

**Inaugural Lecture of the Jane and Aatos Erkkö Professor in
Studies on Contemporary Society**

Stephen Gill (York University, Toronto):

The Constitution of Global Capitalism

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Note: This lecture should be read in conjunction with the powerpoint presentation – this contains images & charts as well as bullet points.

Introduction

This lecture will seek to identify and explore some of the constitutive features or structures of global capitalism in the early 21st century, in light of the current deep and interrelated set of global economic, socio-cultural and ecological crises. Together these crises of accumulation, society and the biosphere comprise what I call a global “organic crisis”, which, it seems demands a truly global and collective response in order to move towards its solution.

With these issues in mind my lecture has four parts:

1. Capitalism, the market and the economists
2. Capitalism as a system of power & some of its key features
3. New constitutionalism and global politics
4. Concluding reflections on the present moment and the future.

Let me now summarize the key points I would like to make today.

My lecture will specifically identify what I call the concept of “new constitutionalism” which I hypothesize as a dominant juridical and political structure of the governance of global capitalism. New constitutionalism relates to a wider discourse of disciplinary neo-liberalism which I hypothesize as an increasingly dominant set of socio-economic processes and public policies that increasingly subject social and political life to the discipline and power of capitalist market forces, extending what I call a consumerist and energy-intensive global “market civilization”. I would argue that the tendencies towards the spread of market civilization serve to deepen the global organic crisis.

Let me now outline how I am using the term “constitution.” The most well-known sense of the term is political and legal, whereby a constitution is the supreme framework of laws for a given political society. Since the end of the Cold War, a clear pattern of new liberal constitutionalism has emerged, with over 80 countries adopting liberal frameworks of rule, in whole or in part. Liberal constitutional frameworks are associated with a formal separation of state and civil society, the encoding of liberal freedoms, codifying private property rights, and the institutionalization of bills of rights and freedoms, and judicial review. Also a feature of this era is the proliferation of constitutionally “independent” central banks. This independence gave central banks substantial latitude to act as a lender of last resort and massively bail out private interests in the global financial crisis of 2008-09.

Indeed, in the context of global capitalism, constitutionalism is not simply confined to the nation-state – e.g. the European Central Bank is constitutionally independent of the EU’s elected governments. The constitutional process therefore increasingly involves the transnational frameworks that govern capitalism – such as the WTO or NAFTA in matters of trade, investment and intellectual property rights. These organizations and laws facilitate, direct or regulate not only the operations of global capital but also the way basic social and cultural institutions are governed, in effect creating a de facto constitution for global capitalism. Thus in 1997 Renato Ruggiero, then Director-General of the WTO observed “we are writing the constitution of a single global economy”.¹

¹ Renato Ruggiero, “The High Stakes Of World Trade”. *Wall Street Journal*, interactive edition, February 28, 1997.

One reason for this is because, as Weber noted, modern capitalism is based on the continuous calculation of opportunities for profit by large bureaucratic corporations, which now operate transnationally. Such calculability requires the protection and exchangeability of property rights, political predictability and a structure of laws, contracts and regulations – all of which are enforced by states to provide for stable conditions of accumulation. Indeed the large-scale markets that typify global capitalism are complex social institutions, which involve the development of standards of accounting, weights and measures and money. These markets – largely dominated by small numbers of giant corporations in each industrial and financial sector – are governed by laws, contracts and conventions that involve elaborate procedural and substantive rules. Thus, political power and the state are conditions of existence for capitalism and the world market.

Indeed, the creation of such rules and laws is not simply a technocratic, apolitical process that is the work of faceless WTO bureaucrats. Trade and investment law also involves struggles over the definition and future direction of economic and social development. As such it involves the geopolitical relations between states associated with changes in North-South and East West relations. It also involves struggles between labour and capital, and a basic competition for commercial survival between smaller companies and the giant transnational firms that the great Historian Fernand Braudel called the “great predators” of world capitalism. The activities of the WTO also concern basic issues of livelihood and ethics, such whether health care, food or fresh water supplies should be treated as commodities with their prices determined by global market forces, or whether they should be made basic human rights, available to all.

These observations bring me to the second sense of the term associated with the verb, “to constitute”. Here I am referring to how such legal and juridical changes both reflect and influence fundamental structures of power.

Thus my concept of “new constitutionalism” combines both senses of “constitution”.

Part I: Capitalism, the market and the economists; Or: The Queen's Question

First, I would like to tell a short anecdote concerning a visit made by the Elizabeth II of England, to the London School of Economics in November 2008.

Her Majesty was offered a brief tutorial on the global economic crisis by an LSE business economics professor.

The Queen asked, “Why did nobody notice it?” The professor replied: “At every stage, someone was relying on somebody else and everyone thought they were doing the right thing.”

My friends and acquaintances will be aware that I have never supported the principle of aristocracy; nevertheless the Queen did pose a very important question that provides us with an opportunity to unpack some of the assumptions that underpin debates about the nature of capitalism today.

In this context we can observe that the mainstream or orthodox economic debates have been relatively narrow and related to strategies of stabilization to deal with the crisis. Indeed the enormously costly “bail outs” and the “stimulus” measures have been one-sidedly undertaken on behalf of the interests of capital, particularly finance.

However, an important economic question that seems not to have been raised by orthodox economists is this: what are the opportunity costs of the bail outs in terms of potential alternative uses of the funds? For example, how much of these funds should have been spent on firms and banks deemed “too big to fail” with few strings attached, and how much on socially-oriented programs to develop education, to improve health and public transport, save energy, and to deal with our overly consumerist, materialistic, wasteful and unhealthy lifestyles, thereby creating a better future for people and the planet?

Indeed, much of modern capitalism – including corporate agriculture – is heavily premised on ever-increasing carbon-based growth and the use of oil and its derivatives in its search for profits. It is a process that is unsustainable both ecologically and physically in the sense that the infrastructures and patterns of consumption and production being created today are premised on a high-energy intensive world tomorrow, despite the fact that much of the resources involved are both finite and non-renewable.

This explains why many environmentalists are now saying that we need to move to an economy premised upon zero growth or at the very least

constructed on very different and ecologically more sensitive principles of growth. Production, consumption and distribution must become more localized – it makes no ecological sense to ship raw materials to China, have workers manufacture materials and packaging, send those items to US ports on mega-size container ships, then have the goods trucked inland to massive shopping malls, to where suburban consumers drive long distances in their SUVs from their large houses to shop at Wal-Mart and Target.

Moreover, the food products which reach US supermarkets from farms controlled by giant corporations travel an average of 1500-2500 km before they reach the shelves, requiring enormous amounts of energy for transportation, refrigeration, storage and packaging.

This North American pattern of energy-intensive, wasteful consumerism is globalizing, and is the result of corporate decisions and planning models that are ultimately based on the exploitation of cheap labor and the world's finite resources. They are premised on a narrow calculus of profitability (what economists call x-efficiency), rather than considerations of ecology or social efficiency.

What I am getting at is that orthodox responses have generally failed to consider links between the crisis of accumulation and the wider organic crisis associated with market civilization. Such considerations however involve fundamental issues of sustainability and welfare, ethics, legitimacy and justice.

Typical of the orthodox responses the Queen's question was that of a group of what the British call "the great and the good": private economists, bankers and academics convened by the British Academy.

The Academy concluded in mid-2009 that their combined failure to foresee the nature, speed and depth of the problem was "a failure of the collective imagination of many bright people."

A similar view was also expressed by the most recent Nobel Prize Winner in Economics, Princeton Professor and *New York Times* columnist, Paul Krugman. In something of a *mea culpa*, Krugman noted in the *New York Times Magazine* in early September 2009 that in fact those US economists that gave warnings were ignored or marginalized as cranks.

The example Krugman recounts is instructive.

It occurred at a special conference convened in 2005 to honour Alan Greenspan's long tenure as Chairman of the US Federal Reserve System. Greenspan, a market guru and celebrity, is a follower of the individualist

philosopher Ayn Rand, whose view are closely linked to those of University of Chicago liberals such as F.A. von Hayek and Milton Friedman. Until the crash he was a firm believer in the wisdom of financial economics and the self-regulating capacity of financial markets.

At the conference a contrarian paper was presented warning that the US financial system was taking on potentially dangerous levels of risk. The paper was mocked as misguided “by almost all present”, including Ben Bernanke, Greenspan’s successor at the Fed and Obama’s economic Czar, Lawrence Summers.

Summer’s view was entirely consistent with the orthodox economists’ conventional wisdom of the time, as expressed by the International Monetary Fund.

see SLIDE 9: The conventional wisdom:
IMF Global Financial Stability Report, April 2006

In 2006 the Fund reflected the Panglossian view of Greenspan, arguing that ‘dispersion of credit risk by banks to a broader and more diverse set of investors, rather than warehousing such risk on their balance sheets, has helped to make the banking and overall financial system more resilient’. The IMF emphasized that the system was now much less prone to bank failures and credit problems.

So what is Krugman’s explanation for these calamitous failures of analysis?

I quote, “Economics, as a field, got in trouble because economists were seduced by the vision of a *perfect, frictionless market system*”; they became “blind” to the very possibility of “catastrophic failures in a market economy” (my emphasis).

Since 2007 \$13 trillion in US wealth has been lost. Official unemployment has risen by over 6 million jobs to highest level since levels last seen before US mobilization for World War II. The collapse has had huge negative effects on the rest of the world

By October 2008 Greenspan admitted that he was in a state of “shocked disbelief,” because, as he put it, “the whole intellectual edifice” had “collapsed.”²

² Paul Krugman, “How Did Economists Get It So Wrong?” *New York Times Magazine*, September 6, 2009.

Krugman therefore asks: what guidance does “modern economics” have to offer for the future?

Sadly his answer is lacking in both wit and insight – he is unable to explain the failure of not only orthodox economics as a field, but more fundamentally the enormous errors and complacency of the policy makers and leaders who were supposedly the custodians of world capitalism.

First we should note that Krugman’s definition of “modern economics” is narrowly restricted to an in-house debate between US “saltwater” and “freshwater” economists.

The former are neo-Keynesians whose habitat is at “coastal” universities such as MIT, Harvard and Princeton. Like Krugman they argue that macroeconomic intervention and regulation is needed to correct market instability.

“Freshwater” economists are found adjacent to the Great Lakes (e.g. at the University of Chicago) and hold that the market is not the problem and it should be allowed to operate free of government intervention.

Krugman entirely ignores the large numbers of “heterodox” economists, who have long stressed the systemic nature of capitalism and its contradictions and who anticipated its crises.

See SLIDE 12: Notes on a failed paradigm

Four brief points are in order here:

1. Both of Krugman’s schools are part of the same failed, heretofore dominant neo-liberal paradigm -- which has focused almost unquestioningly on promoting GDP growth, liberalizing trade and investment and the deregulation of labour markets and the financial sector.
2. This paradigm has served to bolster consumerism and financial interests, fuelling the global crisis of accumulation and the wider organic crisis.
3. Indeed, the orthodox economic paradigm is neither “objective” nor “scientific” despite what the Krugman fraternity would have us believe (very few of its members are women). It is built on abstract assumptions & mathematical models that do not deal with the real economy, but a fictitious and hypothetical one, devoid of social content. We might also add that any credible “science” ought to yield

- predictive capacity and testable hypotheses. On all of these scores orthodox economics must receive an “F” grade.
4. Nonetheless, a problem for the future is that these people still hold positions of authority and power in leading universities and are still teaching new economists, presumably reproducing the very same failed paradigm.

Part II: Capitalism as a system of power: Seven constitutive features of capitalism

So the question still remains: how many crises do we need to have before we witness a widespread paradigm shift that can address the future of the global political economy in a more comprehensive, sustainable and socially productive way?

In the processes I have just described, the leading lights of neo-liberal globalization have been completely discredited. They coupled a misguided economic paradigm with catastrophic policy failure: they were caught asleep at the wheel.

However, what I call the “usual suspects” such as Summers, Greenspan, Bernanke and Geithner, the Secretary of Treasury – are still in control of the commanding heights of economic policy.

They are part of the very financial sector that largely produced the crisis.

Their policy response has been to further serve, protect and enrich financial interests.

This explains why the US bailouts and stimulus packages have been one-sidedly on behalf of capital, especially benefiting big banks such as Goldman Sachs. The usual suspects are part of the conveyor belt that leads from Wall Street to Washington DC. Little in this regard has changed under President Obama since the usual suspects are still running US policies.

Put simply, therefore, really-existing capitalism involves a system of power.

If so, then what do these apparently apolitical, orthodox economists’ debates tell us about global capitalism?

Perhaps the first thing is that global capitalism does involve the question of the markets, or more accurately a complex set of interdependent markets which themselves are governed by forces that involve sets of often erroneous ideas (assumptions) and institutions and that are connected to particular

interests – all of the key policy makers just mentioned have strong ties to the interests of Wall Street firms.

However, what do we lose from our analysis when we restrict our discussions simply to markets as the driver of capitalism?

It was only a little over a decade ago that J K Galbraith, the great Harvard heterodox economist warned that in substituting the term “market” for “capitalism” economists removed questions of power from their analysis, minimizing the role of wealth and the power of capital in the economic and social system. As he put it “Instead of the owners of capital or their attendants in control, we have the admirably impersonal role of market forces. It would be hard to think of a change in terminology more in the interest of those to whom money accords power. They have now a functional anonymity.³

In other words, discourse can serve to both legitimate and obscure systematic relations of power – such as those that have served to constitute contemporary capitalism.

SLIDE 16: UN WEALTH STUDY: Global inequality & global power

We start with the recent distributional consequences of global capitalism, as they were perceived just before the global crash of 2007-8 by that leading organ of capitalism, the *Financial Times*.

It asked how, without reading Marx’s *Capital*, could one possibly explain why the world’s richest 2% of people now owned more than 50% of the world’s global assets.

Indeed, as a UN study has shown, by the turn of this century the richest 1% owned 40% of the total of the world’s wealth – 37 million adults in all. By contrast the bottom 50% of the world’s adults (3.3 billion people) owned a mere 1% of assets.⁴

SLIDE 17: shows that the bulk of the very wealthy live in the USA and Japan.

³ John Kenneth Galbraith, “Free Market Fraud” *The Progressive*, January 1999.
<http://www.thirdworldtraveler.com/Economics/FreeMarketFraudGalbraith.html>
Accessed September 21, 2009

⁴ *Financial Times*, December 28, 2006, p. 13, quoted by G. Ingham *Capitalism* p. 110).

SLIDE 18: UNDP CHAMPAGNE GLASS. Distribution of world GDP 1990

An earlier study showed that global income inequality in the late 20th century resembled a champagne glass, an image that says much about the new “gilded age” reminiscent of the 1920s.

So if we step back from the immediate history of the financial crisis, we can identify seven features of global capitalism today. These features help to explain global patterns of inequality in wealth and power. Indeed, much of the contemporary global social struggle will likely concern whether and how these seven features will continue to constitute social and political life in the foreseeable future:

1. There has been a global restoration of the political power of the very wealthy, and a rapid growth of a global plutocracy, as noted, in ways reminiscent of the 1920s. Extreme inequalities and the corresponding restrictions on the life chances of a majority of the world’s population is the obverse of the growth in the wealth of the plutocracy.
2. One reason for the patterns of global inequality is because the power of capital and market discipline have been extended in social life; the extension of such markets is accompanied by intensified exploitation of labour and of nature; This what I mean by “disciplinary neo-liberalism”.
3. There has been a related continuation in the dispossession of producers of their means to subsistence – a development that enlarges the size of the global proletariat “free” to sell its labour to capital. Whilst there is considerable debate about the origins of capitalism, one of its basic foundations – identified by both Marx and Weber – stems from how the owners of capital, with the assistance of the state, were able to expropriate the basic means of production and livelihood associated with common lands and small-holdings, and to capture control by imposing private property rights over the land. The dispossessed workers and peasants were forced to become free labour, and compelled to sell their “labour power” in the market because they had no alternative means of subsistence or survival. In turn, despite workers eventually winning the vote, the right of capital to own the means of production is secured, constitutionally, through the institution of private property rights. This process began when peasants were forced off the lands in the 16th and 17th century Enclosure Movement in Europe. This underlines the centrality of law

- and the state in the reproduction of capitalist social relations and private property rights.
4. As I have noted, there has been a recent shift towards what I call “new constitutionalism” on a world scale. In the terminology of the World Bank this set of mainly legal and juridical measures are intended to legally “lock in” private property rights and market institutions and to strengthen market forces. The result of this constitutional shift is the more general subordination of the state to capital. Related measures serve to redefine government and state enterprises so they act as if they are capitalist firms operating on the basis of the profit motive. I discuss this in more detail in the next section of this lecture.
 5. A further characteristic of contemporary capitalism is that it is oligopolistic and dominated by small numbers of giant firms. The system that has emerged has allowed them to privatize profits whilst many of their risks are socialized, and ultimately paid for by taxpayers. We have recently seen a key example of this: the socialization of the risks of corporations in the gigantic bail outs, whilst for the rest, such as small firms, workers, risks are increasingly privatized. This pattern of socialization of risk for the strong and privatization of risk for the weak has also to be set in the context of a restructuring of, and in many cases reductions in state provisions, varying according to jurisdiction, for what feminists call social reproduction (e.g. for health, education, welfare). This creates greater privatisation and individualization of risk. This is link to state projects to foster the so-called “self-help society” and more broadly promote the possessive individualism associated with “market civilization”, albeit at the cost of greater social atomization.
 6. Capitalism has shown itself to be prone to two kinds of recurrent systemic economic crisis: cycles of overproduction/under consumption and particularly financial crises caused by cycles of credit expansion and contraction, the latter particularly associated with the enlarged, liberalized and self-regulating financial sectors of global capitalism. The entire capitalist system involves an enormous credit network which finances production but that is easily unravelled by defaults on the repayment of debts. The interrelated nature of markets means that the global financial system is highly vulnerable to chain reactions which ultimately will dislocate production and consumption, even in those economies and societies that have institutionalized comprehensive measures of economic stabilization.

7. If the features I have just mentioned continue to operate without significant countervailing political forces and measures, my view is that they will serve to deepen the “global organic crisis” in the foreseeable future.

In sum, capitalism is not to be simply equated with the market; nor indeed is it the product of social evolution or the spontaneous operation of economic forces as suggested by Hayek and his followers. Capitalism is grounded in conscious political action and the use of state power, coercion and the law. It is to the latter aspect – the relationship between new constitutionalism and the rule of law that we now turn.

Part III: New Constitutionalism, the Rule of Law and Global Politics

Thus new constitutionalism is a liberal global political project *par excellence*, indeed perhaps the primary political project of neo-liberal globalization today.

With this in mind we can identify three central aspects of new constitutionalism:

1. Measures to reconfigure state apparatuses
2. Measures to construct and extend capitalist markets and the commodity form
3. Measures for dealing with crises and to incorporate political challenges.

Let us now deal with each of these features in turn, bearing in mind that they are inter-related and depend, in part, on the strength and movement of social and political forces in global politics. However, since they have constitutional effects, they are relatively difficult to change and they make alternative political projects, e.g. socialism, much more difficult to achieve.

1. Measures to reconfigure state apparatuses. Liberal states are constitutionally defined by a separation of state and civil society, the former subordinated to the latter, partly through the institution of private property rights. I have already indicated that this also involves a variety of means including treaties, constitutional reforms & related institutional measures to lock in private property rights and that commit states to “progressive liberalization” of their economic and social systems– e.g. the WTO’s General Agreement on Trade in Services (GATS). Another important institutional example of this is

the creation of independent central banks, a feature of recent years which has been very significant in the present global economic crisis.

2. Related measures to construct and extend liberal capitalist markets and the operation of the commodity form. These are varied and may consist of opening up new territories (e.g. the former east Bloc is incorporated into global capitalism) or new market sectors (e.g. creation of a world market in food, the privatization of water supplies; the privatization of public health and social services); such measures connect to the creation of new opportunities for profit as well as new sources of labour supply and natural resources.

What is at issue however is the degree to which the commodity form should supervene over access to the basic necessities of life, and whether patents and other types of intellectual property rights should confer private control over life-forms and important social and cultural innovations.

Let me now give a striking example of the way that these features of global capitalism now intersect: the growing crisis in global food supply and the related political contestation concerning the definition of these problems, and their treatment as objects of the liberal Rule of Law.

First we should remind ourselves of some of the real context for such a discussion today:

A. Whilst there is a crisis of the financial markets there is also crisis of basic livelihood for enormous numbers of people in the world:

SLIDE 24: Financial Times QUOTE ON HUNGER

“Almost unnoticed behind the economic crisis, a combination of lower growth, rising unemployment and falling remittances together with persistently high food prices has pushed the number of chronically hungry above 1bn for the first time”. (Financial Times April 6 2009).

B. A second contextual aspect is that perhaps as half of the world’s people suffers from malnutrition – with 25% over-fed, many of whom are over-weight and obese, with 25% underfed or starving.

- The causes of growing world hunger in an era when food is abundant have been intensely debated. However they are inextricably connected

to the development of a world market and a food regime that is increasingly dominated by global agribusiness conglomerates, such as Cargill and Monsanto. This regime is institutionalized in the WTO and in a web of numerous regional and bilateral trade and investment agreements such as NAFTA.

SLIDE 25: The world capitalist market increasingly determines food prices

- Some of the origins of the present food crisis can be traced back to both post-war and more recent patterns of US socio-economic development as well as to the Third World debt crisis of the 1980s.
- The World Bank pressed countries to accelerate the introduction of energy- and fertilizer-intensive agriculture to increase yields and adopt an export-led growth model. The result was a glut of commodities, lower farm prices, and depletion of lands, lakes and rivers.
- At the same time, huge government subsidies for US exports of grains meant they were sold at well below production costs. US production flooded the world market in the 1990s and wipes out many small Third world Producers – e.g. Mexico after NAFTA 1994, over 1.17 million Mexicans were displaced from agriculture following trade liberalization.
- The recent price spike is caused by a combination of factors but the principal ones are man-made – they are not caused by “a perfect storm” of natural causes as it is represented in the media. Two of the principal causes are: (a) a rapid shift of US grain production to bio-fuels for reasons of energy security which created supply shortages on the world market and (b) by global futures speculation and trading e.g. in Chicago & New York markets, bidding up prices.

SLIDE 26: Global food prices & food sovereignty

As the previous diagram shows between 2005 and 2008 global food prices [rose](#) 83%; indeed as of 30 September 2009 they are still 60% higher than in 2006.

- Not surprisingly 37 nations had intense food crises in 2008; world-wide food riots broke out across the world.

- Meanwhile, *Via Campesina*, *Landless Workers' Movement in Brazil (MST)* & other grassroots peoples' organizations continue to press for *food sovereignty* & organic production.
- Partly in response 58 Third World governments have now agreed to redirect agricultural policies and technologies in support of small scale farmers, helping women and harnessing local knowledge systems in ways that will increase local food sovereignty – and help combat global warming. The food security/food sovereignty issue helps cause breakdown of Doha talks extending the WTO; G20 offers \$20 billion to help agricultural productivity -- partly in response, partly because of a world-wide public outcry concerning global hunger.
- Thus whilst its advocates claim that the world market is the most efficient form of food production, many others claim that the export-oriented corporate controlled food regime is responsible for much of the decline in local self-sufficiency, and for unsustainable energy- and fertilizer-intensive models of agricultural growth. This system is criticized by many as socially and economically inefficient, unjust, and destructive, associated with crop monocultures and long-term damage to the biosphere.

The food security/sovereignty issue is therefore intensely contested.

While agribusiness and the international financial institutions see the world market as the best means of providing *food security*, most grassroots forces therefore favour the concept of *food sovereignty* premised on local and regional self-sufficiency, in ways that reduce the ecological “footprint” of production and distribution.

3. The third set of measures deal with contradictions, dislocations, and the political challenges to disciplinary neo-liberalism.

We can divide these measures into two categories:

A. Crisis management.

As we have seen recently this involves activities of now independent central banks, G20 finance ministers and the IMF acting as lenders of last resort in the financial and economic crisis. The bail outs have been intended to bolster capital and have involved little or no democratic participation – the “commanding heights of the economy” have been effectively ring-fenced from popular forces.

B. Incorporation of Opposition.

Since the 1990s there has been consistent effort by the globalizing elites to incorporate opposition to neo-liberal globalization, not least because as we have seen the extension of the global market creates social and economic dislocations and intense resistance not only on the part of workers and smaller, less competitive producers who are forced out of business or bought by large corporations.

Examples of this include how Social Democracy, which, at least in some countries, once sought to “de-commodify” labour, has now largely been incorporated into support of neo-liberal labour market policies of flexibilization.

Another example involves the co-optation of feminism and the women’s movement. The World Bank has sought to incorporate women’s participation in development, however in safely channeled areas and well away from the “commanding heights” of macroeconomic and strategic policy.

Goldman Sachs announced at the Clinton Global Initiative in New York in September 2009 that it is proposing to train 10,000 poor women to become its bankers in developing countries.

A further much discussed issue that concerns the ecological question is how corporate leaders for example in mining, have made tremendous efforts to redefine “sustainable development” in ways consistent with their profit-making, in ways that are opposed by many ecologists. The same goes for how governments and firms have slowly introduced market mechanisms to deal with climate change, e.g. the Kyoto Accords, but have nevertheless delayed serious efforts to deal with a problem that most scientists believe must be solved within the next 10 years or it will have irreparable and dangerous consequences for livelihood, health and the ecology of the planet.

Part IV: Concluding reflections: can a leopard change his spots?

The present organic crisis is bound up with the contradictory structures and processes of a US-centred global capitalism.

And as we have seen with the example of global food, the policies of US corporations and the US government have a powerful and continuing influence on the world. So what policies are being pursued by President

Obama? When I first analyzed his cabinet and top advisors in November 2008 I hypothesized that whilst Obama represented the possibility to restore some credibility to US rulers after George W. Bush, in practice he would be a conservative leader, making the minimum necessary political concessions and changes in policy to sustain the status quo.

SLIDE 28: *il Gattopardo* (The Leopard, 1958).

My model for Obama's strategy was expressed in the novel by Giuseppe Tomasi, 11th Prince of Lampedusa, *il Gattopardo* (The Leopard, 1958).

As Garibaldi's revolutionaries invaded Sicily in 1860, the aristocrat Prince Tancredi observed: "Unless we ourselves take a hand now, they will force a republic on us. If we want things to stay as they are, things will have to change".

So can a leopard change his spots?

So far the evidence is mixed. Whilst the G8 is expanding its member countries to become a more globally inclusive G20; the general picture is looking like a return to "business as usual", particularly for Wall Street interests.

Indeed, despite the recent recovery in stock market prices and output, unemployment is still high and rising, world malnutrition and hunger are growing, and serious social dislocations have already emerged as a result of cuts in public provisions, health care and wages.

Battles over future fiscal stringencies to pay for the gigantic bailouts of big firms and banks can be anticipated on the political horizon. A global code phrase for such stringencies is "exit strategies". It implies efforts to re-impose neo-liberal solutions, for example, extending the retirement age, making labour markets more flexible, raising indirect and direct taxes; cutting government social, health and educational expenditures. Echoing this perspective, Finland's finance minister, Jyrki Katainen, called last week for a meeting of European leaders to discuss such an "exit strategy" for European-wide fiscal policy.⁸

It is doubtful if such policies will help to solve the "organic" crisis – in many respects they will make it far worse. Any real solution requires not only enlightened and co-operative international leadership, but also a mobilisation

⁸ Andrew Ward and Ralph Atkins, "Finnish Minister Wants Exit Strategy Talks" Financial Times, September 21 2009.

of progressive forces that can press politically for a new paradigm of progress and distributive justice.

SLIDE 29: Towards an alternative paradigm of progress?

We need a new debate on democratically planned solutions, tax regimes & ownership with the goal of creating just and sustainable societies.

One way to initiate this process would include a debate over a new & more democratic global constitutionalism that would guarantee three sets of not merely formal but also substantive freedoms, rights and provisions:

- a. *human rights* (including freedom of conscience, expression; association);
- b. *human security* (e.g. freedom from violence, discrimination and intolerance; rights to healthy food, to clean water and to basic means of livelihood)
- c. *human development* (e.g. rights to non-alienating work, education, leisure, sports, art & music).

Such a constitutional project would involve very different principles of moral and social reform to that proposed by neo-liberals.

Indeed it would point towards a new form of politics that would not be imposed from above but that would correspond to the universal aspirations of all people throughout the world – and not just to the particular and narrowly defined profit needs of global capitalism.