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The State, Globalisation and the New Imperialism: A Roundtable Discussion

The following is a transcript of a roundtable held in London on 9 July 2001 and jointly organised by *Historical Materialism* and the Politics Department at the School of Oriental and African Studies (SOAS). The aim of the session was to bring together three prominent authors who have recently shed light on the relationship between the state and globalisation from different disciplinary and political perspectives (see references for details of these publications). With much recent critical social theory dedicated to scrutinising the relationship between the state as a political form and the socio-economic processes associated to capitalist globalisation; and with the anti-globalisation protests of Seattle, Prague, Gothenburg and Genoa bringing an added political urgency to these debates, we hope the roundtable reflects, and further contributes to the critical engagement with these phenomena.

The speakers were asked to elucidate analytically what is at play in the process of globalisation, and to consider the political consequences – particularly for the Left – of the interface between globalisation and the state. Some of the guiding questions posed to the speakers included: what is globalisation, and what is the place of the modern state in this process? How is globalisation transforming power relations in the contemporary world? Can the processes of globalisation be harnessed to projects of radical social transformation? What is the relationship between globalisation and ‘classical’ capitalist imperialism of the turn of the twentieth century? What conceptual challenges do these processes pose for critical theory, and Marxism in particular?

The latter section of the transcript includes questions raised by the audience and the replies offered by the panel members.

I. Introductory statements by the panel

Peter Gowan

I will try to directly engage with Martin Shaw's school of political ideas, and therefore what I'm going to say is going to be less on globalisation as it's usually understood and more on 'liberal-cosmopolitanism'. Because, to me, the issues that Martin raises in his book *Theory of the Global State*, are much more issues to do with cosmopolitanism, and I would argue liberal-cosmopolitanism, in a political sense. Now, these two discourses, of globalisation and of liberal-cosmopolitanism run in parallel; and they are both radicalisations of earlier forms of liberalism. Globalisation deals with what you might call the market side of liberalism, and liberal-cosmopolitanism deals with the political side of liberalism – each radicalises their particular sphere.

Just to explain what I mean by 'liberal-cosmopolitanism', the general liberal view was that the Western states during the Cold War were, in defending their liberal and democratic values, having to play pretty rough, because the Communists played pretty rough, and so you did not have a strong attachment to spreading liberal values and democratic values around the world. It was much more head-to-head, gun-to-gun, and so on, against Communism. But now that Communism and the Soviet bloc have gone, this discourse says that the Western liberal-democratic states are able to, and indeed are and must be understood above all as, spreading across the whole globe liberal-democratic values and régimes. We thus have the prospect of a globe which is entirely liberalised and democratised, and – crucially – this transformation of the globe will bring with it a new kind of world order – a cosmopolitan world order – going beyond the old Westphalian world order which was characterised by the absolute rights of states. So what you have is this group of Western states pushing forward, across the globe, a new world order in which state sovereignty will be made conditional upon states respecting certain minimal rights of citizens – minimal human rights and democratic rights – and thus the old Westphalian concept of sovereignty becomes conditionalised rather like a dog licence in Britain. In other words, you can have a dog in Britain

provided – on condition – that you treated it right. If you treated your dog badly, the British authorities would remove your dog licence and end your right to a dog. Similarly, states will face an international community, which above all means the coalition of Western states centred on the USA, and this international community will grant them sovereignty on condition that they respect basic rights of their citizens; and if not, if they don't, then the sovereignty licence will be taken away and these states of the 'international community' will intervene in to various extents and in various ways within the delinquent state.

So, what you have with the liberal-cosmopolitan idea is a notion that the Western states, called by Michael Doyle the 'Pacific Union', this Kantian union of states – Western Europe, the USA, Japan, and so on – called by Martin, I think, the 'Western state', or perhaps even a global state, is at the moment transforming the world in this way. An inspiring vision, surely, for those of us who are universalist humanists who look forward to a world beyond war, beyond the rather poisonous squabbles of power-politics states, and beyond all these nasty things that they do to their own citizens, and so on? It's an inspiring vision, and this school of thought, which doesn't necessarily spell out all of its premises, is basically saying that this is the way we're moving, this is the way it's going, and we should join this and get involved.

Now, let me just make clear why I call it 'liberal'. These people are not talking about a global democratic state. They are not, therefore, talking about cosmopolitan democracy – they are not saying 'One person, one vote, across the globe, for a world government'. What they are talking about is cosmopolitan *governance* – that is, cosmopolitan rules and norms, not about everything, but about certain fundamental things, namely human rights, and, of course, some global governance on the economic field. That's why I say that these people are cosmopolitan *liberals*, not actually democrats, even though they may well say that they are democrats, and no doubt they are good democrats when it comes to domestic activities. But the world order they want is to be a liberal one, not a genuine democratic state.

Now, the economic globalisation discourse runs parallel to this, but it's not to do with political change against the sovereign state: it's to do with the market – the world economy. And just as liberal-cosmopolitanism radicalises the old liberal internationalism, from a harmonious order between states to a liberal-cosmopolitan order above states, so liberal economic globalisation

theory says: 'We are no longer in a liberal international economy, where the international economy is essentially the sum of its parts. Instead, we're in a global market, a globalised market which dominates all the national economic parts. And so each national economy now is subordinated to the logic of the global market.' This, I think, runs in perfect parallel with the other discourse. Let me just very quickly note some common themes in the two discourses. Both have the strong liberal antinomies of something versus the state: market versus state, civil society versus state, individual versus state, market forces versus state, human rights versus state, and so on. Secondly, both discourses are counterposed to the idea of strong, autonomous states: globalisation discourse says that the day of strong autonomous states controlling national economies is over; cosmopolitan discourse says the day of the autonomous state should be over, let's transcend it to a new global order. Thirdly, both lay great stress on the importance of law and judicial systems. There are also complementary differences: the globalisation discourse is cognitive and fatalistic. It says: 'We may like or dislike economic globalisation, but it's there to stay. If you want to be competitive you'd better adapt to it.' Cosmopolitanism is normative and activist and exciting; it says: 'Look, there is an inspiring dynamic opening up. If you join it you can bring it about.' But these two things can run hand in hand – you can get depressed about the global economy, but let's get into the global cosmopolitan liberal order, and so on.

Let me, then, turn to a critique of this liberal-cosmopolitanism. First, there is an evasion here. It says: 'You've got a cosmopolitan order on one side, and you've got states on the other side.' But this isn't quite true, actually. You've got a who and a whom: you've got *some states* pushing this order onto *other states*; it's important to note that. Of course, some liberal-cosmopolitans recognise this, they say: yes, there is the Pacific Union of states. But others, talk rather vaguely about an 'international community' and Martin has talked about a global state, as if one existed. But we must remember that it is some states pushing, often coercively, other states.

Let us leave to one side for the moment, the liberal-cosmopolitan explanation as to what is driving the rich liberal states to push others. And let us turn to the organisation of the liberal states themselves. If we are moving towards a new, norm-based liberal global order, this movement should surely be reflected in new forms of norm-based institutionalisation of the 'interna-

tional community' or Pacific Union. Where is this newly institutionalised or institutionalising order? If we run through the trends of the 1990s, I see no such normative institutionalisation under way. Let's begin with the UN: it's a shambles. It had a Secretary General, Boutros Boutros Ghali. He was supported for a second term by every single state, as far as I'm aware, in the UN, except one. And he was got rid of, because of that one – just, out! – the one being the USA. And we have seen the UN's norms being used instrumentally in some cases, and then being flagrantly flouted in others. So much for liberal institutionalisation there. Let us take even a rather strong institution like the International Monetary Fund (IMF): there has been a marked erosion of its norms in the 1990s. Take Mexico, 1995. A shocking example of one state, the USA, simply just running roughshod over the most elementary procedures of the Fund, and grabbing \$25 billion off the Europeans without so much as asking. An extraordinary business. Or let's take Korea, November 1997: an absolutely *incredible* subversion of the articles of agreement of the IMF, openly manipulated by the US Treasury; the most unprecedented taking of a can opener to the Korean economy, in a way that we've never seen before – by the way, action by the USA described in the *Financial Times* by an unnamed German Central Bank official as 'financial terrorism'. That is not a sign of institutionalisation. Or let's take another example: the GATT and the World Trade Organisation (WTO). Well, whatever else you can say about that, it is striking that the state which was the main driving force behind the Uruguay Round – the USA – has refused to subordinate itself, in law, to membership of the WTO. It has said, in law – in American law – that it will only abide by the decisions of the WTO if they are fair to the USA. Let us take another example: the International Criminal Court. Now, I'm not here talking about the fact that the Americans are refusing to have anything to do with it. All I'm talking about is that you have – here, surely? – an example of a rule-of-law human rights régime being promoted by the Europeans, and so on. And yet, the International Criminal Court, openly and in principle in the most flagrant and gross way, violates the principle of the rule of law, by saying that this law binding states in their behaviour should apply to everybody except one group – namely, members of the UN Security Council. So, from these examples, the institutionalising principle of the 1990s seems to be rather different from cosmopolitan liberal norms and much more like the institutionalisation of world government in the hands of one single state.

This looks more imperial than cosmopolitan and more power-political than liberal. Let us, then, look at the organisation of the Pacific Union itself – these states pushing forward liberalism, democracy and peace. How are they institutionalised? As hub-and-spokes military alliances: NATO, the US-Japanese Security Pact, other US security arrangements. This is a rather bizarre form of Pacific Union! One organised as a set of hegemonic military alliances. How does this make sense, in terms of liberal-cosmopolitan values?

We can now turn to the question as to what is driving this Pacific Union – or, more properly, its leading state – to intervene in and push about other states. Liberal-cosmopolitans would have us believe that the driving force is liberal and human rights values and norms. They cite above all NATO's new interventionism in Bosnia and in the war against Serbia over Kosovo and seek to generalise from them to a break with power-politics on the part of NATO and its leading state.

Yet the problem is that, when we actually read the texts of the policy guideline documents of the American government itself, and see what they say, we find a frank and absolutely explicit power-politics completely suffuses these documents: the American national interest first. Secondly, and rather intriguingly, we find that in one crucial document as well as in other supporting literature for US national security experts, the target of this US power-politics in the 1990s has not actually been states violating liberal norms at all: it has been the threat of regional autonomy within the Pacific Union itself. Thus, the national security guidelines written by Paul Wolfowitz of the Pentagon and I. Lewis Libby for the NSC in 1991, which was then leaked to the *New York Times*, defines the key national security threat to the USA in the 1990s as regional hegemony in the advanced capitalist countries, not the threat from 'rogue states', China or Russia.

That's a very interesting concept. I. Lewis Libby and Paul Wolfowitz worked for Bush Senior. But Wolfowitz has publicly insisted that the Clinton administration followed the essentials of his concept throughout the 1990s. And both Wolfowitz and Lewis Libby are back in the saddle: Wolfowitz as under-secretary for political affairs in the Pentagon; Lewis Libby as national security adviser to Vice-President Dick Cheney, no less.

I want to suggest an intellectual exercise: try applying the Wolfowitz-Libby Lewis concept to the actions of the United States on Bosnia and Serbia. It

would mean that US tactics in both cases were directed as regionalist political challenges from Western Europe and bringing the European members of the Pacific Union to heel. In other words, they were part of the intense struggle by the USA to stop Germany and France from projecting military/political power eastwards into Eastern Europe and ensuring that the US dominated the thrust eastwards of Western political influence at that time. This would explain why, in the spring of 1991, as Yugoslavia was entering crisis and the European Union wanted to put a couple of divisions into Yugoslavia, the USA vetoed the idea, and denounced it in a public, diplomatic note. Then, we have the Wolfowitz concept apparently contradicted by Washington's eagerness in the summer of 1991 to let the EC take responsibility for Yugoslavia. But, if we look more closely, we can see Wolfowitz again: Germany was lining up behind Croatia, France was lining up behind Yugoslavia, so the European push east should have collapsed into a proxy war in Yugoslavia between Germany and France. But, instead, in December, the whole European Union including Britain lined up behind Germany. That was the point when the Americans moved on Yugoslavia. They launched a campaign for an independent, unitary Bosnia. This was opposed by the European Union and Russia, it had been resisted by President Izetbegovic of Bosnia. He had begged the German foreign minister in December not to have independence for Croatia because it would increase the pressures for independence in Bosnia. The American drive for an independent unitary Bosnia was a drive for a civil war there, because there was no Bosnian nation: there were three nations, none of which was majoritarian and two of which were bitterly hostile to a unitary Bosnian state. Of course, the US got its way and the war came. Izetbegovic, in March, attempted a deal brokered by the European Union; the USA government persuaded him to break it, and you then get the slide into the war.

Eagleburger, who was in charge of European affairs at the State Department, explained the way they did it: he said the Germans were getting ahead of the US in Europe, and, secondly, that the US needed to regain political leverage on Yugoslav crisis. Bosnia certainly provided Washington with that leverage. Repeatedly sabotaging all Europeanist efforts at peace deals, the US polarised the whole of Europe around Bosnia until the French and the British finally agreed to put everything in US hands through NATO. Only then was the war sewn up at Dayton. The NATO war against Serbia on Kosovo was the consolidation of the US's political victory in Europe. Human rights and

liberal-cosmopolitan rhetoric and the Hague Court were policy instruments of power-politics.

That would be a Wolfowitzian reading of liberal-cosmopolitanism: the ideological form of a peculiar kind of imperial expansion. Excavating the material forces underlying this would require the decoding of economic globalisation.

Leo Panitch

Let me first of all thank *Historical Materialism* for bringing me together on this round-table with two of the people who I think have done a great deal to overcome the theoretically and politically debilitating notion that globalisation is a matter of bypassing states, rendering them powerless in the face of international, disembodied economic processes. I think they've done a lot – perhaps more than most – to show that globalisation is a process that is authored by active states; states that are not victims of the process but active agents of making globalisation happen, and are increasingly responsible, I would argue, for sustaining it, and even burdened with the increasing responsibility of managing its contradictions and crises.

When I began to try to think through what the hell this process of globalisation amounted to, in the early 1990s, and first wrote about it in my 'Globalisation and the State' in the 1994 *Socialist Register* essay, it seemed to me that what one needed to try to understand first of all was that what was taking place was certainly a restructuring of states (but not a bypassing of states) in relation to the rapid movement of capital; the changing balance of class forces transnationally towards financial capital; the increasing orientation of each of the world's nation-states to external trade. What was taking place in that context was a shift in the hierarchy of state apparatus, whereby those state departments that were more closely associated with the forces of international capital – treasuries, central banks, and so forth – were increasing their status at the cabinet table, if you like, vis-à-vis departments of labour or departments of welfare that were more closely associated with domestic subordinate class forces. But that itself was an unstable shift, insofar as a department of labour makes its case at the cabinet table (e.g. for dealing with a particular strike or difficult round of collective bargaining) no longer in terms of class harmony or social peace – that discourse no longer carries weight at any cabinet table today – but makes its case in terms of accom-

modating to a new hegemonic discourse oriented to international competitiveness. It offers to try to settle a particular conflict by adding training elements into any agreement, promising to produce labourers who can add so much value they'll be able to compete with Vietnamese women on a dollar a day. In this way, departments of labour can retain some of their status in the hierarchy of state apparatus; and serious and competent civil servants will be happy to remain at that department. And this, of course, applies to welfare departments who 'represent' single mothers at the cabinet table no longer in terms of the scandal of their impoverishment, but in terms of their potential competitive value as labourers if you retrain them. And, in so far as that discourse has indeed been taken up in those state agencies, so the shift in the hierarchy of apparatuses towards treasuries, central banks – while important – does not mean that it doesn't represent an attempt by the subordinate state apparatuses to get 'on message', as it were, and in that sense to retain a degree of status within the state.

Secondly, part of what was going on was an internationalisation of the state, by which I certainly do not mean the creation of supranational state agencies matching the transnationalisation of the capitalist market. No, what it means, rather, is that each domestic state increasingly not only takes responsibility in the evolution of its economic and other policies for managing its domestic economy, but for contributing to managing the global economy. When the Bank of Canada became the first central bank to introduce monetarism in 1975, it was certainly doing it with an eye to inflationary pressures in the context of considerable wage militancy in Canada, but it was also doing it, very explicitly, to make its contribution as an international leader in the effort to shift each state's economic policy towards achieving the global financial discipline that monetarism was all about.

Thirdly, a great many people understand by this process a matter of international agencies or the USA forcing these policies, this adjustment, this restructuring of the state, upon other states. And I think that's too 'outside-in' a view of what's taking place. In my view, the process is as much – and sometimes more – 'inside-out': that is, there is a set of class interests, a balance of class forces, inside each state, which is oriented to globalisation. As a Canadian, I saw this very well when the US-Canada Free Trade Agreement was mooted in 1985 after Mulroney ran in the 1984 election promising he

would never give up Canadian sovereignty to the USA in a free trade agreement. But, then, the main pressure for it, although Reagan had raised it in the early 1980s, did *not* come from the American state. In fact, as you all know, of the three states involved in getting NAFTA through, it was the American state that had the most difficulty. The greatest pressure came from Canadian capital, who – in the face of what was happening to American industry from Japanese and, to a lesser extent European, competition – feared that America would go protectionist in the 1980s; and, given the utter dependence of the Canadian economy and Canadian capital on the American economy as consumers of our products, Canadian capital was desperate to conclude a free trade agreement in order to get inside of any new American tariff barrier should the winds have blown that way – and, in the early 1980s, it wasn't clear that they wouldn't blow that way. A very similar story can be told of Mexico and Mexican capital, with regards to NAFTA. Having won the shift towards neoliberal policies, the break with import substitution industrialisation, through the 1980s, they were desperate to achieve NAFTA as a way of constitutionalising that shift in policy that they weren't sure they'd be able to sustain, on the basis of the balance of Mexican social forces. So this 'inside-out' element, I think, is enormously important in understanding the process of the state's relationship to globalisation.

Finally, the process does certainly involve what my colleague at York University in Canada, Stephen Gill calls 'constitutionalising neoliberalism'. The juridifying and codifying element of liberalism that Peter was just talking about, does not as much mean involving the international courts of justice in externally applying international law to state behaviour as it means incorporating within each state's laws – and preferably their constitutions – a set of legal codes that make it difficult – not impossible, but difficult – to break with the disciplinary financial order, the free-trade provisions, and above all the free capital mobility provisions, that are the essence of economic globalisation.

But then, as we need to try to think through (as I still am) what are the implications of all of this for left strategy? There are, Peter, as I know you know, cosmopolitan liberals who *are* liberal democrats – David Held, in this country, is probably the most prominent of them. I'm convinced that their strategy is naïve, a dead end, and offers apologetics, even in terms of liberal democracy, precisely because it doesn't recognise the continuing and, in some

sense, increasing power of states in the global order, let alone the hierarchy of states in that order and their purposes. The more prominent left approach, which has a very, very strong basis in every labour movement in the world - not only the Western world - is, of course, the 'progressive competitive' strategy. That is to say: 'Yes, we're implicated in globalisation, but states are still important' - Paul Hirst is the most famous exponent in this country - 'and we can show you that we've seen this kind of thing before, (e.g. before World War I, when there was extensive trade and capital movement).' 'That's not to say,' this argument goes, 'that globalisation today isn't important, but it is to say that states can ride this tiger: they can ensure that their national economy comes off well insofar as you have an active state which is engaged in re-training, which is engaged in ensuring that through being competitive you will be able to appropriate enough of the international surplus to indeed maintain a welfare state in *your* nation-state.' And, in that sense, they are still social democrats.

This strategy overlaps with a remarkable tendency towards neo-Hegelianism on the Left: 'The liberals say the state is bad; we say the state is good.' The state is the repository, in this kind of thinking, of 'community values', this vacuous phrase one constantly hears, one which always used to be unacceptable for Marxists who grew up on the notion that the state was an imposition on society. But the predominant left notion now, when the liberals extol the market, when they extol liberal human values, when they say 'no state', is to counter this with a claim that the state is the repository of community values. The idea is to opt for strengthening each nation-state - or a particular region of nation-states, above all Europe - to put our strategic cards there.

This approach, too, it seems to me, apart from its theoretical vacuousness in terms of any sort of state theory, is extremely problematic. Insofar as a given state succeeds in export competitiveness, what are the implications of this? If, in Ontario, where I come from - the size of Sweden, with a GNP like Sweden's - the provincial government succeeds at progressive competitiveness, if we invest in and retrain a lot of labour capable of adding a lot of value, and we thus increase our productivity, the effects of our success will be to export our unemployment to upper New York State. Moreover, in terms of a left discourse, this is the equivalent of walking down the street, seeing someone homeless and hungry, and saying, 'This person is un-entrepreneurial.'

This person is untrained. This person is uncompetitive.’ The notion that there’s something *wrong* with this fucking system – pardon the expression – escapes this discourse, even though this is presented as a *left* discourse. This is entirely apart from the fact, of course, that not everybody can win at this game. Indeed, since the whole point to this strategy is to increase exports and limit imports, if all states were to follow this, there must be a general tendency toward competitive austerity.

Of course, we also hear this neo-Hegelianism elsewhere, especially from the World Bank, which, in the face of the IMF embarrassments in 1997 and even before, picked up some of this discourse, and has presented itself as an international spokesperson of the Left, at least in contrast with the IMF. This is understandable as the people hired by the World Bank are sometimes students of Martin Shaw’s, and my students: the IMF hires neoclassical economists; but the World Bank also hires some political scientists who do know something about the social forces on the ground in Indonesia, and know that the recipe that the neoclassical economists will bring to Indonesia won’t necessarily go down all that well, given those social forces. So they’ve been rather happy to be leaking to the *Wall Street Journal*, the *New York Times*, and the *Washington Post* the cock-ups of the IMF, which, in 1997/98, indeed did make front-page news, at least in the *New York Times* and the *Washington Post*. And their position, picking up this kind of lefty, social-democratic approach, is to say: ‘We went far too far towards markets; we need effective states. In order to further globalisation, we need effective states; and the condition of international loans ought now to be that we have effective states.’ That doesn’t mean they’re not in favour of privatising health-care, but they’re in favour of the type of privatised health-care that is as little corrupt as possible. And, if that means, as they advocate, raising the incomes of senior civil servants so they won’t take bribes, they will say in the same breath, of course that will mean wage restraint for the lower reaches of the civil service, in order not to get back to public debt and inflation.

These are all *seen as* – wrongly seen as, I think – left strategy. Any serious left strategy today must of course be cosmopolitan in the democratic sense that Peter speaks of, but it can’t be insofar as democracy within any locale – let alone within any state – increasingly makes less and less sense unless the age-old question of what is produced, how it’s produced, when it’s produced,

how the resources are distributed, how the surplus is distributed, comes onto the democratic agenda. And it's extremely difficult to imagine how that could come on the agenda except within the framework of nation-states. And, for that to come on the agenda, it means a very different *kind* of restructuring of nation-states than the kind we've seen. Certainly without capital controls – and not only capital controls over the international flow of capital but capital controls in terms of domestic investment – I can't imagine any serious left response to globalisation today. No single state, of course, could introduce capital controls (bar the American), and, therefore, it would require leadership from any such restructured state to attempt to get international co-operation around capital controls.

But there are states and states, as Peter said, and all I've been saying so far is misleading insofar as it's cast at the level of a general theory of the state. Obviously, what the American state is to globalisation is not what the Canadian state is to globalisation, and what the South African state is to globalisation, and is least of all what the Indonesian state is to globalisation. I think the most severe mistake that led a great many theorists left, right and centre, into a theoretical impasse with regard to globalisation, was presuming that American economic hegemony had gone down the drain in the face of Japanese competitiveness, and to a lesser extent European competitiveness in the 1980s. This was, of course, a most common conception in the late 1980s. Even the Iraq bombing was often interpreted, including by some very good analysts, as evidence that the USA would remain the world military policeman, for which it would extract an economic rent from the world economic powers, of which the USA was no longer a major player. This was, of course, absurd, and the trends have proved it to be so. I won't attempt to replicate here what Peter has so magnificently shown in his recent book, but I do want to say that any serious analysis of the process of globalisation over the last 25 years would need to begin, as Mick Moran's great and neglected book on *The Politics of the Financial Services Revolution* began: in New York in the late 1960s and early 1970s. It would need to begin with the process of financial deregulation that occurred in New York – that first big bang; and the contradictions that had evolved under the New Deal banking legislation which almost made it inevitable that this framework would have to be changed. The fact that America is a liberal democracy was very important to that, insofar as all kinds of scandals that emerged in the banking system were openly exposed in the

democratic press. There isn't the time here to go into that, but what still *does* need a historical-materialist analysis that begins with economic forces and class forces is an explanation of the dynamic process that led that particular big bang, happening in the centre of financial capitalism, to spread so that it would eventually lead to deregulation elsewhere as it did, including even in Stockholm by the late 1970s, let alone in the City of London and Tokyo, eventually. That would not happen overnight, and it would take different forms in different countries, and it doesn't involve the state removing itself from regulation. There's a wonderful book by Steve Vogel called *Freer Markets, More Rules*, a title which captures very nicely how this so-called deregulated financial system in fact requires an incredibly complex system of codification to make that apparently disembodied system operational.

The role of the American state, which, again, I think Peter explains very, very well, in leading the process of globalisation, became, I think, obvious to everyone with the 1997/98 Asian crisis; waiting for the legitimating facade of the IMF would have taken slightly too long, so it was the American Treasury that directly set to work through in that crisis, with Rubin and Summers going to South Korea and dictating the terms of policy to every leading politician in advance of the election at the end of 1997. One should look upon this, it seems to me, not as mere American self-interest. I see the American Treasury - the most powerful state agency in the world by far - as burdened with the responsibility of attempting to manage global capitalism, and that's no joke. And it isn't a matter of just managing it in Wall Street's interests - although it does do all that as well, obviously. Indeed, often the Treasury is leading Wall Street in this respect, as I think Peter's book actually shows.

One could go further here, but I want to pick up - because I only have a couple of minutes left - the central theoretical question. It doesn't seem to me that the Left can avoid any longer the word 'imperialism'. It's astonishing how it's gone out of fashion, and Martin Shaw is to be credited, I think, for being open to bringing it back, although he's somewhat dubious about the connotations it has, and I am too. It's certainly the case that there are citizens and semi-citizens of the US empire, as Susan Strange once put it - a Canadian cannot avoid noticing this. And Martin is certainly right to see this, as an aspect of his theory of the 'global western state'. Canadians who work in the Canadian Defense Department - and I would add in the Canadian Finance

Department – who walk the streets of Ottawa but have a degree of influence on American foreign policy and economic policy, are semi-citizens of the American empire. It's a type of empire which has penetrated other sovereign nation-states, and which, in turn, does indeed include them in decision-making – albeit not as equals. And that does mean that, when the American Treasury makes its decisions – except at a clear moment of crisis, when it has to act quickly – it takes that into account.

The trouble with the term 'imperialism', of course, is that it is too outside-in: you hear the term and it sounds like the Americans are dictating, where it's in fact much more of a penetrative process; much more consensual, much more one in which the leading apparatuses of the states within the orbit of what Martin Shaw calls the 'global Western state' are on board, and, indeed, act as exponents of American policy in most instances. And, if imperialism gives you the notion that it's outside-in, that is misleading. Secondly, using the term 'imperialism' immediately throws up the misleading old idea, derived from the Marxism and to some extent even liberal theories of the early twentieth century, of inter-imperial rivalry: say the word, and you immediately think: 'Aha! Well, if the Americans were bringing Germany into line with the intervention in Yugoslavia, it's because Germany really is about to become an inter-imperial rival to the USA' – and I think that's misleading. I don't think any of the European bourgeoisies or European states have a project of challenging the American empire. They have a project, of course, of elbowing more room for themselves economically, militarily and in the intelligence field – increasing their status within the American empire in that sense, but this is not a matter of inter-imperial rivalry, and that's why the term is also dangerous. And it's thirdly dangerous, as Martin so rightly says in his book, because the concept of imperialism can be utterly economic, if it is derived directly from Lenin and Bukharin.

We need to develop a theory of imperialism appropriate to our time which avoids all these dangerously misleading connotations, one which leaves enough space to understand the very active role of states in globalisation, rather than merely deriving the role of states only from the strategies of competing 'monopoly capitalists'.

Leo referred to the burden that the US Treasury, and more broadly the active states have in managing the crises of world capitalism. I feel similarly burdened today by Peter's presentation, which makes me feel as though I was somehow responsible for the sins of American imperialism across the world, and much else besides. And, in fact, until he told me, I wasn't sure which school I belonged to – I didn't entirely recognise myself in the description Peter gave of the liberal-cosmopolitan school, for reasons which I hope will become clear. And I don't believe that power-politics has gone out of the world and that we are in some nice, shiny new liberal utopia. But, equally, I don't think that these normative questions are actually as meaningless as he implies.

So, where do I start from? To begin with globalisation, I don't actually take very much to this concept. I think it has so many mechanical, technologically determinist overtones, and I think it really doesn't *explain* much, as my colleague Justin Rosenberg has said in his book *The Follies of Globalisation Theory*. Globalisation doesn't actually *do* things, rather it's something we need to explain. But, possibly unlike Justin, I think there is something new that we can call global: I think there is a new content, and in some senses a new structure in world politics, that inevitably has consequences for, as well as perhaps some causes in, the world economy.

At the most abstract conceptual level, I think the global, or globality, means not only what pertains to the common physical environment of humankind (which is the most basic meaning) nor just the stretching and intensification of social relations on a world scale (which is the meaning that Giddens and others have popularised). I think it also means the increasing constitution of society by the sense of world-wide commonality. And I think this has both an empirical dimension – that human society as a whole is increasingly the framework of social actions – and also a more normative, political dimension – and this is where, of course, I fit into Peter's typology – an increasing sense that universal values and standards are not simply abstract ideals, but capable of being concretely realised in social practice, and this is what I'm trying to express. But – and I think this is where I depart from the script – I think these developments in the social category of 'the global' articulate two major, linked transformations in world politics: transformations in the relations and forms of state power, and the transformation in the nature of rev-

olution and mass political action. This is of course the classic socialist question of historical agency – one which we haven't heard anything about so far from the other speakers.

So, first of all, I want to talk about changes in state power on a global scale, and then I want to talk about changes in the nature of popular political movements, and finally to link these into my conception of global politics. And I think it's important to get the correct historical perspective. I agree with a lot of what Leo is saying, although, as will become clear, I put it in a somewhat different context. Leo went back to the 1960s. I think that these great historical changes that were taking place at the end of the twentieth century, the beginning of the twenty-first century, are rooted very strongly in the historical transformations of the middle of the twentieth century. To grasp the significance of these changes, we need to get out of our heads the idea that the modern state is basically a nation-state. So I don't see the historical state system in Westphalian terms, that Peter referred to. And I think if we're going to be historical materialists, that means we have to get our heads round this huge shift in the character of state power in the middle of twentieth century, and how that has contributed towards the changes which have taken place in more recent times.

Now, the state system, as it came out of the Second World War, centred, of course, on the asymmetrical contest of the Western bloc with its Soviet rival. This contest was grossly asymmetrical, not only in resources – because the Western bloc was far larger, far richer, and had a far greater world-wide reach – but it was also asymmetrical in terms of the structure and the forms of state power. This is very important to my argument, so I want to dwell on it for a little bit. The successful and durable bloc that emerged from the Cold War was the Western bloc, which developed over the last half-century far from its origins in the rather simple American dominance after World War II. Here, I agree very much with the way in which Leo tried to is trying to present a more sophisticated version of the relationship between America, Europe and other parts of the Western bloc. And, essentially, I think that there are three major changes that we need to take on board. The first is very much the deepening of the military alliance, which is the core structure of this bloc of state power, by comprehensive economic institutionalisation and significant integration. The second process, of course, was the completion of the process

of formal de-imperialisation – and this is why we can't simply call this an imperial bloc and think that it solves everything. And, thirdly, there was the normalisation of political democracy at the national level within the West; and this, of course, was a long, complicated process, a process that involved a lot of struggle – it wasn't something that was simply handed down, by any means. But it was achieved through politics in the course of the second half of the twentieth century, so that, by the end of the twentieth century, virtually all the states within this Western bloc had at least this national form of political democracy.

Now, the Western bloc was based on unequal relations between Europe and America in the way that the other speakers have indicated. But there was, as Leo suggested, this partly voluntary element to Western integration: there were clear and large-scale benefits both to the élites and also the populations in the West. And it seems to me that one of the things we've got to get our heads round is the fact that the result of the Cold War was actually the consolidation of this bloc, the maturing of this bloc, and its comprehensive victory over the alternative. Likewise, we need to grasp that the major reasons for the downfall of the Soviet bloc were that it was structurally inferior in these respects: it retained the essentially imperial and coercive relationships between the centre and peripheral élites and peoples; it remained authoritarian – indeed, at one stage, it was totalitarian in its relationship between state and society; it achieved only weak economic integration, so that it eventually disintegrated, as its components were sucked into the Western orbit; and it failed to offer real economic, and especially political, benefits to its people.

So, I think that we have to look at the shape, and the forms, and the meaning of contemporary Western state power in this context. And what's happened to Western state power since 1989? Contrary to the realists in international relations, it has not fractured into military rivalry once the common Soviet enemy was overcome. I agree very much with what Leo said about Peter's commentary on the divisions of interest within the West over the Balkan war: sure, there are those sorts of divisions of interest, but they are not differences of a kind which are going to lead to the kinds of military rivalries that existed between imperialisms before 1945. And that is a rather important fact – that these differences, and the economic competition, which is ferocious on some levels, between American, European and Japanese capital, have not been

reflected in military conflicts, only in these rather indirect political conflicts within common military ventures. Instead, there has been the renewal and the further development of military co-operation within the West, and the development of a common world economic framework and intensified institutional integration, especially within Europe. And, at the same time, this transformed post-Cold-War Western bloc has partially harnessed – in all sorts of very problematic and incoherent ways, as Peter was stressing – the legitimate United Nations institutions, the legitimate institutions of global order, to its own purposes. Now, there are all sorts of contradictions in those processes – in part, that’s a question of some American leaders not taking seriously global institutions, but there’s more to it than that. But, I think the central shift is there: there is a sort of symbiosis between Western power and global institutions.

And, so, we have what I call the development of a Western-global conglomerate of state power, a complex integration of national and transnational state apparatuses. I agree with a lot of what Leo said about the continuing importance of national state apparatuses to this. One figure that I noted recently was that only 2 per cent of state expenditure in Europe is actually spent by the European Union, so you might say, ‘Well, these transnational institutions are not so important compared to the national institutions.’ But, it seems to me that, partly for the reasons that Leo gave, but also because these institutions in many ways shape the national institutions, even though they may not carry out the expenditure directly, that they are actually far more important than that figure suggests. And that’s particularly true – and, on this, Peter is absolutely right – of the military institutions, the core structures of the Western system of power are still the military structures, even though there are all these other layers being carried on top.

Now, I think there are a lot of contradictions in this development. There’s the partial incoherence between the military and economic frameworks of Western power, so that the effects of economic competition can be heightened by other structural problems. There’s the lack of any supranational democratic framework in the West or in the world polity. There’s also the weak constitutional framework – again, Leo is quite right to criticise the cosmopolitan project of people like David Held, in the sense that they’re not taking seriously the deep structural difficulty of what they’re envisaging, and

we're far, very far, from a real historical development in that direction, although I personally would favour it. I think there's also, of course, the important divergences of political framework and perspective, both between American and European élites, and also between different political tendencies in those élites. These are what give a lot of the edge to the politics associated with these developments: there's a weak and problematic integration of the United Nations and the Western states' objectives, especially given the continuing centrality of Russia and China to the UN system.

So, there's deep uncertainty over the future development of these legitimate institutions. And it is possible that the West could disintegrate, but I think it's unlikely for several important reasons. It's not only the logic of institutionalisation, not only the common interest in the global economic framework and the burden of managing that, but also there is the common interest in containing political-military threats, ranging from China and Russia at one extreme through the so-called rogue states – Iraq, Serbia – to the parastatal movements and war-lords – such as the National Liberation Army in Macedonia, the Revolutionary United Front in Sierra Leone. And, all of these different political-military actors pose challenges of one kind or another – very different kinds of challenges to Western power. It's not easy for the Western state to project its power into Macedonia and make everything happen the way it wants, or even into Sierra Leone. So these common problems, it seems to me, help to bind the West together at a political-military level, just as it's bound together in some ways at a political-economic level.

Now, very much in the light of that last point, I think what we need to grasp is the relationship between changes in the Western system of power and changes in state power outside the West. And I think this is where, in many ways, our analysis is poorly done – we don't have a serious analysis of the forms of state power that exist outside the West in the aftermath of the Cold War. If the modern state system has developed through classical inter-imperial systems, the bloc system, and now to what I'm calling the dominance of the Western-global state, what are the *other* forms of state in the state system, and what is their relationship to the West?

I want to argue that, first of all, the superiority that the Western state demonstrated in the Cold War remains, by and large, in relation to the other major, non-Western centres of state power. There is, in an important sense, a polit-

ical backwardness in the forms of state power in very large areas of the non-Western world, in that these centres of state power remain quasi-imperial in character. This, I think, is the flipside of the arguments about a new Western imperialism. Empire is a political form which is not only at the level of the major Western centres of power, or of the Western state as a whole, but it's also something which is very concrete within the formation of non-Western centres. And I think we can talk about many of the major non-Western centres as *quasi-imperial* in the sense that, first of all, there is authoritarian rule, or semi-authoritarian rule; second, there is a huge social gulf between the political-economic élite and the mass of the urban and rural poor; and, third, there are quasi-imperial relations between state centres and peripheral nationalities. In addition, there is a lack of serious institutional integration, at a transnational level, comparable to that which takes place in the West. And, it seems to me, it's the contradictions of the major and minor centres of power outside the West which are actually at the focus of many of the conflicts, the important political conflicts, which are taking place in the world today. Conflicts are not things which are projected into the Balkans or Africa by Western power; these are very much the contradictions of the forms of power that exist within these regions. Although, of course, there are important relationships; I think that, all too often, as in Peter's contribution, there is an emphasis on the outside-in relationship, and not enough on what is actually coming out of those regions.

It's when we come to consider these contradictions that we start to recognise that there are, in fact, very important political actors with mass support in regions of the world outside the West which we simply aren't factoring into our equation. This relates to what I was saying about *agency*. The end of the Cold War and the disintegration of the Soviet bloc was not just an élite change – it wasn't just the replacement of one élite by another. It was accompanied by revolutionary upheavals which stimulated a far more far-reaching dismantling of the Cold War system than anything that was envisaged either by Western or indeed by Soviet leaders. So let us dwell a little bit on these revolutions of 1989, because it's fashionable to dismiss them – even a former Marxist like Fred Halliday in his *Revolutions in World Politics* doesn't see these as proper revolutions because they didn't involve the successful seizure of power by a new revolutionary élite. However, in my view, the transformation in mass revolutionary movements is precisely what's interesting about

them – the movement away from the old, centralised model of the party seizing power, or the guerrilla movement seizing power, and the movement towards the widening and deepening of political democracy. This has taken the form, often, of what's been called 'revelections' – the combination of revolution and electoral change, the combination of a kind of street process and mass electoral politics. And, so, to somebody who comes from 1968 like me, it seems, actually, that quite a bit of our agenda come to fruition, with some new and important twists. And this kind of democratic revolution has spread across the globe – it's not simply an Eastern European development, it's something that's happened in the whole of Central Europe, in China, in South Africa, in South Korea, Indonesia, and, of course, most recently in Serbia; and it's often provoked counter-revolution, as in Tiananmen Square. And I think that it's important that we get this revolutionary element – although it's easily dismissed by Marxists as 'only' democratic revolution – into our understanding of what's happening in politics, because this is the process that's actually transforming so many of these states. Now, it only leads to many new problems, but it's a crucial part of the world political picture. (Of course, the other side of the democratic revolution is the success of national movements, in the peripheral regions of what I call quasi-imperial states, which lead to new forms of military conflict. Since I've been told that my time is up, I can't deal properly with this.)

To conclude, I wanted to say a little more about the relationships between democratic revolution and global change. What it seems to me is important is that global change isn't something which is simply coming from Washington – in fact, very little of it is coming from Washington – and it's not simply coming from within the dominant West. It's also something which, in many ways, is being demanded and fought for by movements outside the West – by the movements for democracy, the movements against oppression, the movements to try and force international institutions, to force Western leaders, often against their own inclinations and interests, to intervene to defend the most oppressed, the most vulnerable peoples. And it's this sort of connection, with the practical politics of the global era and with the ideals of human rights, of global human rights, which it seems to me is far more subversive than Peter was letting on. It's this sort of connection that I wanted to establish as the other side of the global change.

II. Question and answers

Question

Well, I feel I should start with Martin Shaw, who staggered me with his final remarks. I am somebody who agrees it was a revolutionary upheaval in Eastern Europe in 1989, and I welcome that, but I don't think we should have any illusions about what the consequences of that have been. The problem is that, at the same time as we have the spread of formal structures of democracy, we're having an emptying out of the substance of that democracy, in terms of the actual decision-making processes which affect the lives of the vast majority of people within those states. The most obvious thing to say about this is the extent to which economic policies in many countries across the globe are being dictated by the IMF or the World Bank, or the US Treasury, or whatever. The situation in Bosnia, for example, is one where – and Peter Gowan will correct me on this if I'm wrong – is that a member of the IMF is actually sitting in the treasury of Bosnia, what there is of it, and basically dictating the economic policy there. So, I think, in that respect, it needs to be really quite thoroughly criticised and rejected.

At the same time, I do have a problem with Peter Gowan's view that, it seems to me, attributes so much power to the US state, and the US Treasury, even to the extent, I think, of assuming that they can simply dictate the value of the dollar. There was a brief reference which gives away, I think, something problematic about your perspective, which is your suggestion the US can simply send the dollar shooting up, send it shooting down again – I know they can have an influence there, they can intervene in the markets at critical moments; but, I'm sorry, the overvaluation of the dollar in the early 1980s was *not* simply a choice of the Reagan government, any more than the collapse in the dollar in the late 1970s. There are deeper economic contradictions there, and actually far more impact being made by the huge scale of financial crisis across the globe, in terms of limiting what any state can do, including the American state, which is not to deny that it has a privileged position of power.

Question

I want to start with the point made by the Chair about the difference between socialist and liberal-cosmopolitanism, and what that means, and try and ensure that that we actually have some kind of focus on that. And, then, to come on to the points made by Martin about theorising the nature of the state in other parts of the world, it seems to me to be important to realise that we're not simply dealing with whether or not states are authoritarian or democratic, we're also dealing with just very basic questions of the capacities that states actually have. And it seems to me to be a very important kind of question.

I mean, it was once said of the feudal state that it was a bit like dentistry, in the sense that you didn't see the dentist often, but when you did it was, sort of brutal, extractive, and fairly short. Now, this is in fact the relationship of most states in the Third World to their populations, very often, whether or not they happen to be formally democratic, authoritarian, or what have you. And simply to see this as being a question about rights seems to really dodge that; and that's where the sort of question of imperialism comes up – the whole question of the relationship between states which can intervene and states which can't intervene; those states that can't be very effective even with their own populations, does seem to me to raise very serious questions.

And, then, finally, when we talk about the impact of this sort of normative discourse on politics, perhaps it's a good idea to look a little bit at that impact in the South as well – Peter was making these points about the Eastern European revolutions and democracy, and all the rest of it. But it does seem to me that one can also see this kind of process happening in an institution like SOAS, here, where somebody who, some time ago, was actually involved with *Umkhonto we Sizwe*, the armed wing of the ANC, is now involved as a manager with quite different things, in terms of getting closer and closer to various kinds of international institutions, being involved in regulating things: the shift seems to be very much toward regulating politics, regulating behaviour, rather than actually *participating* in politics, and that seems to me to relate to this question of agency as it was posed earlier. And it does seem to me that, in these discussions, we ought to think quite seriously about what a liberal and a socialist cosmopolitanism would look like.

Question

There seems to be quite a bit difference in the accounts of what we might mean by 'globalised materialism' among two, or all three, of the speakers. According to Peter, the USA, almost alone, makes the rules for this neoliberal order, decides whether or not to break them at will, at whim. That doesn't make sense to my understanding of how it would be possible for the World Bank, the IMF, the WTO to function, for there to be new negotiations on how to extend that neoliberal project. So, I wanted to ask especially the first two speakers, how do you understand how say, the NAFTA bloc and the EU bloc, define some common interests over the neoliberal, globalised system such that they don't have they don't have inter-imperialist rivalries dominating their relationship? How is that possible?

And, then, my second main question is, in relation to these models of liberal cosmopolitanism and socialist cosmopolitanism, we should be factoring in what's called the counter-globalisation movement in the broadest sense, into our theoretical perspectives on neoliberal imperialist strategies. So, very briefly, I would ask: how do you understand the different strategic responses or adjustments to that challenge, by the, say, NAFTA bloc and the EU bloc?

Question

I don't want to speak in defence of imperialism, but I do want to speak in defence of Lenin's analysis of imperialism, which I think is being thrown not just out of the window, but has been forgotten at the end of the street. I mean, in the 1990s, what we've seen is a massive shift of wealth and power from the majority of humanity to a handful of small, rich countries. And this fundamental idea which runs through all the classic theories of imperialism is that a rich minority of states controlling and exploiting, and benefiting from, including significant parts of their populations, the rest of the world, has been the story of the 1990s writ large. I mean, some writers call it economic genocide, which I think is a fair description – it doesn't amount to an analysis – but there has been an economic genocide in the last decade against the majority of humanity. And, if we have a concept of globalisation which doesn't recognise this fundamental inequality in the world, then abstracting out nation-states from that is completely a false abstraction. There are oppressor

states, there are rich states; and there are poor states, oppressed states in the world today. And, when you look at any institution, internationally, you want, and you can see that reality expressed at every possible level, right down to the most detailed level. And I think that this has been missed – particularly in the last contribution: you cannot abstract out from that reality, it seems to me.

Secondly, in terms of Lenin's contribution, which I think is not only about 1916, in the middle of the First World War, but is, if you like, part of an intellectual tradition which throws light on the processes we might call globalisation today, is this idea of military aggression being linked to economic interests. It might be a bit crude and instrumental, but it's bloody real! You look at what's going on in Colombia today: it's an imperialist, aggressive invasion, in a country, with the backing of its élite and the opposition of the majority of its population, to service interests of multinational corporations, number one, and secondly to create the complement, which Peter was talking about, which is a hegemonic bloc under the control of the United States in the Americas. And this is a return to imperialism: you can find another word for it if you like – I'm not arguing about the word – but the concept of oppression of the majority of humanity is important.

Question

If my understanding of Peter's point is correct, then I think what he's saying is not that America can do whatever it wants, at will: all he's trying to say is America is the dominant force in this process of globalisation, and that power can be abused. I think that is a valid point. If we accept that, and the point that none of the existing international organisations, like the UN and EU, IMF, World Bank, is working, then my question is: which organisation is going to work as the replacement?

Martin Shaw

I think it's partly a question of teasing out the questions from the sloganising. I do think that there's a danger here in falling back on old modes of thought, and holding up slogans like Lenin's theory of imperialism, without explaining seriously how it's applicable today. I don't at all want to deny the

massive and complex inequalities in the world today, both of wealth and power; I don't want to deny that the policies pursued by Western states, just as much as by other states, are actually about interests of both an economic and a political-strategic kind. But I do think that, if we see that as the end of the analysis, then we're not going to get very far.

The first speaker made the points about the spread of formal democracy and the emptying of the content, and I think that's an important point, and a point that's often made by socialists. But it doesn't seem to me to take away the fact that the struggle for political democracy – both at the centre of states, and also in the form of national movements of one kind or another at the peripheries of many states – is actually the key point of political conflict in very many regions of the world today. And the fact that any particular result of any particular phase of that struggle is not some sort of stable, mature or egalitarian democracy – which manifestly it isn't in every case – doesn't mean that the struggle isn't still the central struggle. And what we see is actually - in places like Indonesia, in places like Central Europe – is a constant struggle over these issues, a repeated struggle, which goes through new phases of conflict. And I think that, unless we understand the centrality of these issues to politics today, and we don't simply fall back on the idea that there is this global inequality between Western élites and the world population, try to explain things through that, then we're not really getting to grips with what's going on in the world.

Leo Panitch

Well, I think, why I wanted to retain the word 'imperialism' is precisely because of the passionate use of it that we heard from the last speaker. But why I'm worried about it is that, just to describe the inequalities of power, of wealth, and much worse, doesn't *explain* how that is structured and maintained and managed. And I'm not sure that Lenin's theory carries us very far in that respect. But, certainly, the motive power of the term is one of the reasons I wanted to bring it back – but, preferably, to tie it with a new explanatory theory.

That said, I think it's possible – and here I think I differ slightly with Peter, although it partly reflects how he was putting his argument – that, if the United States *were* able to carry its policies through the IMF, and the World

Bank, and the International Court of Justice, it would be, in my view, a more perfect imperialism. The proof of a relatively stable new imperialism, for me, would not be those cases where American power is shown nakedly, but indeed the proof, it seems to me, would be precisely to be able to co-ordinate American interests with those 'legitimate international institutions', as Martin calls them. In that respect, of course, American imperialism would've been a lot better off with Gore than it is with Bush, although I think he'll be brought in line in all kinds of ways.

In terms of the very important question of *how*, short of this, American imperialism today is co-ordinated with the actions of other states, I think this really does need to be at the core of our analysis, because there are conflicting interests. I think what is very important to recognise is that there are social forces inside each of the major advanced capitalist states, and some of the third-world ones, that have consistent interests with the Americans. These interests are articulated inside the state and they're found amongst the leading class forces (not only indigenous capitalist ones). I'm very much of the view that, in order to understand the degree of co-ordination that goes on between Europe and the United States one needs to understand the important process of American direct capital investment in Europe through the post-1945 period that Martin points to as a crucial turning point. Because, as Canadians know, when capital comes in, it doesn't come in as merely money or investment, it comes in as a social force – and it becomes a domestic social force on the arena of those nation-states. And an important element, then, of the co-ordination is that the French and the German states, and, indeed, above all the British state, to some extent reflect social forces on its own terrain that have a consistency of interest with forces that are also present on the terrain of the American state. That's only one element of the co-ordination, but it seems to me an important one. And it goes the other way: as Europe penetrates the United States with foreign investment, this doesn't at all indicate a challenge to American supremacy; what it does indicate is that, when Daimler buys Chrysler, it's trying to get the American state on its side – as well as the German state. Of course, it has more immediate economic purposes, but a political purpose, as well. This isn't a challenge to American imperial power by German capital. The political process of co-ordination and the institutional process of co-ordination is very important area of study: it's far too-little studied, I think,

and it needs to be. That said, in the international process of co-ordination there are all kinds of institutional rules – who pays the piper, who staffs the permanent staff of the international agencies, indicates that American power, in most instances, is paramount. And, where American power is not paramount, then America is uncomfortable and crabby.

Finally, in terms of the widening and deepening of democracy (and here is where I disagree most profoundly with Martin), there's a lot of widening, there's very little deepening. Perry Anderson once said, 'the wider it gets, the thinner it gets', and I think that's absolutely true. That's not to say that the wider it gets makes it therefore useless, and we adopt some old-fashioned social-fascist positions. That would obviously be wrong. I think it is the case that, insofar as the condition of entry into the 'global Western state', as Martin calls it, is formal liberal democracy, then that actually is going to throw up severe contradictions for the empire. Insofar as workers can engage in freedom of association and strikes, they will throw up contradictions for the empire. But it would be wrong to stop at saying this is democracy in action as furthered by the empire itself, without looking at the degree of freedom of association encouraged or permitted by the Americans. It would be wrong to forget that America promotes formal democracy after colonels have done their dirty business, and wiped out the Left as a social force. It would be wrong to ignore the way in which the United States is *not* promoting freedom of association in China – and I mean that very concretely. When the AFL-CIO insists the American state should not agree to admitting China to the WTO unless it gets China to accept higher labour standards, the interesting question here is, 'Why doesn't the AFL-CIO throw the kind of resources at the independent Chinese unions that they did for Solidarity in Poland?' – and the reason they don't is that the American state *doesn't want them to*. And that's the kind of thing that needs to be factored into the extent to which liberal democracy is becoming a formal requirement of any state's incorporation into the 'global Western state' or, put another way, into the process of globalisation under the American imperium.

One final point, on the popular forces – whoever raised that, I think that is the key thing. You've already heard my dubiousness about the AFL-CIO's approach to the American state, an approach that undermined and negated what seemed so marvellous when steelworkers joined with environmental

activists on the streets of Seattle. I am very much of the view that the spirit of revolution in the anti-globalisation forces – especially amongst young people – is remarkable. That said, the relationship the forces of organised labour have with them is very complex, and often contradictory. And, on the other side, if you ask a lot of the anti-globalisation protesters what they want, they don't come up with capital controls. In North America, they often will come up with: 'Why can't we go back and live like the native peoples lived before 1492?'. There is going to be enormous trouble for the global governors in the years to come, bedevilled as they are by what appears to them as almost surrealist protest, but it seems to me that anti-capitalist protests do need to develop a clearer focus with regard to how the nation-state needs to be restructured in order to break out of imperialism – including, above all, a restructuring of the state in the centre of the empire itself.

Peter Gowan

I think we have to have two concepts of imperial relations: one is this North–South relationship. Here, the imperial relation is very clearly expressed, politically, in the drive to end sovereign equality between states, and to make states outside the Pacific Union, in effect, unequal, and subject to interventions of all kinds from states in the Union. Even, of course, if there was one rule for everybody – one cosmopolitan, liberal rule, procedural rule for everybody, the same procedural rights for everybody – this would be one law for the lion and the ox and, as William Morris used to say, that is oppression. But there is not that, there's the move towards sovereign inequality. The great conquest of 1945 and the UN is being overthrown at the moment. Secondly, however, there's the second imperial relation, between the United States and the rest of the Pacific Union. This concept that Martin has of a single, unified bloc is *wrong*, in my view – it's a far more tension-ridden thing. I think you're also wrong, Leo, on this. And, indeed, it's very important to understand that the way in which the tensions within the Pacific Union, within the Triad, are managed is by constantly expelling them outwards towards the South. The tensions between the United States and Europe in global political economy were pushed out by the European Union into a savage mercantilism towards East-Central and Eastern Europe during the 1990s. Now, to understand what's been happening, and what is happening now – what the moment is now – we have to see that there has been this great drive from

the United States, really since the Reagan administration, to rebuild its dominance within the core. And this has been a partially coercive drive in relation to the capitalist classes of Western Europe and Japan – there have been coercive elements, but there has also been a pathway for Western Europe and Japan to solve the problems created by the American programme. The two ways offered by the Reagan administration and its successors to the West Europeans and Japan have been: ‘Stop all these massive goodies that you’ve been giving to your own labour, in your own country; break with that and re-impose fully-fledged property rights and full social power for your own capital domestically; and, secondly, join us in a common effort to roll back the power of countries in the South, of mass movements in the South and of development states in the South’ – which they did very successfully in the 1980s through the debt discipline and so on. Now, that drive is still continuing – to what purpose? Not to the consolidation that Martin sees of the Pacific Union, nor the global state, but to the consolidation, actually, of the American propertied class and its state over the world – it *is* a unipolar project, and you must read what they say, they are quite blunt about that, that’s what they want. Of course, what they offer the West European and Japanese propertied classes is a real and perhaps viable path, which may satisfy them. But the American articulation of all this must be recognised to understand the contemporary situation. And then we can see the dangers and contradictions in this, because to establish this unipolarity they must make the other parts of the core strategically dependent on American military power; and how then to legitimate this huge power drive to make Europe dependent on the American-Russian relationship again, or Japan dependent on the Chinese-American one? How to legitimate that? And that’s where norms are important: what is the normative basis for this? NATO expansion, and so on. There’s a real problem here, because if they come up with universalist, liberal-democratic norms and so on, these clash with unipolarity in lots of ways – the West Europeans come in and try and tie them down with a genuine cosmopolitan régime, and so on. But if they come out with sort of Bush-type, raw, nationalist norms, then they get into problems like that. The final problem is, they have been so lucky in the 1990s, because labour and the Left have been totally disorganised, internationally – they are completely, disorganised intellectually, they don’t know where they are. But will that go on forever? I doubt it.

Question

I just think it's completely astounding that we have two hours discussion about globalisation, and at no point does Monsanto or Bill Gates or any of these transnational corporations, which have grown to be greater powers than most of the states in the world, enter into the discussion. So I ask Leo Panitch: you introduced the notion that we have to consider how things are produced and under what conditions, and that type of thing – by implication, who controls it. But, you say, this can only occur – at least I understood that you said – within the context of restructured nation-states. But the nation-states are much weaker than these major transnational corporations – I'd like some explanation.

Leo Panitch

This is a false polarity – the strength of those corporations cannot be understood apart from the structure of the states from within which they operate – and not only the American state. Their power is conditional upon – and indeed exercised through – state apparatuses. It's not something external to those states. And, of course, I entirely agree with you about the power of MNCs, but if one leaves the analysis at that and doesn't see it in terms of the capital relationship and the relationship of states to that, you get the kind of analysis that some radical magazines like *Adbusters* are doing today, and which one often see on the internet's promotion of the anti-globalisation mobilisations, which tells you that the world's problems only began in the last quarter of the nineteenth century when the American Supreme Court made corporations legal personalities – that's where history begins and all we have to do is somehow reverse this. I'm not saying it wouldn't be wonderful to unmake them as legal personalities – but this is an impoverished analysis. Now, that isn't to say that, for mobilising purposes, and for a deeper mode of explanation, one shouldn't identify the increasing concentration of capital that MNCs represent, and their increasing unaccountability that goes with it. But I don't think this is left out when one talks about the way in which their power is exercised through states, and the way in which states often provide leadership to them.

Question

I come from Indonesia. I just want to continue the point raised earlier. I was working among the urban poor for many years, in Jakarta, and I witnessed how, actually, the squatters were affected by the police. But we knew very well that the police were just bought by the embassies or the business people for five pounds or ten pounds – and we knew that very well. But this case also applies to so many things in developing countries. What I'm trying to say is that we have to be careful in talking about state power, precisely because the capacity of the state has been captured by business powers.

Leo Panitch

Well, I want to pick up Peter's challenge, first of all regarding the rich capitalist states, because I think it relates to this. I certainly don't think – I'm sure he doesn't mean it either – that, whatever rivalries will come to exist between the advanced capitalist states ought to be seen in terms of a strategic way out of globalisation for the Left. And, in that sense, I also don't think that the imposition of reactionary policies by the EU upon its subordinate populations is just to be seen as an American strategy for imposing its unilateral authority. This is a strategy that the European bourgeoisies – which include, I think, elements of the American bourgeoisie – have evolved for their own reasons themselves. Moreover, insofar as they were to engage in any challenge to the American supremacy in any fundamental way, they would do it – and I'm sure you would agree they would do it – in a way that would impose enormous costs on their own populations. Only a fundamental change in class forces within Europe will lead to any sort of challenge to American power that would have progressive rather than reactionary consequences. And I would say that's largely true for, unfortunately, the third-world countries as well. The kind of third-worldism that Samir Amin represents, while often admirable, can be misleading, insofar as it's inconceivable that without a massive change in class relations in those third-world countries, so that they would really come to be rogue states as far as the American empire is concerned – at least from a socialist perspective.

A couple of points. One point is the importance of building movements against this attempt to cash politically the gigantic military power of the United States, through Nuclear Missile Defence and other things is very important and possible. Any movement for popular rights and justice which is not simultaneously a movement explicitly against US military power-projection (and that of its allies) can, as we have seen, be turned into an imperial tool. And the second very important thing is that we must, I think, insist upon the fact that institutionalised rights for everybody depend upon prior social and political conditions, and if the Pacific Union is spending its time, as it is, either insouciantly or deliberately, destabilising social conditions and political conditions in other parts of the world, then it is undermining institutionalised rights for people. And however much it bellows that it's doing the opposite, and however much it uses economic sanctions, military force, in the name of human rights and so on, it is actually destroying the basis for institutionalised, civilised relations between people, and we should never forget that. Don't speak of human rights unless you speak of the social, political and economic preconditions for stable, institutionalised, humane relations.

Martin Shaw

I think one could put that the other way round: you could equally say that the democratic movements that have arisen in many countries throughout the world are actually creating the preconditions for social advance, in the sense that democratic, liberal states actually creates the possibilities of organisation. And it's important to see democratic change in non-Western countries as coming from below as well as from above – it's not something which is simply promoted by Western interests, or introduced by local élites in order to suck up to Western leaders: it's something which is pressured from below. I mean we've heard about the anti-globalisation movement: one thing that struck me was last autumn, when there were 10,000 anti-globalisation protesters on the streets of Prague, and there were 250,000 democracy protesters on the streets of Belgrade – and I know which of those movements has been more important in the recent political history of Europe, and indeed of the world. It seems to me those sorts of popular movements, which are genuine popular movements which have a wide social base, unlike, I think – so

far, at least – this kind of anti-globalisation movement in the Western countries, are actually helping to shift global political conditions. Now, you may say, well, shifting global political conditions only puts them into the Western world camp – but it doesn't just do that, it actually creates the conditions in which independent trade-unionism, for example, is more likely to be possible, and in which it's going to be possible for people to organise, without facing secret policemen as they did in the past. So it's these sorts of changes that I think are important, and I think when Peter talks about sovereignty I think it's really peculiar that this idea which was invented in the course of the seventeenth century to defend the prerogatives of princes, which is now being invoked by socialists and democrats to defend, often, the most oppressive régimes outside the West from the legitimate pressure both of the people within those countries protesting against the various kinds of authoritarian and imperial rule, and also the pressure from global institutions and from Western leaders. It doesn't seem to me this is an adequate concept: it really shows that we've fallen back on concepts which have long since had their day, which belong in different sorts of political situations, and which don't actually help us to move forward. And this is where I think the Left has a lot of rethinking to do if it's adequately going to face the present challenges of global politics.

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