

Review

## Power, powerlessness, and globalization

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The key issues of the globalization process relate to the historic background of centuries of Western accumulation of power through *realpolitik*; US cultivation of semi-colonial satellites in Japan and East Asia endowed with economic empowerment in the post World War II period through a policy of benign hegemony; the rise of China, followed by India, as globalizers intent on preserving their sovereignty and independent will; a growing insurgency by a significant segment of Latin American countries against the ideology and praxis emanating from the Washington Consensus; and, owing to its dubious distinction as the world's politically weakest region, the outright sycophantic submission of Black Africa to the dictates of the IMF, the World Bank, and the WTO, resulting in the deepening relegation and prostration of Black Africa. It is, indeed, arguable that the great issue of the current globalization process is the overall eminent success of Asian countries, and the wholesale dismal showing of Africa. This is the central contrast and contradiction in globalization's unevenness and inequality. In a word, there is a correlation between power and the winners and losers of globalization. Given globalization's propensity to concentrate resources in a few places, a region's developed or developing political and economic capabilities, not its historic and continuing victimization or habitual dependence on "charitable aid" and other "altruistic" interventions from the international community, determines its gains or setbacks in the fierce global competition for scarce developmental resources.

**Key words:** Globalization, Western countries, power, US cultivation, slavery

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### THE KEY ISSUES

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distinction as the world's politically weakest region, the outright sycophantic submission of Black Africa to the dictates of the IMF, the World Bank, and the WTO, resulting in the deepening relegation and prostration of Black Africa. It is, indeed, arguable that the great issue of the current globalization process is the overall eminent success of Asian countries, and the wholesale dismal showing of Africa. This is the *central* contrast and contradiction in globalization's unevenness and inequity. In a word, there is a correlation between power and the winners and losers of globalization.

## THE WEST

It is an axiom of political science that power is the inexorable currency of international relations. There is nothing startling about the fact that relations among political units around the world that really matter and cut deepest into people's lives are based not on morality but power politics. The roots of economic globalization, as Claude Barlow and Tony Clarke remind us, "go back over five hundred years to a time when the empires of Europe competed with each other in their race to seize control over valuable resources like the gold, silver, copper, and timber that nature had stored in Asia, Africa, and the Americas" (Claude and Tony, 2002:81). It was, decidedly, a globalization under European domination for European benefit, propelled, in the words of Jeffrey Sachs, by the ideology of "the right and obligation of European and European-descended whites to rule the lives of others around the world..." (Jeffrey, 2005: 43) Of the British Empire, Felix Greene has noted, appropriately: "Never before had so many people—one quarter of the human race—been subjugated and put to work for the enrichment of so few" (Felix, 2006: 90-91). Revealingly, for the British, the most common political technique of expansion was "the imperialism of free trade" imposed on weaker states. Thus the British embarked on a policy of drug dealing by way of the sale of opium in China, even though Western traders "took the attitude that opium smoking was beneath contempt, that even the lowliest animal would not engage in it" (Pye, 1978: 108). And yet, when the Chinese authorities took steps to put a stop to it, the British declared war in the name of "free trade" (Jerry, 1978: 105). It is as if, Sachs opines, "Columbia waged war with the US today for the right to sell cocaine" (Adam, 1988: 2).

In Africa, in the Congo controlled by King Leopold II and his Belgians-- a territory bigger than England, France, Germany, Spain and Italy combined-- one of the remarkable characteristics of the regime of militarized system of forced labor that yielded treasures of ivory and rubber for European industrial development at the cost of ten million African lives in a mere twenty-three year period was the obscenely skewed nature of the "trade" that went on between the Africans and the Europeans. In the first-hand observation of Edmund Morel, employee of the Elder Dempster shipping line, "prodigious quantities of ball cartridge and thousands of rifles and cap-guns" were routinely shipped into the Congo for purposes of forcible procurement of labor, while, in return "increasing quantities of rubber and ivory" found their way out of the Congo into Europe. Emphatically, the ivory and the rubber were not paid for, were not acquired by any commercial dealing: "Nothing was going in to pay for what was coming out" (Jeffery, 2005: 151)

Since the end of the Cold War, transnational institutions, as the dominant institutions of global capitalism, "have gone on a rampage", opening up

markets and spreading their operations into the four corners of the planet. Together, the World Bank, the IMF, GATT, and the WTO, in the words of John and Jerry (2004: 33-34), "are engineering a power shift of stunning proportions, moving real economic and political power away from national, state, and local governments and communities toward unprecedented centralization of power for global corporations, bankers, and the global bureaucracies they helped create, at the expense of national sovereignty, community control, democracy, diversity, and the natural world."

At the heart of this global economic system, notes Michel (2004: 454), lies "an unequal structure of trade, production, and credit"—an unfolding world economic system based on a "structure of global poverty and income inequality." While the rich countries (with some 15% of the world population) control close to 80% of total world income, close to 60% of the world population representing the group of low income countries—with a population in excess of 3.5 billion people—receives 6.3% of total world income. In a variation on the same point, a 1999 World Bank Income Inequality Study by B. Milanovic estimated that the richest 1% of people in the world receive as much income as the poorest 57%. In all, as Kegley and Raymond (2007: 107) have observed, "The fact that 80 of the world's population is poor is a reflection of ...unequally distributed resources...the data on the division between the Global North and the Global South point to brutal disparities and inequalities." Such is the degree of wealth concentration that the world's 587 billionaires are now worth more than the combined income of the bottom half of humanity. The UN Annual Human Development Report of 1996 observed the emergence of a two-class world where more than half the people on the planet occupy a "breeding ground of hopelessness" with incomes of less than \$2.00 a day. The special misery of Africa in this equation is indicated by the fact that the average person in sub-Saharan Africa earns less than \$1.00 a day--that with a population of more than 600 million people, the gross domestic product of the entire sub-Saharan African region is approximately half that of the state of Texas.

Noted fervent critics of economic globalization like Susan George, Nina Rosenberg, and Joseph Stiglitz have exposed the duplicity underlying the claim that globalization is "an inevitable natural development beneficial to all"—that it represents a positive-sum international economic relationship in which mutually rewarding exchanges accrue to all countries from "free trade." They have emphatically laid bare the "hypocrisy" and "double standards" permeating the capitalist world economy and the workings of global economic institutions of governance. Among other outrages, they note that Western countries have pushed poor countries to eliminate trade barriers, while keeping up their own barriers, in the process preventing developing countries from exporting their agricultural and textile products. They

further observe that, whereas the US, Germany, France, and Japan all became wealthy and powerful behind the barriers of protectionism, the rules of trade now make such practices illegal. The US and the EU maintain domestic farm subsidies worth more than \$300 billion a year that condemn developing countries to poverty, even while an IMF Structural Adjustment conditionality insists on virtual elimination of social spending, and the elimination of subsidies for food and other essential commodities in the poor, underdeveloped world. They also argue that the US and Western Europe did not liberalize the flow of capital until after 1970 when their markets, and the requisite regulatory apparatus, were far more developed, but now the IMF demands of the developing world that such liberalization take place immediately. On top of all this, while earlier waves of globalization conferred free movement on labor as well as capital, the rules and policies of today's international economic institutions refuse to legalize the export of people, "the one thing that the developing world has in abundant supply" (Stiglitz, 2003).

In themselves these criticisms are unanswerable. What I find questionable is the implication they carry that it is possible for a fair and just world social order to emerge out of incremental reforms in the structure of capitalism. The guiding questions of this project are: Is there anything in the history of capitalist-driven international political economic relations to provide a realistic promise of a morally driven reordering of the distribution of global resources? Have there been any structural changes in global capitalism in the contemporary period to support any reasonable expectation that incremental reforms will emerge to effectively address the basic social needs of the world's people? By what credible program and implementation strategy do the idealist critics of capitalism's injustices expect to achieve reformulation of globalization and its institutions? As Jeffrey Frieden has noted, the implicit or explicit policy proposals linked to these criticisms are "almost utopian in their reliance upon good will, enlightened public opinion and moral imperatives to overcome selfish but deeply entrenched private or national interests that do not share... (the) goals of making globalization work for as many countries and as many people as possible." In the final analysis, why "would the national governments that, after all, still run the world want to do any of these things? And why should we expect new institutions to be any less biased, any less subject to special-interest pressures, than existing ones?"<sup>11</sup> After all, if there is one lesson of history that is immutable, it is that those with great power and wealth never relinquish them through a voluntary act of surrender or the sheer generosity of their hearts.

The collapse of global trade talks in July 2006—the latest installment of failure to address centuries of unfairness in the global trading system—demonstrates the unyielding opposition of the power centers of capitalism to allow the market, to which they swear so much fealty, to work for

poor, underdeveloped countries, particularly those in Africa. If it is not possible to change global capitalism's core values and mode of operation, what is the practical moral alternative to the capitalist world economy? What is the way out for "the wretched of the earth"?

The point of emphasis in this book is that, historically, it is the gap in power that has resulted in the gap in wealth. Europe's "superiority of force," Adam Smith noted, had enabled the Europeans "to commit with impunity every sort of injustice in ...remote countries" (cited in Jeffrey, 2005: 187). The European and American "Westernization" of the world over the five centuries was to provide ample testimony that the steady, relentless acquisition of power through more or less brutal means, and the utilization of such power toward further subjugating and exploiting those countries that are not strong enough to hold them off, is the essence of the relations between the West and the rest of the world. As Samuel P. Huntington exulted in 2000,

*The West is now at an extraordinary peak of power in relation to other civilizations. Its superpower opponent has disappeared from the map. Military conflict among Western states is unthinkable, and Western military power is unrivalled. Apart from Japan, the West faces no economic challenge. It dominates international political and economic institutions and with Japan international economic institutions. Global political and security issues are effectively settled by a directorate of the US, Germany and Japan, all of which maintain extraordinarily close relations with each other to the exclusion of lesser and largely nonwestern countries. Decisions made at the UN Security Council or in the IMF that reflects the interests of the West are presented to the world as reflecting the desires of the world community. The very phrase "the world community" has become the euphemistic collective noun...to give global legitimacy to actions reflecting the interests of the US and other Western powers. Through the IMF and other international economic institutions, the West promotes its economic interests and imposes on other nations the economic policies it thinks appropriate.....*

*The West in effect is using international institutions, military power and economic resources to run the world in ways that will maintain Western predominance, protect Western interests and promote Western political and economic values (Samuel, 2000: 15).*

Even when intra-Western disagreements result in conflict of significant proportions, as in the EU-US Banana dissension, it is the weak and economically underdeveloped countries in the Caribbean and Africa that

took it on the chin, much like what happens to the grass of the popular African parable when two elephants fight. The “inequity and injustice” that fed the Banana conflict emanated from the fact that Chiquita which, along with Dole and Del Monte, control more than 60% of the world banana market, was, with the backing of the US, fighting for the 3% produced by Caribbean countries. As Orville (2000: 506) has expatiated,

*As a result of this intervention the Caribbean banana industry was devastated, resulting in the closure of several plantations and the loss of livelihood of large percentage of the Black Caribbean populace. The tiny island nations of St. Lucia, St. Vincent, and Dominica suffered great losses. In these three nations, the banana industry engaged between 30 and 50% of the labor force and contributed between 40 and 80% of foreign exchange earnings. Dominica, the most dependent on the industry, has been particularly hard hit. Apart from the massive loss of jobs, Dominica is now in a crisis to the extent that it cannot meet its fiscal obligations.*

## JAPAN AND EAST ASIA

Across the Asian landscape, Japan’s remoteness from Europe and the US, as William Lockwood has noted, spared Japan the full force of imperialism after 1800, giving her “a breathing spell in which she could observe the fate of the neighbors, and take action to avoid a similar fate” (Lockwood, 1956: 37-54). In effect, during the first phase of the development of the capitalist world economy which lasted until the 1880s, Japan was shielded from incorporation by other areas that had been reached first and appeared to Western merchants to be more lucrative, especially China, India and Indonesia. By the time of the second phase of the development of the capitalist world economy from the 1880s, Japan’s new army and navy were sufficiently strong to deter a European effort at conquest, as its defeat of China in the 1890s and of Russia in 1905 attests (Lockwood, 1956: 37-54).

The initial intent of US occupation of Japan, following its defeat in WWII, was to weaken the country by breaking down the *zaibatsu*, its main engines of economic development, and by imposing a Constitution which set out to demilitarize the country through renunciation of war “as a sovereign right of the nation and the threat or use of force as means of settling international disputes.” It is revealing that the Americans dropped atomic bombs on Japan, even though the Japanese had indicated a willingness to surrender (James and James, 1989). With the emergence of the Cold War, the US turned around to a policy reversal of doing everything in its power, in Chalmers (2000: 176-

177)’s words, “to turn Japan into a capitalist alternative to mainland China, a model and a showcase of what Asians might expect if they threw in their lot with the Americans instead of the Communists” Chalmers (2000: 177). From this new American point of view, the slowness of Japanese economic recovery no longer made sense. In 1949, the US inaugurated a policy of a virtual halt to the *Zaibatsu* dissolution program in order to enable Japanese industry to become once more competitive on world markets. Indeed, the preponderance of US power at the end of the war enabled it to impose decisions of every kind, including selective tutelary empowerment of Asian non-socialist countries, principally Japan, which the Americans anointed as “the chief bulwark against communism in Asia.” Among other instrumentalities, the process involved the provision of massive liquidity to Japan. Chalmers Johnson elaborates:

*From approximately 1950 to 1975, the United States treated Japan as a beloved ward, indulging its every economic need and proudly patronizing it as a star capitalist pupil. The United States sponsored Japan’s entry into many international institutions, like the United Nations and the Organization for Economic Cooperation and Development, well before a post-World War II global consensus in favor of Japan had developed. It also transferred crucial technologies to the Japanese on virtually concessionary terms and opened its markets to Japanese products while tolerating Japan’s protection of its own domestic market. It even supported the Japanese side in all claims by individual American firms that they had been damaged by Japanese competitors. In addition, the United States allowed Japan to retain an artificially undervalued currency in order to give its exports a price advantage for well over a decade longer than it did any of the rebuilt European economies (Chalmers, 2000: 185).*

The Americans also provided Japan with open access to the US market, even as the US government pressured private American firms to relinquish ownership rights to technologies being transferred to Japan (Chalmers, 2000: 183). Japan embraced this eagerness of the US, fed by Washington’s Cold War security concerns, to make Japan into a junior strategic ally. And buoyed by psychological effervescence—a product of the fact that it had never been colonized, and had therefore never undergone the grim experience of colonial underdevelopment at the hands of racial foreigners—its resurgence came quickly, as it attained a \$5 trillion economy that posed “an unexpected competitive challenge to American economic preeminence” in the Cold War era (Chalmers, 2000: 185). The price for all this appendage empowerment was the keeping of US troops

and bases in Japan, in what amounted to a massive neo-colonial military establishment based on a security treaty and tied to growing US trade deficits with Japan (Chalmers, 2000: 189). In the final analysis, the “undisputable fact” was that Japan’s industrial policy crucially depended on its political and military relationship with the US and on access to its vast market (Chalmers, 2000: 189).

## EAST ASIA

Once Japan became an economic giant under US aegis, its impact on the rest of Asia was tremendous: “As Japan exported a vast array of ever more sophisticated and technologically advanced manufactured goods primarily to the American market, much of Asia began to emulate the Japanese form of capitalism or become offshore manufacturing platforms for Japanese corporations.”<sup>iii</sup> The Japanese obliged the Asian neighbors with technological transfer, capital investments, and the opportunities of its vast market. Japanese investment in the Asian Newly Industrializing Countries (NICs) of South Korea, Taiwan, Singapore, and Hong Kong grew by some 50% per year, and by some 100% in the countries of the Association of Southeast Asian Nations (ASEAN).

The role of Japanese multinationals in the economic success of the East Asian NICs is notable. By 1978, for instance, the Japanese had by far the longest share (64%) of all foreign investment in South Korea. Even as recently as May 2007, it was reported that “Thousands of Japanese engineers and other industry professionals” have gone to Taiwan and South Korea to offer “valuable Japanese technological expertise” (Laurence, 1998: A19). It goes without saying that this Japanese reach into other Asian countries was done in conjunction with US commitment to extend its preferential treatment of Japan to others in the region. The US injected massive capital flow, as well as privileged access to the massive US market, in a calculated design to help them develop into “showcases of capitalism” to spite the socialist regional counterparts of the People’s Republic of China, North Korea, and the USSR. Overall, by early 1997, international banks had forked over \$367 billion to borrowers in Asia, up 20% from the previous year, according to the Bank for International Settlements which coordinates the world’s central banks. Six months later, the borrowings had swelled to \$386 billion, a sum that excludes a large amount of lending to Hong Kong and Singapore. The massive inflow represented, in the words of Laurence Lindsday, “the greatest financial binge in world history...”, and one that was accompanied, significantly and revealingly, by interest rate markups that “were unusually low” (Laurence, 1998: A19).

The economic empowerment of East Asia thus occurred under the cover of the Cold War. The East Asian export regimes “thrived on foreign demand artificia-

lly engineered by an imperialist power” (Chalmers, 1998: 196). The Japanese led this movement, but closely behind them were “three ranks of followers: first, the ‘newly industrializing countries’ of South Korea, Taiwan, Hong Kong, and Singapore; then, the late developers of Southeast Asia, Malaysia, Indonesia, Thailand, and the Philippines....” (Chalmers, 1998: 195).

Essentially, the process involved a concentration of industrial capacity in selected countries, concentration in a limited number of countries rather than of a spread to a wide variety of countries, and it was characterized by special circumstances that made high volume, dynamic expansion of manufactured exports feasible. Emphatically, the Asian Tigers’ rise came “not by assiduously following the dictates of the Bretton Woods institutions but often by doing the opposite of what they prescribe” (John and Jerry, 2004:48-49). Indeed, “they were encouraged and helped” to provide export-led economic growth through “neo-mercantilist practices such as protecting infant industries from foreign competition with tariff and non-tariff barriers and providing financial incentives for manufacturing industries” (Kegley and Raymond, 2007: 112). The role of Japan’s Ministry of International Trade and Industry (MITI), which took the initiative over a long period in relation to the pace of import and capital liberalization, as well as the purchase of foreign technology, bears particular note. Through “administrative guidance,” the government determined to a large extent the nature and direction of an industry’s investment program, as well as the number of independent operators in a given industry. The government in fact took the first steps toward industrialization, in several cases setting up an industry on its own initiative and later handling it over to private entrepreneurs. Overall, across the Asian countries in question,

*Business and government worked closely together to strengthen domestic industry. Foreign enterprises were discarded, by deliberate red tape, from entering certain industries, so that national companies could get a head start. State-owned banks lent money at subsidized rates to help local firms acquire the technologies and capital equipment they needed (Alice, 2002: A25).*

## CHINA AND INDIA

China’s historic empowerment and its relations with the West bear significant contrast to the experiences of the Japanese and its South Asian adjuncts. Throughout much of recorded history, China was the world’s largest economy. Indeed, according to Paul Kennedy, “Of all the civilizations of pre-modern times, none appeared more advanced, none felt more superior, than that of China”:

*Its considerable population, 100-130 million compared with Europe's 50-55 million in the fifteenth century; its remarkable culture; its exceedingly fertile and irrigated plains, linked by a splendid canal system since the eleventh century; and its unified, hierarchical administration run by a well-educated Confucian bureaucracy had given a coherence and sophistication to Chinese Society which was the envy of foreign visitors...*

*.....the most striking feature of Chinese civilization must be its technological precocity....Printing by movable type had already appeared in eleventh century China, and soon large numbers of books were in existence. Trade and industry, stimulated by the canal-building and population pressures, were equally sophisticated. Chinese cities were much larger than their equivalents in medieval Europe, and Chinese trade routes as extensive. Paper money had earlier expedited the flow of commerce and the growth of markets. By the later decades of the eleventh century there existed an enormous iron industry in north China, producing around 125,000 tons per annum, chiefly for military and government use—the army of over a million men was, for example, an enormous market for iron goods. It is worth remarking that this production figure was far larger than the British iron output in the early stages of the Industrial Revolution, seven centuries later!.....*

*.....In 1420, the Ming navy was recorded as possessing 1,350 combat vessels, including 400 large floating fortresses and 250 ships designed for long-range cruising. Such a force eclipsed, but did not include, the many privately managed vessels which were already trading with Korea, Japan, Southeast Asia, and even East Africa by that time... (Paul, 1987: 4, 6).*

The Chinese were the first to invent the gunpowder and the magnetic compass. Overall their cultural and technological advance made them natural candidates for overseas explorations and expeditions, the most famous of which were the ones undertaken by the admiral Cheng Ho between 1405 and 1433, “consisting on occasions of hundreds of ships,” some around 400 feet long and displacing over 1,500 tons, and “tens of thousands of men...” (Paul, 1987: 4, 6). In spite of so much overwhelming power, the Chinese never set out to plunder or murder, “unlike the Portuguese, Dutch, and other European invaders of the Indian Ocean” (Paul, 1987: 7). The self-restraint was embedded in the Confucian code that deplored warfare and considered armed forces to be necessary only for purposes of

detering foreign attacks. It is an orientation that emphasized leadership by example “rather than by forceful conversion” (John, 2007: 49). And so it developed that, “despite all the opportunities which beckoned overseas,” an imperial edict of 1436 “banned the construction of seagoing ships; later still, a specific order forbade the existence of ships with more than two masts” (Paul, 1987: 7). In a word, against the temptation of imposing its might and will on the rest of the world that its tremendous power engendered, the Chinese emperor, in Jeffrey (2005: 151)’ lament, “all at once...ended ocean-going trade and exploration, closed down shipyards, and placed severe limitations on Chinese merchant trade for centuries to come”.

In the meantime the West, which did not for one moment share the non-imperialist ethic of the Chinese, and which indeed found the very idea of not using accumulated power to subjugate weaker states incomprehensible-- as in Jeffrey Sachs’ view that “China’s dominance was squandered”—was able to develop more effective sailing vessels by borrowing Chinese technology, from the compass to gunpowder to the printing press, culminating in the development of clipper ships with advanced forms of firepower in the early nineteenth century. Thereupon,

*Great Britain attacked China...to promote British narcotics trafficking, launching the first of the Opium Wars of 1839-42 to force China to open up to trade. Among other things, Britain insisted that China agree to the importation of opium that British commercial interests were producing and trading in India...Britain would sell opium to China and earn the wherewithal to purchase China’s tea (Jeffrey, 2005: 151).*

It was now time for the Japanese, to whom China had generously transmitted language, religion, a political ideology, and a host of other aspects of Chinese civilization over the years, and who were now in the process of rapid industrialization since the Meiji Restoration of 1868, to capitalize unconscionably on China’s weakness. Following the European penetration and weakening of China, the Japanese pushed their way in and defeated the Chinese in 1895, seizing Taiwan in the process. By the last decade of the nineteenth century, China stood on the brink of being carved out by the Western powers, in the fashion of the 1884-5 European carve-up of Africa. Already the country was under spheres of influence of the different Western powers: Manchuria, Port Arthur, and Dairen were under the Russians; Shanghai, the Yangtse River Valley and Weihaiwei were under the British; Shantung was under the Germans; while the Bay of Kwanchau came under the French. The constant foreign demands for concessions were costly in the extreme to the Chinese: between 1842 and 1911 China had 110 occasions to

make indemnity payments to foreign governments as security against loss or damage; between 1895 and 1900 China had to pay Japan alone some 200 million taels of silver.

In all, being thus semi-overrun, China lacked a strong national state, the key prerequisite to industrial development. After the 1890s, the country had to deal with continual incidents caused by missionaries and adventurers; with French, British, Russian, and Japanese encroachment on outlying territories; with Western efforts to revise treaties so as to take more powers away from China; and Western efforts to construct railways and open mines. After Japanese invasion of the Chinese mainland in 1937 triggered a civil war in China, the US intervened in support of Chiang Kai-shek against Mao Zedong's socialist insurgents. Following the triumph of the socialists in 1949 and the fleeing of the routed Chiang Kai-shek forces to Taiwan, an island located 100 miles east of south-central China, the US proceeded to sign a defense treaty with Chiang's Republic of China in counter-position to Mao Zedong's People's Republic of China (PRC). Furthermore, the US imposed a trade embargo on the PRC, even while "prominent intellectuals" like David Rowe of Yale University advised a Congressional Committee that the US "buy all surplus Canadian and Australian wheat so that there would be mass starvation in China" (Susan, 1977: 180). At the United Nations, the US insisted on not recognizing a regime that controlled more than 98% of the total population and more than 99.5% of the land area of China; instead it maintained the fiction that a government in Taiwan could speak for the 850 million people in the mainland. For 20 years the US government led the fight to deny representation in the UN to the Peking regime. The devices it employed included the procedural tactics of annually rejecting the question as an agenda item (1951-60) or of requiring a two-thirds vote to seat the Peking representatives (1961-70), plus behind-the-scenes pressures on other delegations and their governments.

The 1950 Korea War also provided the US with ample opportunities to threaten the survival of the PRC. General MacArthur besieged President Harry Truman with a series of "hysterical cables" requesting "permission to take whatever measures necessary," including "the use of 20 to 30 atomic bombs against China..." (James and James, 1989: 119). In a response, Truman sent a dispatch to the General on October 9, 1950 indicating the acceptability of "taking ... military action against objectives in Chinese territory," providing the General obtained prior authorization from him (James and James, 1989: 113).

Harold Hinton described how the Chinese must have felt about events in Korea:

*One need only imagine American reaction if a large Soviet army, under an especially anti-American commander, were to move up the*

*Lower California peninsula toward the California frontier. The analogy is improved if one further imagines that Southern California is the main heavy industrial region in the United States, as Manchuria was (and is) in the CPR (James and James, 1989: 112).*

Chalmers Johnson notes that, after Japan's defeat in WWII, "no regime in East Asia was capable of threatening the US..., least of all a China devastated by war and revolution." The building by the US of a system of satellites with Japan at its core and directed at China was therefore done "for more genuinely imperialist reasons" (Chalmers, 2000: 22). In much the same vein, despite the March 1999 Congressional testimony of Admiral Dennis C. Blair, commander in chief in the Pacific, that "China is not a military threat...", the Senate proceeded in the same month by a vote of 77-3 to build a "national missile defense" essentially against China and North Korea, and President Clinton endorsed spending \$10.6 billion on it over the following five years (Chalmers, 2000: 162).

The first great objective of the Chinese Revolution of 1949 was to end imperialistic interference in China's domestic affairs. The long experience of Western assaults called logically for a policy of closure, of national privacy. The liberation movement's chosen ideology of socialism, the midwife of the May 4, 1919 student movement against the capitalistic-imperialist conspiracy between Japan and the US at the Versailles Peace Conference, was in essence an ideology of defensive nationalism. The PRC of necessity took on the role of a self-conscious opponent of the world power structure, as a champion of Global South countries and their national liberation movements. Domestically, it committed itself to land redistribution and liberation of women. Externally, the primary focus of Chinese foreign policy was to resist and deter the foreign invader and plunderer--to get rid of imperialist bullying-- by creating solid defenses around the country. This required the development of sophisticated weapons, including nuclear arsenal. To this end, a nuclear device was successfully detonated in 1964, followed by the test-firing of an inter-continental ballistic missile in the South Pacific in mid-1980.

Lately, China has attained remarkable prowess in space, launching multitudes of satellites "to help deliver television to rural areas, create a digital navigation network, facilitate scientific research, and improve mapping and weather monitoring"<sup>iii</sup>. China also conducted an anti-satellite test in January 2007 by firing a missile into space and destroying one of its own orbiting satellites, thereby becoming the first nation in more than two decades to successfully test an anti-satellite weapon. By this, the Chinese "demonstrated that they could destroy essential American satellites used to conduct military reconnaissance, spot nuclear tests and direct smart weapons."<sup>iv</sup> All this, "despite the decade-long effort



of the US to isolate the Chinese space program” through export restrictions that prohibit the use of American space technology on satellites launched in China, preventing the Chinese from participating in the International Space Station, and, “in some cases, stopping Chinese scientists from attending space conferences in the US.”<sup>v</sup> Overall, defense analysts “agree that China possesses the military manpower and equipment needed to fend off any foreseeable...assault on its core homeland” (Donald, 2008: 37).

Constructing defense deterrent capability went hand in hand with a move to overcome China’s economic weakness in relation to the developed world. Jeffrey Sachs notes that the Maoist period scored a “huge success” in the “dramatic improvement in basic public health in the country...” (Jeffrey, 2005: 153). The Public health successes “are striking, and deserve careful note, because they surely formed part of the foundation of China’s economic boom after 1978” (Jeffrey, 2005: 153). A proliferation of rural industries opened up “millions of industrial jobs” in “hundreds of thousands” of enterprises after 1978 (Jeffrey, 2005: 161).

In late 2001, after 18 years of talks, China finally became a member of the WTO. Emphatically, however, China became a globalizer on its own terms. Foreign trade and investment with capitalist countries were tolerated “so long as the terms were mutually beneficial” (Chalmers, 2000: 146). In this connection, it was notably “very cautious in lifting currency controls and import barriers that protect it from the full pressures and volatility of the international market...” (Chalmers, 2000: 147). Moreover, liberalization of international trade and investment was confined to “specially designated free-trade zones, known as special economic zones”:

*These zones took off. They combined very low-cost labor, availability of international technology, and an increasing and eventual torrent of investment funds, both from domestic savings, but increasingly, in the 1990s, foreign direct investment....That foreign direct investment had three components. Part of it was long-distance international capital flows from the financial and industrial centers of Europe and the US. Another very important part was money from the offshore Chinese communities of Asia...However it was done, the combination of low-cost laborers numbering hundreds of millions, modern technology, ample capital, and a safe and sound business environment produced one of the great moneymaking machines of modern history (Jeffrey, 2005: 161-162).*

Through it all, China reached out to the fifty-five million overseas Chinese, “a reservoir of talent, capital, and experience,” for investment and other forms of assistance, in the name of Chinese nationalism (Chalm-

ers, 2000: 146-147). Significantly, it was thanks to Chien Hsueh-chien, a Chinese domiciled in the US, that China test-fired its first intercontinental ballistic missile in 1980. The feat was a major step on the way to making China a power capable of delivering nuclear warheads anywhere in the world, rivaling Soviet and US power. The feelings of loyalty and kinship in the far-flung *huachiao* are fed by the realization that the well-being of the Chinese Diaspora is inseparably tied to the empowerment of “The Motherland.”<sup>vi</sup> It has also impelled China to engage in settling old irredentist claims in Hong Kong, Macao, Tibet, the South China Sea, and Taiwan.

Overall, China emerges as “the developing world’s biggest beneficiary of globalization...”<sup>vii</sup> By September 2003, it had become “the world’s newest export juggernaut.”<sup>viii</sup> And Wayne Arnold observed in 2006 that “From automobiles to semiconductors, China is fast catching up with the rest of the world in manufacturing prowess, making it a formidable competitor for exporters everywhere.”<sup>ix</sup> Indeed, the world’s most populous country of some 1.3 billion people was already experiencing labor shortage in hundreds of factories in big manufacturing regions such as Guangdong and Fujian, the two provinces at the heart of China’s export driven economy, as wages went up, and workers demanded, and got, better working conditions and benefits<sup>x</sup>. By mid-2007, China had replaced the US as Japan’s biggest trading partner, while also surpassing Canada as the largest exporter to the US (Donald, 2008: 37). US trade deficit with China was \$201.6 billion in 2005, while the EU’s deficit stood at \$70 billion. Even before China’s foreign exchange reserves rose to \$1.2 billion in May 2007, a study by Goldman Sachs of June, 2006 concluded that by 2045 China “will be the largest economy in the world, replacing the US” (Alexander et al., 1965: 87). By December 2006, it was the educated opinion that China had already surpassed Japan, Russia, Britain, France, and Germany “in measures of its economic, military and political power” (Chalmers, 2000: 36). In a word, Donald Snow adds,

*Most observers see China as the rising power of the twenty-first century...In the most general sense, a rising power refers to a country that, by virtue of increased military, economic, or other power,...has the potential to play a more prominent role in the international system than it has heretofore played. The US was such a rising power in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, as was the Soviet Union during the middle of the twentieth century. Now, it would appear to be China’s turn (Chalmers, 2000: 43).*

China’s unqualified sovereign posture stands in marked contrast to the vitiated sovereignty of Japan and East Asia marked by their political satellization to the US. The US support and contrivance in the economic successes



of Japan and its East Asian followers carried a severe cost by way of entangling military alliances that sharply compromised the sovereignties of these countries. As Alexander Hamilton and James Madison noted in *The Federalist*, “A victorious and powerful ally is but another name for a master,” involving “the dangerous expedient of introducing...foreign arms” (Chalmers, 2000: 35). As (Chalmers, 2000: 39).expatiates,

*At the height of the Cold War, the United States built a chain of military bases stretching from Korea and Japan through Taiwan, the Philippines, Thailand, and Australia to Saudi Arabia, Turkey Greece, Italy, Spain, Portugal, German, England, and Iceland—in effect ringing the Soviet Union and China with literally thousands of overseas military installations. In Japan alone, immediately following the end of the Korean War, there were six hundred US installations and approximately two hundred thousand troops.*

Remarkably, more than half a century after the end of World War II, and close to two decades after the Cold War, the US still has one hundred thousand troops based in Japan and South Korea. And as an indication of the dismal intricacies of unequal relationship between the US and the Asian satellites, Japan, for instance, was by 1997 paying the US for this occupation of its territory to the tune of \$2.36 billion a year! Furthermore, the courts or police in countries that are so militarily occupied by the US have no jurisdiction over such American-occupied lands, seas, and air spaces. As Johnson explains:

*From the time the United States got it written into its treaty with China following the Opium War of 1839-42 (yes, it was an American invention), “extra’lity,” as it was informally called, meant that if a European, American, or Japanese committed a crime in China (or today in Japan or Korea if he or she is a member of, married to, or the child of a member of the American armed forces), that foreigner would be turned over to his or her own consular officials, rather than being tried under the laws of the country in which the crime occurred.*

*It is not an exaggeration to say that the Chinese revolution was in part fought to be rid of this demeaning provision, which lasted in China until 1943. The Western insistence on extraterritoriality reflected the belief that Asian law was barbaric and that no “civilized” person should be subjected to it (Chalmers, 2000: 41).*

The nature or impact of an American base complex, “with its massive military facilities, post exchanges,

dependents’ housing estates, swimming pools, and golf courses, and the associated bars, strip clubs, whorehouses, and venereal disease clinics” has been on full display in Japan in Okinawa, Atsugi, Iwakuni, Misawa, Sagami-hara, Sasebo, Yokosuka, Yakota, and Zama (Chalmers, 2000: 43). In Okinawa alone, by the late 1960s, “the Americans had built their complex of more than a hundred bases, much of it by forcibly seizing land from defenseless Okinawans...” (Chalmers, 2000: 45). According to a report by Frank Gibney, in a period of only six months in 1949, American G.I.s killed twenty-nine Okinawans and raped another eighteen, while in late 1958, a quarter to a third of the Third Marine Division in Okinawa was infected with venereal disease (Chalmers, 2000: 45). US servicemen were implicated in 4,716 crimes between 1972 and 1995; since 1988, “navy and marine bases in Japan had 169 courts-martial for sexual assaults, the highest number of all US bases worldwide...” (Chalmers, 2000: 48-49). Over a thousand auto accidents occur each year in Okinawa alone involving US service personnel (Chalmers, 2000: 57). And “even if they avoid being raped or run down, no Okinawans can escape the endless noise the Americans make” out of the landing and departing of military aircraft from an airport located in the middle of a densely populated city (Jeffrey, 2005: 170-172). Nor is this all.

*From 1973 to 1997, the 12<sup>th</sup> Marine Regiment passed its time in Okinawa by periodically firing 155 mm. howitzer shells over Highway 104 where it enters Kin village... Closely related to noise pollution is damage to the environment. This includes serious soil erosion from artillery firing and damage to coral reefs by ships and amphibious landing practice....The most spectacular documented environmental outrage to date has been a barrage of some 1,520 “depleted uranium” shells fired in December 1995 and January 1996 into Torishima Island, located about a hundred kilometers west of the main island of Okinawa (Jeffrey, 2005: 173).*

It is indicative of the semi-colonial status of Japan, its economic achievements notwithstanding, that the US, in explaining what its troops are doing in Japan decades after the end of WWII, has vacillated between two basic contradictory arguments: “the forces are there either in order to defend Japan or in order to contain Japan.” The fact of the matter, however, is that “Even in 1951, Japan was in no danger of being attacked by another nation and even less capable of attacking one of its neighbors” (Jeffrey, 2005: 173).

## INDIA

Whereas Japan was never colonized, and China was

only partially overrun, India became a *de facto* colony of the British, with all the underdevelopment processes this entails.

*It was India's remarkable experience to have fallen victim to the British East India Company, a private joint-stock company, before succumbing to the British Empire itself. India's history during the seventeenth to nineteenth centuries was one of greed-driven private armies running roughshod over a great civilization...*

*Through... sheer ruthlessness, British forces gained the upper hand in India through a strategy of divide and conquer. How else could a small trading company from a country of perhaps 5 million people even contemplate creating a foothold, much less an empire, halfway around the world in a subcontinent of 110 million or more inhabitants? Step by step, from its inauspicious arrival in 1608 to the final conquest of the subcontinent in 1585, the British East India Company, backed by the British crown, bamboozled and fought its way to power, siding first with one ruler and then another, double-crossing its allies and defeating its foes on the battlefield, buying, bribing, and fighting its way to complete control (Jeffrey, 2005: 173).*

Remarkably, at the time the East India Company began its expansion in the seventeenth century, "India's textiles and apparel were prized throughout the world, and its cloth exports constituted the vast bulk of the world's trade in textiles and apparel" (Jeffrey, 2005: 176). In the eighteenth century, Britain imposed trade restrictions on India's textile exports to Britain, "giving itself time for its own less efficient manufactures to gain the upper hand. In short, Britain pursued an aggressive industrial policy to topple India's predominance in the textile trade" (Jeffrey, 2005: 176). In consequence, in the eighteenth century, Britain "went from being an importer of Indian textiles and garments to a significant exporter to India, with British mechanized mills displacing millions of Indian hand-loom operators" (Jeffrey, 2005: 176). Notably, from 1600 to 1870, in the period of growing British dominance of India's affairs, the colony experienced zero per capita growth. In the period from 1870 to 1947, the year of India's independence, per capita growth was a mere 0.2% per annum (Jeffrey, 2005: 177). Overall, colonial rule "left India allergic to international trade and to foreign investment" (Chalmers, 2000: 174).

It is no wonder that after "a long and hard-won struggle against colonial rule," India's leaders "had no taste for risking a new period of subjugation to foreign economic forces" (Chalmers, 2000: 174). The policy emphasis on national closure, national defense, and political sovereignty à la China were in evidence from the

beginning. The introduction of the Green Revolution into the country in the late 1960s and early 1970s-- whereby scientific plant breeders were able to breed new varieties of maize, wheat, and rice--resulted in the rise of food yields that freed India from "the chokehold of famine" (Chalmers, 2000: 123). In the realm of defense, even though the foundations of power "no longer lies in military but in economic and industrial strength" (Jeffrey, 2005: 169-170). India saw the wisdom of acquiring nuclear capability from 1974 onward, in defiance of the US doctrine of nonproliferation which, as Chalmers Johnson has noted, "ignores the fact that there is something odd about a principle that permits some nations to have nuclear weapons but not others and that the United States has been only minimally willing to reduce its own monstrously large nuclear strike forces" (Donald, 2008: 136). And when India set out to achieve economic empowerment through globalization in the early 1990s, it was inspired and guided largely by the successes of the Chinese model (Jeffrey, 2005: 178).

India's globalization success has been "fueled largely by its preeminence in the area of high technology" (Jeffrey, 2005: 179), becoming "a hub of large-scale service-sector exports in the new information technologies" (Jeffrey, 2005: 178-179). For more than a generation, India had been turning out high-quality entrepreneurs and engineers from the Indian Institutes of Technology (IITs). Owing to India's relatively stagnant economy, IIT graduates "migrated in large numbers to the United States. By the mid-1990s, they were becoming the business leaders of their generation, taking leadership positions at Microsoft, McKinsey & Company, Citigroup, numerous investment banks, IT firms, and other major international companies" (Anand, 2007).

*By the mid-1990s, with Microsoft asserting its dominance in computer software and the Internet coming into its own as a revolutionary tool of business as well as education and entertainment, the fact of the large numbers of Indian software engineers in the cutting-edge businesses slowly started to become apparent. Silicon Valley, the epicenter of the information technology (IT) revolution, was filled with highly trained and motivated Indians. Small Indian-owned and Indian-led IT businesses were quickly becoming big Indian-owned businesses with considerable cachet in the industry, including Sycamore and Infosys. Microsoft itself began to invest heavily in Indian software engineers, who were already legion in the company, and in India itself, as a place to write software, often at the cutting edge (Donald, 2008: 137).*

Increasingly, the jobs of Western white-collar elites in fields as diverse as investment banking, aircraft

engineering and pharmaceutical research have been flowing to India. Boeing and Airbus now employ hundreds of Indians in challenging tasks like writing software for next generation cockpits and building systems to prevent airborne collisions<sup>xi</sup>. As a consequence of all this, India, with a population of just under 1.1 billion, the second most populous in the world, has had the world's second fastest growing economy over the past 15 years, a growth that expanded to an annual rate of 7.5% in 2005. The result, Donald Snow has observed, "has been an unprecedented growth both of personal income and entrepreneurial activity that has helped expand the middle class in India to over 300 million..." (Arundhati, 2006: 463-464). If current trends continue, it is estimated that India's economy will be larger than Italy's in ten years, Britain's in fifteen years, and five times that of Japan's by 2050 (David, 2006).

The growing political assertiveness and clout of India is in evidence in the scrapping, in the face of strong US government pressure, of a power purchase agreement between the state government of Maharashtra and Enron that fervent Indian nationalists attacked as "loot through liberalization" (Steven, 2007). It is also evident in President George W. Bush's pledge in March 2006 to help India develop nuclear power plants, despite that country's refusal to sign the Nuclear Non-Proliferation Treaty and its maintenance of a nuclear-weapons arsenal (Tina, 2002).

## AFRICA

Even as China, through internal strength and cautiously nationalistic policies, emerges as the developing world's biggest beneficiary of globalization, Africa comes across as the greatest loser of globalization. And while the entire international economic architecture of the World Bank, the IMF, and the WTO "is buckling under the ambitions of rising economic powers in Asia" (Donald, 2008: 141), Africa is the most notable obedient, complicit victim of the crass dictatorship of these Western-controlled institutions. Latin America, in places like Argentina, Bolivia, Peru and Ecuador, moved in the 1990s from being eager pupils to determined rebels of these same institutions. As Tina (2002) noted: "The surprise is not that Latin Americans are once again voting for populist candidates but that the revolt against globalization took so long." Today, about 300 million of Latin America's 520 million citizens "live under governments that either want to reform the Washington Consensus or to abolish it altogether and create a new, more equitable global economy" (Tina, 2002). Anyway one looks at it then, the great issue of the current globalization process is the success of Asian countries and the dismal showing of Africa.

Unquestionably, the West's extension of its capitalist machinations across the globe has spelled a succession

of deadly disasters for Africa. It initially entailed, around capitalism's dawn in 1505 until 1870, the relentless, massive depopulation of Africa involving the carting away of scores of millions of people into the New World in the cause of European capital accumulation. Without the "vast, highly regimented labor system" based on African slavery, notes Eric Foner, the New World would not have been developed (Tom, 1991: 69). Furthermore,

*Profits from the slave trade and the commodities produced by slave labor- sugar, cotton, and tobacco- laid the foundation for Britain's economic power base in the eighteenth and nineteenth centuries. Slavery provided the motivation for inventors to create machinery and equipment that helped to develop factories, the manufacturing industry and shipbuilding (Linda, 2007).*

For Africa, in what underscores the dialectical nature of its relationship with Europe across the centuries, the legacy of slavery "has been blight—a pattern of chronic underdevelopment that even today retards social progress..." and dramatizes "a permanent inverse relationship" that exists between slavery and economic empowerment (Tom, 1991: 69). The next stage in Europe's capital accumulation at Africa's expense, which neatly coincided with the formal ending of the commandeering of African slave labor for the America's, took the form of the colonization of Africa. Under various regimes of colonialism, African countries were forcibly drawn into the capitalist world market to supply agricultural raw materials, precious stones, and strategic metals to Europe's industrial centers. "Far from lifting Africa economically," Sachs writes, "the colonial era left Africa bereft of educated citizens and leaders, basic infrastructure, and public health facilities" (Jeffrey, 2005: 89).

When, in the period beginning in the late 1950s, formal colonialism gave way in Africa to a rising tide of nationalist agitation, the resulting product of political independence was soon transmuted into Neo-Colonialism, a new phenomenon whereby the West continued to rule and control Africa's economic destiny, albeit surreptitiously through the back door, using puppet regimes suitably dressed in the counterfeit trappings of sovereignty. Neo-Colonialism proved to be, in Nkrumah's apt portrayal, the most irresponsible form of imperialism in the sense that, for those who imposed it, it meant "power without responsibility," while for those victimized by it, it meant "exploitation without redress" (Kwame, 1965: xi).

Unlike Asia, the Cold War did not result in a push by the US to engineer the economic empowerment of any African countries. On the contrary,

*Western cold warriors, and the operatives of the*

*CIA and counterparts agencies in Europe, opposed African leaders who preached nationalism, sought aid from the Soviet Union, or demanded better terms on Western investments in African minerals and energy deposits. In 1960, CIA and Belgian operatives assassinated the charismatic first prime minister of the Congo, Patrice Lumumba, and installed the tyrant Mobutu Sese Seko in his stead. In the 1980s the US supported Jonas Savimbi in his violent insurrection against the government of Angola, on the grounds that Savimbi was an anti-communist, when in fact he was a violent and corrupt thug. The US long backed the South African apartheid regime, and gave tacit support as that regime armed the violent Renamo insurrectionists in neighboring Mozambique. The CIA had its hand in the violent overthrow of President Kwame Nkrumah of Ghana in 1966 (Jeffrey, 2005: 189-190).*

The clandestine-rule character of the first phase of Neo-Colonialism gave way, from the 1980s, to one of explicit, unconcealed, hyperbrutal control and exploitation of African countries through the mechanism of “Structural Adjustment” imposed by the World Bank and the IMF. The disastrous elements of an adjustment program include drastic reduction of government expenditure, particularly social spending on education, health care, and housing, and the elimination of subsidies for food and other essential commodities; the privatization of government enterprises accompanied by staggering increases in the prices charged for electricity, water, and transportation; and trade liberalization that floods the market with foreign goods and strangulates fledgling domestic industries. As Tina (2002) makes the point, “...no nation has ever developed over the long term under the rules being imposed today ...by the institutions controlling globalization.” Even as Asia was encouraged to embark on export-led industrialization, Africa was locked into specialization in the export of primary products—for which there are often numerous competing suppliers and limited demand—in the name of comparative advantage. As a result Africa has failed to move beyond the export of commodities. In general, Western impositions have been total, reckless and arbitrary. Thus around 2005, at the same time that many Western national governments were telling African governments to spend more on primary health care and education, the international financial institutions largely controlled by those same Western governments were pressing African countries “to shrink their government payrolls, including teachers and health care workers.”<sup>xii</sup> The balkanization that accompanied European colonialism in Africa created non-viable political units incapable of independent development: As Green and

Seidman noted in 1968, the “greatest barrier” to African economic development relates to the fact that

*No African state is economically large enough to construct a modern economy alone. Africa as a whole has the resources for industrialization but it is split among more than forty African territories. Africa as a whole could provide markets able to support large-scale, efficient industrial complexes; no single African state nor existing sub-regional economic union can do so. African states cannot establish large-scale productive complexes stimulating demand throughout the economy as poles of rapid economic growth because their markets are far too small. Instead, the separate tiny economies willy nilly plan on lines leading to the dead end of excessive inefficient “national factories” at high cost per unit of output. Inevitably, therefore, they fail to reduce substantially their basic dependence on foreign markets, complex manufactures and capital (p. 22).*

And yet, the Pan-Africanist federalists, from Lumumba to Nkrumah, who waged a crusade for Africa’s political unification, ended up being assassinated or overthrown from power. It is as if, between 1787 and 1788, a destructive imperialist force penetrated the American Confederacy and did away with Alexander Hamilton, John Jay, and James Madison.

The end result of all this is that, “whether measured by per capita income or by the gross domestic product of its nations, Africa is the poorest place on earth,”<sup>xiii</sup> in spite of its massive resources in oil, mineral, and assorted strategic raw materials. Africa has fallen way out of phase with the times. In the words of Global Coalition for Africa, “Africa has missed the major milestones of changes humankind has gone through. Africa is locked in the era of agrarian civilization, while the rest of the world has gone on to the era of information technology...Africa has become the Third World’s Third World.”<sup>xiv</sup> Indeed, one study has established that, if Africa remains a hungry, diseased continent that waits on “generosity” tied to Western capitalism, it will, by 2015 be home to half of the world’s poorest people<sup>xv</sup>. The misguided conception that Africa can achieve development by relying on Western loans and “aid,” is captured in a statement by Dr. Bernard Lala, Minister of Health of the Central African Republic, that he sees his job as convincing the world that his country needs aid: “We need to get our country on the map so that people will know that we, too, need help. We cannot let ourselves be forgotten.”<sup>xvi</sup> To which Andrew Mwenda has well retorted: “What man has ever become rich by holding out a begging bowl?”

The truth of the matter is that, as far as the World Bank and the IMF are concerned, it is the responsibility of impoverished countries to finance the affluent. Through

their mechanisms, the financing of the rich countries by the poor has become a fixture of the international political economy. In 1976 alone, the Bank's profits that were plowed back into loan funds amounted to \$220 million. In particular, the debt crisis that erupted in Africa in the 1980s (the result largely of plummeting commodity prices and the catastrophic energy crisis of the 1970s) opened up the floodgates of capital extraction from Global South countries. This perverse flow is the result of payments on old debts owed primarily to commercial banks exceeding new lending. The World Bank itself has acknowledged this "negative transfer problem," noting that in 1988 alone, developing countries were so encumbered by debt obligations that they paid \$50 billion more to creditors than they received in new aid.<sup>xvii</sup>

It is worth repeating that power is the currency of international relations. This is the hard, cruel, unyielding reality based on the doctrine of Realism that dismisses Moralism in foreign policy as "misplaced and dangerous." The realist concern is with national aggrandizement, and emphatically "not with freedom, human rights, or any other woolly and expansive ideological ends" (Charles, 1986: 14). It is a major thesis of this book that, in the face of this anti-Moralism reality, the injection of moral arguments about Western historic wrongdoing, and idealistic calls for righting injustices in the interest of humanitarianism and fairness, makes for an incongruous and altogether misleading mix of reality and fantasy. Worse, such a resort to Moralism tends to induce resignation and idle expectation of genuine Western developmental help on the part of weak, inconsequential countries. Such intoxication with false hopes takes away any resolve on their part to build up the countervailing power that alone can end their endless subjugation, exploitation and dehumanization. This point is particularly pertinent to Africa.

Western philanthropy derives from a phony morality and is wedded to African corruption. When it comes to Africa, Western donors "have a history of being more generous with pledges than with money"<sup>xviii</sup>. And Western official rhetoric is unfailingly noble but pathetically inconsequential, as in this statement by Tony Blair: "There can be no excuse, no defense, no justification for the plight of millions of our fellow human beings in Africa today. And there should be nothing that stands in our way of changing it."<sup>xix</sup> And whatever trickle flows into Africa lands on the laps of corrupt politicians. For example, as of November 2006, of Nigeria's 36 governors, 31 were under federal investigation on suspicion of corruption, while five had already been impeached. Economic stagnation and massive poverty has bred a generation of African leaders who find the nomenclature of underdevelopment sweet to their ears, since the loans and "aid" that flow to their countries to help their "underdeveloped" countries and people end up in their private bank accounts. It is truly "aid" for development that develops nothing and taints both the giver and receiver.

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- <sup>i</sup> See Jeffrey Frieden's Review in *The New York Times Book Review*, December 4, 2006.
- <sup>ii</sup> "A Japanese Export: Talent," *The New York Times*, May 24, 2007, pp. C1 & C5.
- <sup>iii</sup> *The New York Times*, May 24, 2007, pp. A1 & A12.
- <sup>iv</sup> "China's Muscle Flex in Space," Editorial, *The New York Times*, January 20, 2007, p. A10.
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- <sup>ix</sup> *The New York Times*, February 28, 2006, p. C1.
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- <sup>xi</sup> *Newsweek*, March 6, 2006.
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- <sup>xiii</sup> John Pontin, "What Does Africa Need Most: Technology or Aid?" *The New York Times*, June 17, 2007.
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- <sup>xv</sup> *The New York Times*, June 21, 2004, Section 4, p. 4.
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