

THE WORLD BANK'S STRATEGY FOR REINSTITUTIONALIZING THE POST COLONIAL STATE: AN ASSESSMENT

Javed A.Ansari

College of Management Science

PAF-Karachi Institute of Economics and Technology

Sustaining globalization as a world order requires a restructuring of the state and its relationship to capital. Capitalist order and 'optimal' institutions are not produced as the unintended consequences of the interaction of free agents, as Hayek and some other self styled neo Smithians believe. The World Bank has been a relatively early convert to this new institutionalism and has sought to graft a political economy which combines insights of institutional and neo classical economics. Its 2002/2003 World Development Report sets out essential changes in the institutional structure of post colonial states required for their subordinate integration within the order of global capital.

The Report does not however identify the political agency for creating and sustaining this "required" institutional restructuring. This paper argues that neither donor authorities nor their client regimes possess the political legitimacy or the political legitimacy or the political resources to effectively restructure the postcolonial state. The postcolonial state can therefore be transformed into a site for resisting subordinated incorporation within the order of global capital.

This paper is divided into four parts. It begins by setting out the state institutional restructuring strategy presented in the 2002/2003. World Development Report, Part Two raises the question: can the hegemon, other metropolitan states or imperialist international organizations effectively impose this form of institutional restructuring on the post colonial state? Part Three assesses the ideological and political capabilities of client regimes for achieving enhanced legitimacy and effectiveness through this form of institutional restructuring. We conclude that donor authorities and client regimes will not succeed in effectively integrating the post colonial state within the order of global capital and that this failure has the potential to create a crisis for the post colonial state and for the global project as a whole.

The World Bank Agenda for Institutional Restructuring of Post Colonial States.

As an agent of global capital the World Bank is as concerned with the “protection and thriving” of assets as it is with the welfare of people. It seeks “a coordination of human behavior (that) is required for people and assets to thrive “(WDR 2002 p37). Thus the purpose of institutional restructuring is the promotion of the capitalist spirit and capitalist rationality. Institutions are to be designed so that they can make people conscious of their self-interests, the need to balance these interests through negotiation and to overcome barriers of dispersion and exclusivity in the articulation of interests in capitalist society. Overcoming these barriers requires that social capital/trust be transferred from individuals to interest aggregating (capitalist) institutions. Above all people must be taught to trust the capitalist market. Markets must be supported by institutions, which lower transaction costs. Market rationality must be imposed upon the people through the rule of law (of capital), which legitimizes the enforcement of (capitalist) contracts.

But as Hegel foresaw the rule of capital cannot be confined to the legal sphere. It must extend to society as a whole. Society must become an adjunct to the market. Civil society aggregates interests which cannot be expressed in market price (environmental and social costs and benefits for example are normally externalized by market rent) to ensure the supremacy of capital. The World Bank argues forcefully for a constitutional state (WDR 2002 p39) which envisages itself as “a partner of the private sector”. Democracy can be an important means for aggregating interests and for subordinating the state to capital. But democracy is dispensable and the World Bank recognizes that “some countries have done well using other channels “(WDR 2002 p40).

Liberalism – the rule of the law of capital – is not dispensable, however. Civil society institutions are indispensable for the marketization of society, for the aggregation of capitalist interests and for subordinating the state to capital. They also play a crucial role in legitimating capitalist property rights, “restraining the taking of assets – whether human made or natural, whether transacted in markets or not – is essential for assets to thrive” (WDR 2002 p41). Capitalist property rights must be universalized. Community and state property forms must be remodeled along capitalist lines. The government must respect capitalist property rights. The World Bank recognizes that “the security of property rights is closely associated with the rule

of law” (WDR 2002 p41). The rule of law is the rule of the law of capital. The judiciary must be taught this important lesson and soon.

Depolitisizing society is considered necessary for making it “pluralistic, meritocratic and free” (WDR 2002 p44). This is to be achieved by liberalization and “political decentralization” which in the World Bank’s opinion makes possible a better “balancing of interests”. Information management should be a tool for effective “political balancing”. While information management should seek to “open up” societies one party

states such as China are also lauded (WDR 2002 p45). The preference is for liberal not necessarily democratic institutions. Non democratic liberal bureaucracies are recognized as effective instruments for the “balancing of interests”. In the opinion of the World Bank these liberal bureaucracies are most effective when they are adjuncts to the market and mimic its norms and procedures. All non market institutions must be “market supporting” – their role is to aggregate interests, generate trust in capitalist order (build social capital) and ensure market colonization of society (foster inclusiveness). Voice and participation is to be promoted while asset / power distributional outcomes of market processes are to be maintained. Protecting and supporting people and assets are seen as the inevitable outcomes of the widening and deepening of the scope of capitalist legislation and markets. The market needs “guardians” (WDR2002 p52) not governors. “Guardians” should be “well endowed” but how “endowment” is to be enhanced is not explicated. In the main this is seen as an inevitable consequence of the efficiency generated by the operation of market forces. The rule of capitalist law and the policy emphasis on macroeconomic stability are also expected to enhance the endowments of the poor. “Openness” – i.e. liberalization – is expected to enhance asset endowment, as is the extension of capitalist property rights. The Bank argues against asset redistribution as a means for increasing asset endowment since this usually undermines “respect for the law and property” (WDR 2002 p55). “Young democracies” are also viewed as dangerous for “not protecting property and (not) allow(ing) assets to thrive” (WDR 2002 p56). Non-democratic liberal regimes are lauded for their commitment to capitalist property rights. The Bank recommends that capitalist values be permanently endorsed through constitutional enactments and bureaucratic processes.

In sum the World Bank’s institutional restructuring agenda envisages the subordination of the state to the market. Institutional restructuring is to be concerned with the promotion of capitalist values and capitalist rationality. Institutions should teach people to be self-interested and to aggregate and balance individual and group interests. Inclusiveness is to be promoted by transferring trust from individuals to capitalist institutions. The rule of the law of capital and the capitalist property form is to be universalized and community and state property forms are to be remodeled on capitalist lines. This will ensure governance through civil society institutions and ensure the universalization of liberal rights within the context of a constitutional regime – which is not necessarily democratic. Institutional “reform” is concerned to “depoliticize” policy conception and implementation processes and legitimate “opening up” interventions of local bureaucracies. These interventions must not restrict distributional outcomes of market processes for according to the World Bank inclusiveness is achieved not by asset redistribution but by increased market efficiency, expansion of the scope of capitalist property and promoting macro economic stability (the typical ESAF/PGRF agenda).

This vision can be described as “neo liberal” in that it envisages the colonization of society by the market. But it also incorporates some elements of social democratic ideology. It is in an important sense a variant of Anthony Giddens’ “third way” (1998) which inspires European social democracy. But European social democracy has collapsed and the “third way” has proved to be a means for implementing the neo liberal agenda. It has not led to increased inclusiveness, improved patterns of income and asset distribution,

empowerment of the poor or greater political participation (Callinicos 2001, Rymer 2002). Why should we accept that neo liberal social democracy will succeed in the post colonial world?

There is a fundamental theoretical flaw in Giddens attempt to link neo liberal economics and participatory ('inclusionary') politics. Giddens works with a generic conception of risk which he describes as "(t)he new energizing principle of a society that has broken away from tradition and nature" (1998 p63). Giddens regards environmental, financial and social risk as ontologically similar. This obscures the fact that management of risk in some spheres – financial for example – involves conflicts, while in other spheres – e.g. social representation – this might not be the case. Neo liberal social democracy seeks to construct a "politics without enemies" – that is the essence of "inclusiveness". Interests are to be reconciled on a 'Higher Plane' (Mouffe 1998) above politics. This is a fundamental misconception about capitalist society the basic motive force of which is jealousy (competition) and avarice (accumulation) and in it there are no guardian angles for identifying or preserving the general good. The typical citizen of a capitalist polity enters the labour market as a subordinated unequal participant and market forces accentuate his subordination. In European history the problem of inequality and subordination has been addressed by de-comodification of key production process and by the institutionalization of collective bargaining – solutions which neo liberal social democracy emphatically rejects.

As Aristotle pointed out thousands of years ago leisure is required for civic participation. Martha Nausbaun (1990) interprets this as implying that citizens must be guaranteed the satisfaction of their human needs so that they are not dependent on the market. The market commodifies the life of the labourer and the peasant and the conception of the autonomous, flexible, model individual with time to invest in social projects and sufficiently enlightened to perceive win-win outcomes is a cruel joke on the reality of shanty town and village life individuality in the post colonial world.

The market marginalizes. As Clause Offe (1996) shows for example private insurance gives powerful incentives to those with social and economic power to exclude the vulnerable and the weak so as to reduce risk and premium costs. Neo liberal de-regulation and localization targets assistance to specific groups creating fragmented and marginal 'special interests'. Neo liberal social democracy accentuates distributional inequalities. It does not offset the inequalising tendencies of the market.

This means that there is a theoretical incoherence at the heart of the neo liberal social democratic reinstitutionalization project which ensures that its stated objectives – the humanization of capitalism, and social inclusiveness – will not be achieved. This does not mean that the neo liberal social democratic project cannot be implemented in the post colonies. It means that implementation of the project will be riddled with contradictions which create increasing space for articulating a counter strategy for transforming the post colonial states into sites for resisting subordinated inco-operation within the order of global capital. Let us begin by examining the contradiction in imperialism's attempt to impose neo liberal social democratic reinstitutionalization upon the post colonies.

I. Neo Liberal Social Democratic Reinstitutionalization In the Post Colonies; Imperialist Contradictions

Today the modernist project has all but collapsed. As Brown (2001) argues the West “is still grieving the loss of belief in progress, rights, freedom, truth and reason, yet it holds these ideals to be irreplaceable” (p103). As Antonio Negri notes “(t)he World Bank (has) toyed with the idea (of) constructing a global civil society as the potential interlocutor of the sovereign of the new global order. However the attempt to reactivate a participative system has had no effect” (2003 p33). Zollo argues that “following September 11 we have seen the affirmation of a strategy of total war that is hegemonic, without territorial borders and outside the control of international laws... the strategic aim of the United States is the consolidation of its planetary hegemony. Due to globalization of markets the abyss separating the rich and the powerful countries from the poor and the weak continues to widen on a daily basis” (2003 p34). Capitalism’s legitimacy depends increasingly upon war. Soper (2003) shows that since war necessarily involves intensification of propaganda and control of media it exacts a heavy price from the democratic process.

Negri speaks of “empire” as “the period of the complete real subsumption of society by capital” implying a necessary loss of the attribute of sovereignty by all states within the system. “Empire” is a decentred and deterritorialized political system based on cosmopolitan universalism brought into being by workers and anti colonial struggles and struggles against socialism. Negri is an unashamed celebrant of Empire. Empire is ruled by capital and the political institutions and juridical processes required for capitalist governance. “The ideology and practices of the Bush government” argues Negri “are fast placing themselves on a collision course with other capitalist forces that at a global level work for Empire” (Negri and Zollo 2003 p27).

The reinstitutionalization of neo colonial states in accordance with the tenets of neo liberal social democracy, as espoused by the World Bank, may be viewed as an objective requirement of the presently dominant regime of accumulation. The extent and form of reinstitutionalization that will be achieved will partly depend upon the balance of external forces thrusting this reinstitutionalization upon the neo colonies. This external influence is particularly important because globalization systematically disempowers and delegitimizes post colonial state initiatives (Bhaduri 2002). That is why the question is “Empire” an American project or is America subsumed by “Empire” of vital importance for understanding the inherent limitations of the post colonial state reinstitutionalization project.

If Negri is right and Empire subsumes America international organizations should be expected to be the main beneficiaries of the loss of the attribute of sovereignty by nation states.

International organizations operate as bureaucracies attempting to structure transactions on the basis of a liberal bureaucratic (Weberian) rationality. The work of

international organizations has contributed to the codification of laws – specially in the spheres of trade, investment, technology transfer and the economic obligations of states – on the basis of liberal (as against Soviet or Islamic) norms and concepts. The World Trade Organization for instance plays an important role in the elaboration and interpretation of commercial law on the basis of liberal norms and practices.

But in a unipolar world where military power is overwhelmingly concentrated in the hands of the system hegemon international organizations are not forums facilitating the formation of uncoerced liberal consensus. They are means for the imposition of the will of the hegemon on all states. We live in a Hobbesian state of nature where ‘moral discourse is mere cant’ (Hobbes 1977 p4). America is Hobbes’ Leviathan, an all powerful state acting to completely depolitize the world by pursuing a policy of aggressive self defense and the systemic prioritization of it’s national interests. American claims about the implementation of super historical universally valid laws of social and individual behaviour are based on American power. In this perspective maximizing American liberty / utility is a super rational moral objective which cannot itself be the subject of theoretical discourse. Rationality in this context is purely instrumental in that it is merely a tool for discovering efficient means for American utility/liberty maximization. Globalization is human rights imperialism in the sense that rejecting liberty / utility maximization and associated capitalist property forms and rights subjects a state and its citizens to the brutal violence of the rogue super power, America.

Within a human rights imperialist order there remains the possibility that maximizing liberty/utility/profit for America may require the non-maximization of liberty/utility for other state and non-state actors. The new realist view that the existence of the hegemon guarantees the existence of a stable, open international system assumes that there is a correspondence between maximizing liberty/utility for the hegemon and for all members of such a system. If this is not the case the hegemon will define the system’s ‘public good’ in terms of its own national interest and the hegemon’s “preponderant capabilities will ensure, that more ‘good’ gets done” (Ashley 1989 p273).

But can global capital not force America to subordinate it’s national interests to the over-riding purpose of global liberty/utility maximization? There are two major constraints. First global capital cannot produce the public order that legitimates capitalist property/human rights imperialism. Secondly global financial markets are not self-sustaining. America’s Fed continues to play a crucial crisis management role and is the nearest substitute for the non-existing world “lender of last resort”. For these reasons Negri’s view of America as a state dominated by global capital is simplistic and unrealistic.

America is now committed to a unilateral use of force for sustaining its global hegemony. It has arrogated to itself the role of a global standard setter and executor through state terrorism of what it calls “justice”. It has abandoned the vision of making the world safe for capitalism through the reconstruction of a modified version of the Bretton Woods system. The commitment to pursue American interests in a manner consistent with the need to maintain a multilateral consensus for facilitating global capital

accumulation has also been abandoned. America now argues that the interests of global capital are best served by the aggressive assertion of America's right to dominate all non-imperialist and quasi-imperialist states and to refashion global norms, rules, procedures, laws and institutions to facilitate this dominance. As Bush says "America has and intends to keep military strength beyond challenges". This means that "(America) will not seek security (through)..... the....strategy of operating within a global system of power balancing....(or through) the pursuit (of) a strategy in which institutions, democracy and integrating markets reduce the importance of power politics. (Instead) America will be so much more powerful than other major states that strategic rivalries and security competition among the great powers will disappear" (Ikenberry 2002 p498-50). As Wolfowitz, architect of this strategy, says "no state is to be allowed to try to catch up with America".

America's permanent hegemony legitimizes the use of American terror against revolutionaries – those who struggle against liberal / capitalist order and American dominance. America has abandoned the social democratic quest for winning over – incorporating – revolutionaries. The revolutionary cannot be persuaded or appeased or deterred. He must be killed through American terror and states, which are unwilling to kill revolutionaries, must be subjected to American terror. All states must be forced to kill all revolutionaries – and state sovereignty of non-imperialist states cannot be allowed to stand in the way. Article 51 of the UN Charter – guaranteeing rights of self-defense of states – is regarded as obsolete. American power no longer recognizes national borders. An American power is used to prevent all states from developing a capability to resist American hegemony. International rules, norms, procedures; laws become meaningless in this context. America's rejection of international treaties and institutions – withdrawal from ILO and UNIDO, rejection of Kyoto, the Anti Ballistic Missile Treaty the International Criminal Court, Biological Weapons Conventions, CTBT and several WTO decisions – reflects this contempt of international law.

American power undermines global stability. No one knows where American power will strike next – North Korea, Iran, Syria, Pakistan, Myanmar, Zimbabwe, Kenya, Cuba, Saudi Arabia, Colombia, Argentina, China, France, Russia? Can free trade, world wide sourcing and liberalized foreign exchange flourish within the context of a perpetually de stabilized world political economy? Are subjects of American terror – Iraq, Afghanistan, Colombia, Nicaragua, Laos – better integrated into world markets? American power generates counter proliferation pressures as the possession of nuclear weapons becomes the only effective deterrent.

The experience in Afghanistan and Iraq shows that America does not have the capability to re impose capitalist order on the states it destroys. Moreover the American economy – and to a lesser extent global capital – bears a significant cost for its international expansionism. American economic preponderance in the global economy is far less pronounced than its military preponderance. America accounts for about 4 percent of the world's population and about 21 percent of the world's income in purchasing power parity terms. It needs an import of over \$1 billion a day to sustain its burgeoning current account deficit (WDR 2003). Sustaining American hegemony must

require the violation of market discipline – as reflected in the imposition of restraints on farm products and steel imports in 2002-2004. It is also reflected in the financial surveillance role imposed by America on the IMF and the World Bank in its global campaign against Arab funds. As Taylor (2002) argues a down turn in the economy might vastly increase the attractiveness of capital controls for American policy makers.

In an important sense global capital is America's handmaiden. Capital cannot transcend nationalism. Capital cannot create a community – it is parasitic upon the communities – protestant, Shinto, Hindu – within which it originates. Liberalism's inability to provide grounds for the fusion of individual consciousness makes the constitutional order dependent on a pre-existing community consciousness which structures and contextualizes the acts of the General Will (Gellner 1991). These acts produce the political order necessary for the accumulation of capital, and the maximization of liberty utility. Global capital needs a global state but this cannot be called into existence by it since global capital cannot transcend nationalism and create a global community. America is the only political community which can legitimate (or at least legislate) capitalist property/human rights and act as a lender of last resort to stave off crisis at the global level. American "national interests" as perceived by its political leadership and as endorsed by its democratic process, determine the way and the extent to which America chooses to perform these functions. There are no representatives of capital in general and it cannot be determined how these functions should optimally be performed – e.g. whether global capital is best served by multilateralism or by American unilateral hegemony. It is American military capability to enforce global terror, which is the decisive factor. Global capital has no option but to accept the limitation on capital accumulation that America chooses to impose.

This is reflected in the powerlessness of the global public beaurocracies that exist to serve global capital. The UN system, the IMF, the World Bank, the Asian Development Bank are instruments for the imposition of American hegemony. They have entered Afghanistan and Iraq like vultures after a kill and have legitimized American power. The UN system – particularly its specialized agencies – is today merely a collective mechanism for enforcing American power over the Muslim world. It is thus clear that the real driving force behind the neo liberal social democrat state restructuring project can only be America and America will pursue this project to the extent that it serves the purpose of intensifying the war against the revolutionaries in the Muslim world. The reinstitutionalized state will be a client state executing imperialism's purposes and increasingly isolated from the people. The local executors of the state reinstitutionalization project will be imperialist sponsored and financed NGOs seeking social decentring and delegitimation of anti imperialist norms and the imposition of American norms and life styles upon an increasingly alienated and hostile people. Reinstitutionalizing the post colonial state will weaken its authority and delegitimize its social role for it will convert it into an instrument for the sustenance of America's global hegemony.

II. Reinstitutionalization in the Post Colonies: Impact on the Client States

Reinstitutionalizing post colonial states is an American war project designed to secure and sustain American global hegemony. American power may succeed in achieving this reinstitutionalization unilaterally or through its global agencies such as the World Bank or the Asian Development Bank. But it is unlikely that such state restructuring will be effective. It will not promote capitalist values, foster trust in capitalist institutions, legitimate capitalist right and property or enhance inclusiveness. These reinstitutionalization initiatives will be viewed with deep suspicion by the people who will be increasingly alienated from client post colonial states. Increasingly deprived of popular legitimacy client states will become more and more dependant on America.

Client states are severely constrained in their ability to resist global market domination and the distortion this introduces in the pattern of national income and asset distribution. Since the distributional outcomes of global market dominance are widely regarded as unjust within client states the capability of these states for sustaining capitalist norms ('social capital' 'trust') is severely eroded.

Typically, capitalist values have been fostered by nationalist states. But in the global era civil society increasingly subsumes nationhood. In the past not all nation states have chosen to endorse capitalist right (human rights). The nation state was sovereign in the specific (Hegelian) sense that it saw itself as the legitimate authority governing the private; particularly the market, sphere. The nation state could suspend capitalist/human rights in the national interest. Globalization undermines the sovereignty of client states by mandating universal human rights. That is why another name for globalization is human rights imperialism.

Client states are increasingly powerless to resist the systemic dominance of capitalist right. Although the growth of unemployment that is a necessary consequence of trade and capital account liberalization may appear as unjustified to the citizen of a client state, this state has no power to determine the rules governing international market transactions. Both fiscal and monetary policy become less potent weapons for management of national demand and supply in the globalization era. These policies have to be synchronized with the preferences of the multinationals, the international banks and credit rating agencies which have an increased capacity to punish dissident states. Client states and the emerging economies of Asia (with China as a partial exception) are particularly vulnerable to speculative attacks.

For these reasons globalization imposes market friendly liberal policies on client states, such policies are detested by the majority of their citizens. As Bhaduri (2002) reminds us the market is accountable to no one. It is the capitalist state, which legitimizes market outcomes. In capitalism's 'golden age' (roughly 1950 to 1970) it did so by governing the market. Globalization has made this impossible for client states and in this important sense globalization undermines democracy. Global capital seeks to capture the resources of client states and to systematically strengthen those state institutions, which can effectively serve global capital. Central banking autonomy has transformed the State

Bank of Pakistan into an agent of global capital. The Ministry of Finance and the Board of Investment are playing a similar role.

Furthermore there are specific reasons why Muslims client states are particularly threatened by the new-liberal social democrat state reinstitutionalization project. All states in the Muslim world are facing legitimation crises. This crisis is heightened by America's attempt to subjugate them within human rights imperialism.

Human rights ideology is deeply unpopular. Human rights ideology is a product of Europe's revolt against Christianity. Human rights doctrine is essentially a refutation of Allah's sovereignty. That is why human rights ideology is entirely alien to orthodox Christian and Islamic thought. Thus no Islamic political thinker in the pre imperialist era ever sanctioned constitutional democracy, social democracy or any form of republicanism.

Human rights are a rejection of huquq-ul-ibad. There is of course no room for recognition of man's autonomy, self-determination or equality in a society practicing huquq-ul-ibad. Huquq-ul-ibad are duties of Allah's slaves towards other slaves of Allah. Human rights entail duties of capitalist states to ensure the development of capitalist individuality, civil society and some form of republicanism. Islam rejects the humanist claim that man has rights by virtue of his belonging to a particular biological specie, homo sapien. Human rights are no such rights – they are merely means for constructing capitalist individuality, civil society and some form of republicanism so that the duty of capital accumulation (promotion of avarice and jealousy) may be legitimated and continuously performed. There are no grounds for situating human rights in human "nature". Human rights are a doctrine legitimizing the rule of capital – i.e. the dominance of individuality, society and state by the vices of avarice and jealousy. That is why human rights are specific to the era of capitalism and are universal only to the extent of the universality of the rule of capital. Human rights are held by individuals against the state. They are held that is by the individual in his personal / private capacity against his own public capacity as a citizen. It is thus quite wrong theoretically to argue – as for example the arrogant American human rights apologist Jack Donnelly (1988) does – that human rights entail no duties. The "enjoyment" of human rights by the private individual requires that in his public life he implements the rule and the law of capital and continuously constructs capitalist societies and capitalist states. The autonomous individual is not free to reject freedom, to reject that is the organization of the market and the state in accordance with the law which actualizes the prioritization of capital accumulation – the universal dominance of avarice and jealousy.

Capital constructs human individuality in a specific way – as a means for preferring capital accumulation / freedom to all other ends. Subordinating human nature to the vices of avarice and jealousy is thus a capitalist project. The Universal Declaration of Human Rights lists the duties of states for creating capitalist individuality obsessed with avarice and jealousy. The often-stressed commitment by the UN and liberal authors to the inalienability of human rights illustrates capitalism's unwillingness to recognize as human an individuality, which rejects autonomy. An individual whose life is not

dominated by avarice and jealousy and who does not prioritize the practice of freedom capital accumulation is not recognized as a human being. Similarly a state, which does not perform the duty of constructing capitalist individualities and civil society, loses legitimacy. The state must ensure that its' citizens remain committed to the systemic prioritization of capital accumulation. Other social groups – specially the family – also have the duty to promote greed and jealousy obsessed individuality. In capitalist order families have no right to prevent the practice of Zina by their children for as Western practice has shown the universalization of Zina is an important means for the construction of capitalist individuality and civil society.

Demand for the recognition of universal human rights is thus based on a prior acceptance of the legitimacy of capitalist rights and property (i.e. life and property dedicated to accumulation). In societies, such as Afghanistan and Pakistan, where capitalist individuality and property is not socially legitimated there is no popular demand for universal human rights.

Capital is evil (Badiou 2001). Typically men do not naturally submit to it en masse. An influential group of evil men possessed by avarice and jealousy seize control of the apparatus of governance – specially legitimation discourses (Foucault 1978) – and establish the sovereignty of capital on unwilling populations This can be seen most clearly by seeking to understand the organic and unbreakable link between liberalism and imperialism.

The presently dominant universal human rights regime was born in America in the late 18th century. America had been the theatre of the mass slaughter of Red Indians – ten million of whom perished during three centuries (Dee 1970). In a fundamental sense it was this slaughter and the theft and plunder of an entire continent, which made the construction of a constitutional regime possible. George Washington was aware of this and repeatedly felt compelled to justify the mass slaughter of the Red Indians on the grounds that “Red Indians are wolves in human clothing and the survival of human civilization depends on their extermination” (Dee 1970 p.41).

Repression is necessarily part of the agenda of universal human rights. Such repression is usually justified in the name of “the people” – this was first done by the authors of the American constitution. The mass slaughter of the Red Indians, the fire bombing of Dresden and Tokyo, the atomic attacks on Hiroshima, the napalming of Vietnam, the use of daisy cutter bombs in Afghanistan, American terrorism leading to the death of millions of Iraqi children the continuing genocide in Palestine and Kashmir – all these are the legitimate acts of a liberal regime which justifies them on the basis of human rights ideology, in the name of “we, the people”.

Liberals, today recognize the impossibility of justifying liberal values and institutions. Thus Burton Dreben – perhaps Rawls’ most faithful apologist – can write.

“We are not arguing for a liberal constitutional society. If one cannot see the benefit of living in a liberal constitutional society then I do not know how to convince him. Sometimes I am asked: what do you say to a (non liberal). The answer is, nothing. You shoot him. You do not try to reason with him. Reason has no bearing on this question (2003 p328-329).

Rawls himself has argued that non-liberal ideologies are like contagious diseases and should be ruthlessly wiped out (1995 p69). Rorty (1998) refuses to provide justification for liberal order – as a post modernist he sees no need for such justification, in this he follows the mainstream American pragmatist tradition of William James and John Dewey. Richard Posner is equally contemptuous of moral and ethical principles and argues that liberal democracy has little to do with rational deliberation. It is merely a matter of competition between self-interested elites for the temporary favour of an apathetic and ignorant mob (2002).

The refusal to defend liberalism on rational grounds is not due to any lack of criticism of liberal norms and institutions within the West. Authors such as Arndt, MacIntyre, Taylor, Bellah and Daniel Bell have continued to lament the degeneration of common meanings, the disintegration of community and the erosion of morality in the West for several decades. But the agonized outpourings of even these establishment communitarians has had almost no impact on policy. Nor has regime change been of much consequence – Clinton slaughtered Iraqi children with as little concern as Bush, and Blair has proved to be a more callous murderer in Iraq than Thatcher was in Argentina. Meanwhile there is widespread “withdrawal from citizenship”(to use Hobsbawm’s term) reflected in sharply declining voter turnouts and increased alienation from the political process throughout the West. Similarly the denial of liberal rights and the increasing use of torture, imprisonment without trial, beatings and physical abuse of Muslims in America have evoked no popular response – indeed ordinary Americans applaud such torture and abuse.

Today even in the West liberalism is not a choice but a compulsion – a “categorical imperative” of capitalism. The people of the Muslim world will not choose liberal values or liberal order as the Zionist fellow traveller Zakariya (2003) realizes. This is because.

- Liberalism rejects Allah’s sovereignty and the authority of religious law and traditions. Liberalism trivializes all moral choices and subjects the social order to the law of capital. Value is assigned to acts solely in terms of their contribution to accumulation.
- This leads to the universalization of the vices of avarice and covetousness and to a shocking decline of sexual morals. Homosexuality, lesbianism, fornication and adultery become widespread. Chastity is delegitimized, cultural life is obscene, lewd and vulgar. Man becomes obsessed with pleasure, forgetful of being and of death, incapable of love and of worshiping God.
- Liberalism is imperialism’s ideology. Liberalism is red in tooth and claw. Hundreds of millions of people have been – and are being – slaughtered for the cause of freedom. As the rational defense of liberal order becomes increasingly impossible the compulsion to slaughter and torture the other will increase. Given the American commitment to the expansionist plans of the Zionist

enemy this must mean an increased victimization of the Zionist enemy this must mean an increased victimization of the Muslim world.

Attempts to create popular liberal states in the Muslim world are therefore unlikely to succeed. The state in the postcolonial world is an imperialist construct. It has rarely been popular. Globalization; the assertion of American hegemony and reinstitutionalization will turn these states into non-states. Liberalism cannot be a popular choice in these circumstances. The democratic process will lead to choices that are unacceptable to America and global capital and the preference for non-democratic regimes, with a liberal economic agenda accepting a surrender of sovereignty to the system hegemon, will increase. These client regimes will be led by minority figures and enjoy the support of a small Westernized elite.

Moreover American imperialism continues to weaken its Muslim client states through policies it cannot abandon. First America is committed both to a continuing cheapening of oil and to a domination of the world oil industry. Iraq's pricing of its oil exports in Euros was a major factor inducing American attacks. The domination of American companies of occupied Iraq's oil trade and of the oil industries reconstruction effort demonstrates America's commitment to maintaining favorable cheap oil prices. The secular decline of oil prices over a period of 25 years has exacted a terrible cost. Saudi Arabia and the UAE have had average negative GDP per capita growth during 1980-2001 and Saudi Arabia is now classified by the World Bank as a medium income country. If the falling oil price continues Saudi Arabia will join Nigeria and Indonesia as a low-income oil exporting country. Israel's per capita income is now more than twice that of Saudi Arabia (WDK2002).

The vulnerability of the client states is also enhanced by America's insistence on secularization of society and on defeminization – i.e. commodification of female labour. Imperialist funded NGOs and aid agencies campaign for the growth of lewdness, vulgarity and sexual vice in the name of the defense of human rights. This enables the Muslim masses to recognize the decadent, debauched and debased essence of modern Western culture. It galvanizes the people to save their sons and daughters from this filth.

As Nayyar (2002) has shown there are strong similarities in the economic organization of capitalism at the turn of the twentieth and twenty first century. It was the vulnerabilities of late 19th and early 20th century globalization, which led to the triumph of the Bolshevik revolution in Russia. A similar systemic challenge to capitalism as a global system can now emerge in the developing world.

A carefully crafted strategy to build an anti-imperialist, anti capitalist universal state has reasonable chances of success in these circumstances. Perhaps we are in the Narodnik stage of this movement or in its 1883 (when Plekhanov set up the party) or in its 1902 (when 'What Is To Be Done' appeared) or in its 1905. But its 1917 seems a distinct possibility because of liberalism's inherent incoherences and vulnerability, its

inability to justify the rule of capital, the moral degeneration that is its inevitable consequence and the continuing weakening of the client states.

References

Ashley N. (1984) "The Poverty of New Realism" International Organization Vol. 35 No. 2 p. 225-286.

Badiou A. (2001) Ethics An Enquiry Into the Nature of Evil London Verso

Bhaduri A. (2002) "Nationalism and Economic Policy in the Era of Globalization" in

Nayyar D. (ed) Governing Globalization New York OUP P19-50

Brown W. (2001) Politics Out of History New York Princeton University Press

Callinicos A (2001) Against the Third Way Cambridge Polity

Dee J. (1970) Bury My Heart At Wounded Knee Harmondsworth Penguin

Donnelly J. (1998) Universal Human Rights New York Colombia University Press

Dreben R. (2003) "On Rawls and Political Liberalism" in Freeman S. (ed) The Cambridge Companion to Rawls. London, C.U.P.

Euben R. (1999) Enemy in the Mirror New York Oxford

Foucault M. (1978) Discipline and Punish Harmondsworth Penguin

FT (2003) "Muslim World's Fear and Loathing of United States" Financial Times 4/6/2003.

Gellner E. (1971) Nations and Nationalism, London Macmillan

Giddens A (1998) The Third Way: the Renewal of Social Democracy Cambridge Polity

Hobbes T. (1961) Leviathan New York Collins

Ikenberry G. (2002) "America's Imperial Ambition" Foreign Affairs September/October p44-60.

Mouffe C. (1998) The Radical Centre: Politics Without Adversary Soundings No.9 p73-88

Nausbaum M. (1990) "Aristotelian Social Democracy" in B.R. Douglas et al (ed) Liberalism and the Good London Routledge

Negri A. and D. Zollo (2003) "Empire and the Multitude" Radical Philosophy No.120 p23-37

Offe C. (1996) Modernity and the State Cambridge Polity

Posner M. (2002) Law, Pragmatism and Democracy Cambridge Mass Harvard University Press.

Rawls J. (1995) Political Liberalism New York Colombia University Press.

Rorty R. (1998) Achieving Our Country Cambridge Mass Harvard University Press.

Ryner M. (2002) Capitalist Restructuring Globalization and the Third Way, London Routledge

Soper K. (2003) "War and Democracy" Radical Philosophy No. 120 P2-6

Taylor L. (2002) "Global Macroeconomic Management" in Nayyar (2002) p51-77.

World Bank (2003) World Development Indicators 2003 Washington

World Bank (2002) World Development Report 2002-2003 Washington

Zakarya F (2003) The Future of Freedom Harmondsworth Penguin