that the Bank always has access to much more capital than it can lend. Thus to survive, and beyond that to see its investment portfolio grow into the trillions of dollars, the Bank has to incessantly create demand for its money and services in a circumspect world. As Goldman puts it, the Bank’s primary interests are not hunger and poverty, they are its primary *business*. Midway through the book, Goldman quotes an environmental technician working for the Bank in Asia: “Ours is a supply-determined agenda, and very prescriptive... we just go to countries and sell, sell, sell until the borrowers cave in.”

This is the point of departure of the book: that the Bank has never had trouble raising money, its trouble has always been lending it. *Imperial Nature* is essentially the story of how the Bank solves this problem through the production and dissemination of development knowledge and expertise. As Goldman tells it, knowledge created and manufactured for a specific purpose — to design and sell loans — is then reproduced outside as “development science,” to the effect that the development industry (controlled financially, intellectually and ideologically by the Bank) becomes “essential and natural” to the solving of global problems. The circle is then completed to the extent that this “science” creates more demand for World Bank solutions and capital.
But, as Goldman carefully demonstrates, the specific power/knowledge regime that drives Bank lending transforms over time. In a series of politically-motivated processes, the Bank, throughout its history, undergoes deliberate organizational restructuring – changes in “development regimes” in Goldman’s terms. These power/knowledge transformations, Goldman argues, not only allow the Bank to adapt to changing world-historical conditions, they also increasingly empower the institution globally and embed it deeper into the global South.

*Imperial Nature* concerns itself primarily with the Bank’s current organizational innovation: “mainstreaming the environment” into its neoliberal agenda, or the “greening” of its global development project. Green neoliberalism began in the 1990s as a response to the worldwide “reform or die” movement organized around the increasingly investigated environmental and human impacts of Bank projects (and especially those associated with large dams). This reorganization fundamentally altered and expanded the Bank’s neoliberal agenda by taking “underutilized” aspects of nature-society relations and restructuring them as newly capitalized commodities. The marrying of sustainable development with neoliberal development is, according to Goldman, “remak(ing) nature in the South, transforming vast areas of community-managed uncapitalized lands into transnationally regulated zones for commercial logging, pharmaceutical bioprospecting, export-oriented cash cropping, megafauna preservation, and elite eco-tourism” (pg. 9). It also involves forcefully relocating tens of millions of “primitive” people (i.e., people “not part of their national economies” as one Bank specialist defined them) and transforming them into a new agro-industrial workforce. In other words, it involves “development.”

Goldman describes the rise of “green science” within the Bank (Chp. 3); the consolidation of a power/knowledge regime based on sustainable development (Chp. 4); and the execution of the newly greened Bank in both the financing and construction of hydropower dams on the Nakai Plateau in Asia (Chp. 5), and the water privatization movement worldwide (Chp. 6). As Goldman sees it, the green neoliberal transformation has been tremendously profitable, enabling the Bank to “expand into more places and insinuate its worldview into more lifeworlds than ever before” (p.5). But, as is also a large part of Goldman’s argument, the Bank’s idea of the environment, and nature-society relations more broadly, have been recast to mean something far beyond what a typical ecological conservationist means when she/he defines the terms. “The result is not that *no* environmental assessment or monitoring is done,” Goldman writes, “but rather, that a *type* of assessment is done that becomes the protocol for transnational development professionals, NGOs, and governmental agencies complying with World Bank conditions. This protocol...is set by the Bank in conjunction with its corporate partners rather than in conjunction with its expert hydrologists and soil chemists” (p.126).

Goldman’s research is high-quality, his sociological analysis persuasive, and his writing lively (he tells a number of fascinating anecdotes from his field research that would be funny if their consequences were not so tragic); yet the book is not without flaws. For one, Goldman essentially unveils a Manichaean view of the Bank; there are literally no good guys in this story. The Bank’s research staff? Supervised and funded by project managers to sell loans. Green-minded ecologists? Not allowed to conduct sound science. Sympathetic anthropologists? Easily co-opted. African professionals? Bought-off with salaried employment. Environmental NGOs? In on the action. How about an emergent “global civil society,” the often romanticized transnational space for hope and progress? Sorry, also controlled by the Bank. According to Goldman, “International NGOs have played an increasingly crucial role...they have propelled the process along, in ways that private capital and the multilateral banks could not have done on their own” (p.194). This uniform casting of characters has the effect of moving the plot along, but...
unburdened by potential complications, the analysis is light on nuance. Does the development industry really consist, in its entirety, of evildoers?

This lack of subtlety leads to a second weakness in the book, the Conclusion. Goldman does such a convincing job selling us on the analysis, that when he turns to the topic of the book’s subtitle – social justice – there is little evidence that anything can be done. In effect, he tries to have it both ways. He wants the reader to understand the enormous power and scope of the Bank – to physically move millions of people to where it chooses, to change the direction that rivers flow, to have “Its worldview...what people choose above all others” (p. xv) – yet at the same time to see the institution as quite vulnerable, the historically high rate of return on its investments easily disrupted by the very NGOs and global activist networks derided in previous chapters. Indeed, he concludes the book with the Zapatista-cum-World Social Forums mantra “Another world is possible.” But if we are to believe the analysis just presented, this “other world” is likely to be controlled and operated by a bank headquartered in Washington, D.C.

These issues aside, this is a compelling and often times powerful analysis of the World Bank, its lending practices, knowledge production, and intervention into the lives of millions of people around the world in the name of capital accumulation (as Goldman states it, the environments and people living in the Mekong region have been judged in terms of their value to the proposed capital investment, and not the reverse). Harking back to the undergraduate classroom, the question invariably is raised: “Why, given all this, do poor governments still borrow from the Bank?” The Imperial Nature part of the book provides the answers, but in a way that makes it difficult to identify the actors and/or actions that would constitute effective Struggles for Social Justice in an Age of Globalization.

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