

THE POLITICS OF CORRUPTION IN THE 21ST CENTURY

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Criminal: A person with predatory instincts who has not sufficient capital to form a corporation.

[Clarence Darrow]

The less people take thought seriously, the more they think in conformity with what the State wants.

[Gilles Deleuze and Felix Guattari]

In the USA, the issue of terrorism . . . has become a high governmental concern, and the justification for enormous military and police expenditures. And well it might be. (*September 11th 2001*)

[Herbert Schiller]

Contesting the New Global Order

'Within a matter of a few years, in all the advanced societies, employers, international officials, high-ranking civil servants, media intellectuals and high-flying journalists have all started to voice a strange Newspeak. Its vocabulary, which seems to have sprung out of nowhere, is now on everyone's lips: 'globalization' and 'flexibility', 'governance' and 'employability', 'underclass' and 'exclusion', 'new economy' and 'zero tolerance', 'communitarianism' and 'multiculturalism', not to mention their so-called postmodern cousins, 'minority', 'ethnicity', 'identity', 'fragmentation' . . . Its effects are all the more powerful and pernicious in that it is promoted not only by the partisans of the neoliberal revolution . . . (*and*) cultural producers (researchers, writers and artists) and left-wing activists, the vast majority of whom still think of themselves as progressives'.

For at least half a century, the global theatre has had one dominating actor -- the United States of America. The American presence in the world economy and culture remains authoritative economically: a \$7 trillion plus economy; the home base of the majority of the transnational corporations, who scour the world for markets and profits; the overseer of the many facades of international decision-making -- the UN, NATO, the International Monetary Fund (IMF), the World Trade Organisation, the World Bank and others; the cultural-electronic Goliath of the universe. The New York Times Magazine devoted a full issue to 'How the World Sees Us'. The assessment provides a measure of this pre-eminence: 'The crumbling of the Berlin Wall in 1989 marked the beginning of America's ascendancy to a new level of world domination. No traveller can miss the evidence abroad. In music, television and movies, America's influence is approaching what advertising people call 'market saturation.' The emblems of American mass culture have infiltrated the remotest outposts: the Coca-Cola logo is on street corners from Kazakhstan to Bora-Bora; CNN emanates from television sets in more than 200 countries; there are most 7-Eleven stores in Japan than in the United States. Our technology -- computerized weapon systems, medical scanners, the Internet -- sets the standard to which developing countries aspire'.. Up to the present time, this has been achieved in a many-sided way, one that combines heavy indoctrination that begins in the cradle, with a complex system of selection and/or omission of information that reinforces the enterprise's maintenance and growth. Along with intensive, though often veiled, efforts of persuasion, and equally extensive exclusion of potential discordances, there is a well-graded arsenal of coercions that begin with admonition and end with incarceration. Unconstrained by any superpower rival or system of global governance, the US giant has rewritten the global financial and trading system in its own interest; ripped up a string of treaties it finds

inconvenient; sent troops to every corner of the globe; bombed Afghanistan, Sudan, Yugoslavia and Iraq without troubling the United Nations; maintained a string of murderous embargos against recalcitrant regimes; and recklessly thrown its weight behind Israel's 34-year illegal military occupation of the West Bank and Gaza as the Palestinian intifada rages.

We live in an era of unprecedented prosperity - and staggering poverty and inequality. The combined wealth of the world's 225 richest people is now over \$1 trillion, which is equivalent to the yearly income of the poorest 2.5 billion people (United Nations). In the United States, the wealthiest country in the world and indeed in all of history, the richest 1 percent of households own about 40 percent of the total wealth, the next 19 percent of households own another 45 percent, while the bottom 80 percent of households have only about 15 percent. Nevertheless, governments throughout the industrialized world are curtailing or even (in the case of the U.S.) eliminating the social welfare programs created earlier in the century to reduce the social costs of unemployment.

And that's because of globalisation. Globalisation is a sociological or political economy concept describing world economic, and cultural integration through a series of 'time-space compressions'. Neoliberalism is a political term used to identify a particular political philosophy and policy prescription centering around the objectives of the 'self-limiting' state, unregulated investment capital and the 'free-trading' open global economy. Globalisation can be characterised as a new age in which space has 'obliterated' time -- and advocates of an international 'free trade' neoliberalism have promoted a particular world policy model of globalisation. We might call this the neoliberal model of globalisation.. The IMF and the World Bank are not the right places to look, to see the essence of neoliberalism. For years, we were told that globalization was benign, that it was a process that brought about the greatest good for the greatest number, that good citizenship lay in accepting the impersonal rule of the market and good governance meant governments getting out of the way of market forces and letting the most effective incarnation of market freedom, the transnational corporation, go about its task of bringing about the most efficient mix of capital, land, technology and labor.

There is a view fashionable in the media that the world is being taken over by huge multinational corporations, accountable to no one. Governments are reduced to playing the role of servile lackeys to big business. Globalisation does not mean the impotence of the state but the rejection by the state of its social functions in favour of repressive ones, irresponsibility on the part of governments and the ending of democratic freedoms. The illusion of a weakened state is enticing: indeed, it is the smokescreen thrown up by the designers of modern, centralised power. It is the American state that surpasses them all, and it has never been more powerful. The notion that George Bush is obsequious to big energy corporations is naive. Big oil, like big weapons manufacturing and big agribusiness, has always been as one with the occupants of the White House and the US government; they are interchangeable. Without government patronage, some of the greatest corporations would fail. The Cargill Corporation, which dominates the world trade in food grains, would not enjoy its monopoly, were it not for years of big subsidies to American agribusiness, as well as US government policies that used 'food aid' to subvert the agriculture of developing countries.

The managers of globalisation are worried. A critical stage has been reached in the imposition of a centralised, bankers-run European 'superstate'. The euro is about to be introduced without a single popular vote approving it. A great many Europeans understand

the dangers posed to real democracy: thus the rejection by Irish voters of EU expansion. At the same time, the World Trade Organisation, the most predatory of the international capitalist institutions, is set to impose its General Agreement on Trade and Services, known as GATS, on impoverished, resource-rich countries. The scope of GATS is breathtaking. Almost every human activity is designated a 'service', from transport and tourism to water, health and education. Foreign corporations will be allowed to take over almost any public service on the basis of a secret 'agreement' that is irreversible. The EU Website describes GATS as 'first and foremost, an instrument for the benefit of business'. A prototype is well under way in Britain with the coming privatisation of the London Underground, air traffic control and sections of the health service and education.

The ideology that has emerged at the end of the twentieth century to justify this unhappy state of affairs is neoliberalism. Neoliberalism can be defined as the belief that the unregulated free market is the essential precondition for the fair distribution of wealth and for political democracy. Thus, neoliberals oppose just about any policy or activity that might interfere with the untrammelled operation of market forces, whether it be higher taxes on the wealthy and corporations, better social welfare programs, stronger environmental regulations, or laws that make it easier for workers to organize and join labor unions. When confronted with the adverse consequences of their market-friendly policies, they usually respond by calling for patience, to give the policies more time to work their wealth-creating magic so that the benefits can 'trickle down' to the rest of the population. Then, when the promised good life fails to materialize, they fall back on their ultimate defense and claim that, imperfect as the status quo may be, there is, unfortunately, no viable alternative. They point to the failed 'socialist' societies of the twentieth century and warn ominously that, no matter how bad things get, any attempt to remedy the situation by forthrightly interfering with the market and the prerogatives of multinational corporations can only lead to state-bureaucratic authoritarianism. Of course, the fact that many of neoliberalism's opponents even today continue to use the word 'socialism' in connection with these societies makes it considerably easier for neoliberals to make their case in this way.

Neoliberal ideas are as old as capitalism itself, but in recent decades they have seen a tremendous resurgence and have displaced the state-interventionist economic theories of the interwar and post-World War II periods to become the reigning ideology of our time. Neoliberalism emerged full force in the 1980s with the right-wing Reagan and Thatcher regimes, but its influence has since spread across the political spectrum to encompass not only centrist political parties but also even much of the traditional social-democratic left. In the 1990s, neoliberal hegemony over our politics and culture has become so overwhelming that it is becoming difficult to even rationally discuss what neoliberalism is; indeed, as McChesney notes, the term 'neoliberalism' is hardly known to the U.S. public outside of academia and the business community. The corporate stranglehold on our information and communications media gives neoliberal ideologues a virtually unchallenged platform from which to blast their pro-market messages into every corner of our common culture.

Many of the world policy institutions have prescribed a policy of 'structural adjustment', sometimes seen to originate in the so-called 'Washington consensus'. This 'consensus' is a prescribed set of neoliberal policies designed to 'restructure' or adjust national economics to the dramatic changes to the world economy that have occurred in the last twenty years. This process might be seen as the rise of neoliberal capitalism, perhaps a new 'stage' in capitalism's development after more nation-state-centred systems. It should be stressed, however, that this process is neither "natural" nor "inevitable": part of this development in

recent years has been the dominance of *laissez-faire* ideology (the ‘Washington Consensus’) at the U.S. government and the international agencies it dominates, the International Monetary Fund, and the World Bank. The world was under the impression that a clear and robust consensus existed about what poor countries should do to become more prosperous. This delusion owed much to the surprising popularity of the term ‘Washington Consensus’. What finally made the product truly irresistible for countries was the insistence of the International Monetary Fund (IMF) and the World Bank that their loans be conditional on the adoption of consensus-inspired policy reforms.

However, in the developing world, the Washington consensus on deregulation, privatization, and free trade, was enforced by private investors and public institutions. Many developing countries long dismissed these ideas as a rather myopic form "monetarism." Inflation, it was widely believed, was the result of "structural" conditions, such as the unequal distribution of income and wealth. Similarly, the belief that a less developed country could not really benefit from freer international trade and investment was--and to a certain extent continues to be--widely held in these countries. Therefore, the Washington Consensus' prescription that governments lift barriers on imports and exports, foreign investment, and foreign currency transactions was sharply at odds with the long-held conviction that developing countries had to protect their economies from an unfair and exploitative international system. Their oppositions are justify for an expansion of a system that promoted corporate-led globalization at the expense of justice, community, national sovereignty, cultural diversity, and ecological sustainability.

The politics of corruption

Corruption is, in its simplest terms, the abuse of power, most often for personal gain or for the benefit of a group to which one owes allegiance. It can be motivated by greed, by the desire to retain or increase one's power, or, perversely enough, by the belief in a supposed greater good. And while politicians or civil servants most often apply the term ‘corruption’ to abuse of public power, it describes a pattern of behaviour that can be found in virtually every sphere of life. The challenges facing corruption analysts begin with how to define it. Most people know corruption when they see it. The problem is that different people see it differently. Ultimately, defining corruption is a social and political process, although certainly some lines may be drawn and some behaviours universally condemned.

Yet for all its seeming prevalence, there is no clear evidence that corruption has become more widespread today. It has been around, in one form or another, from the earliest days of social organization. What *has* changed is that information about corrupt practices has become more available as governments have become increasingly unable to conceal evidence of wrongdoing; the level of public tolerance for corruption has declined; and the spread of democracy seems to afford less fertile ground in which corruption can flourish. The growth of both the Internet and media conglomerates that are less fearful of taking on repressive regimes has forced corruption out into the open. In numerous countries, vigorous media campaigns have helped keep corruption front and center in the public eye. Corruption, however, bears down most heavily upon the poorest sections of society who must ultimately bear the cost of the distortions and deprivations it produces.

Corruption has become a major concern; it is by no means a new issue but it has only recently emerged as a global issue. Yet corruption could slow or even reverse these trends (justice, community, national sovereignty, cultural diversity, ecological sustainability) potentially threatening economic development and political stability in some countries. As the global implications of corruption have grown, so has the impetus for international action to combat

it. In addition to efforts in the OECD, the Organization of American States, the World Trade Organization, and the United Nations General Assembly, the World Bank and the International Monetary Fund have both begun to emphasize corruption as an impediment to economic development. 'Public opinion polls show an increasing perception of corruption and the media increasing reports such stories, as they do those of the growth of fraud (including 'computer fraud')'. The topic of international conferences, policy forums and ministerial speeches, it is also the subject of a recent OECD Convention and the focus of an international non-governmental organisation, Transparency International. Most corruption comment dwells on developing countries not industrialised ones. This focus needs to be moved. If corruption is growing throughout the world, it is largely a result of the rapid privatisation (and associated practices of contracting-out and concessions) of public enterprises worldwide. This process has been pushed by Western creditors and governments and carried out in such a way as to allow multinational companies to operate with increased impunity. Thus multinationals, supported by Western governments and their agencies, are engaging in corruption on a vast scale in North and South alike. Donor governments and multilateral agencies such as the World Bank and International Monetary Fund frequently put forward anti-poverty and "good governance" agendas, but their other actions send a different signal about where their priorities lie. Effective action against corruption has to involve effective sanctions by developing countries against multinationals that engage in corrupt practices; greater political transparency to remove the secrecy under which corruption flourishes; and resistance to the uncritical extension of privatisation and neoliberal economic policies.

Grand corruption has been defined as 'the misuse of public power by heads of state, ministers and senior officials for private pecuniary gain'. With grand corruption we are dealing with highly placed individuals who exploit their position to extract large bribes from representatives of transnational corporations (TNCs); arms dealers, drug barons and the like, who appropriate significant pay-offs from contract scams, or who simply transfer large sums of money from the public treasury into private (usually overseas) bank accounts. Examples of grand corruption in recent years have become all too familiar: the late Felix Houphouët-Boigny's boast that he had 'billions abroad', 'Citoyen' Mobutu Sese Seko's reputed US\$5 billion in overseas bank accounts, the alleged £3 billion - a conservative estimate - siphoned out of Pakistan by the family of former prime minister, Benazir Bhutto, and the billions accumulated by 'Suharto Inc', the vast business empire controlled by the former Indonesian president's family and cronies - are but the tip of the iceberg." Economic crimes deserving attention fall into two categories: first, are those that harm large numbers by enforcing an economic policy that serves the global elite, as with Camdessus' 'structural adjustment' programs for poor countries. A second form of crime is large-scale theft, as in the case of Mobutu, the Western imposed looter in Zaire, and Suharto in Indonesia. One Swiss banking source has estimated that more than US\$420 billion is held in that country's banks by African heads of state alone. Cronyism, a term habitually associated with the Third World, is clearly pervasive among political and business elites in the north. In his masterly account of 'how Washington works', Smith has catalogued the multifarious exchanges - federal employment, access to key figures and information, free flights on private jets, holidays overseas, tickets for major sporting events, invitations to dinner with 'big shots' and so on - which constitute the core of 'the power game' in the United States.

Crime has become one of the most flourishing economic activities, run by professionals who have taken on board all the rules of modern management. Castells describes a global criminal global economy as 'the networking of powerful organizations, and their associates, in shared

activities throughout the planet . . . (as) a new phenomenon that profoundly affects international and national economies, politics, security, and, ultimately, societies at large'. These global criminals are active in such things as trafficking in weapons, nuclear materials, illegal immigrants, body parts, women and children, and money laundering. A country where the gap between rich and poor and social disparities are so great that the most wretched have only their bodies to sell is swooped upon by networks of traffickers doing a most profitable trade in human beings, be they women, children, workers or sources of organs for transplant. In his opinion, this economy disrupts the 'official' one because the criminal activity has now become 'a significant and troubling component of global financial flows and stock markets'. Even more troubling is what he sees as the 'thin line between criminal traffic and government inspired trade'.

Such representations of the world imply either an a-historical account of the present or one that regards the history of globalisation in social evolutionary terms. They present a utopian sense of the social that is invested with a sense of historical necessity, coherence, and continuity that derives from concerns of the present. 'This is problematic insofar as contemporary globalisation is seen as . . . the only possible present, and the only conceivable future'. That globalisation arises only in the present, is debatable; that it is the only accessible future, however, and is more difficult to accept once we consider the politics of difference. But while there has been a tendency to see the various globalisations as part of a teleology in which modernity is an evolutionary process culminating in what Fukuyama calls the 'end of history', they have not yet constituted what Giddens calls 'totalising orders' that can obliterate differences and integrate systems into a hierarchy or unity'. Castells makes this point when he says that under globalisation, people all over the world resent the loss of control over their lives, environments, jobs, economies, governments, countries, and ultimately the fate of the Earth. In the face of these losses multiple resistances, empowerments, and alternative projects develop, but their formats are often unexpected, and sometimes – to us at least – they are rather difficult to understand. He provides three rather dramatic examples of social movements against the new global order; the *Zapatistas* of Mexico, the *Patriots* in the mid-west USA, and the *Aum Shrinryko* in Japan, three movements he portrays as small but powerful resistances with diverse formats but all of which are focussed explicitly on the interruption of the illusion of globalisation as the end of history. All three groups are diametrically opposed to globalisation (among other things), are prepared to die for their respective causes, and have had significant global impact through the media. And, says Castells, these movements are to be judged on their own terms, not on the basis of any universal morality.

Organized crime invests in legitimate businesses not only to 'launder' dirty money but also to make capital for their illegal activities. The preferred business endeavours for this are luxury real estate, the vacation industry, mass media, industry, agriculture, public services and banking. The dirty money of organized crime is utilized by the commercial banks for its activities: loans, investments in financial markets, purchase of bonds for foreign debt, buying and selling of gold and stocks. 'In many countries, the criminal organizations have become the creditors of the States and they exert, because of their actions on the markets, an influence over the macroeconomic politics of the governments. Over the stock markets, they invest equally in the speculative markets of finished products and raw materials' .

In addition to the laundering of dirty money, the fiscal paradises are used to avoid taxes, so they area point of contact between those who govern CEO's and capos of organized crime. High technology, applied to finances permits the rapid circulation of money and the

disappearance of illegal profits. "The legal and illegal businesses overlap more and more, they introduce a fundamental change in the structures of capitalism of the post-war era. The Mafiosi invest in legal businesses, and inversely, they channel financial resources towards the criminal economy, through the control of banks and commercial companies implicated in the laundering of dirty money or which have relations with criminal organizations. The banks pretend that the transactions are carried out in good faith and their directors ignore the origin of the funds deposited. The rule is to ask no questions, the bank secretary and the anonymity of transactions, this entire guarantee the interests of organized crime they protect the banking institution from public investigations and from blame. Not only do the large banks accept laundered money, in view of their heavy commissions, but they also concede credits to at high interest rates to the Mafiosi, to the detriment of productive industrial or agricultural investments." .

Corruption has now moved to the top of the Bank's agenda and increasingly to that of the IMF. At an anti-corruption conference in 1999, World Bank President James Wolfensohn said that industrialised countries 'do not want to give money for development assistance that ends up in offshore bank accounts'. Accordingly, the Bank has begun to help design and support national anti-corruption strategies, stress anti-corruption in the design of economic reforms, and press for strengthened governance and public sector management. The IMF, although slower than the Bank to take up the anti-corruption fight, agreed in 1997 to take "a more proactive approach" in trying to "eliminate opportunity for rent seeking, corruption and fraudulent activity." It has begun to demand that borrowing governments draw up anti-corruption action plans and strategies. "Good governance" is to be a feature of the IMF's new Poverty Reduction and Growth Facility (which is to replace the much-criticised Enhanced Structural Adjustment Facility). Such measures, however, tend to be at odds with the broader macro-economic policies which many donor countries insist on – policies that do little to stop corruption and much to exacerbate it.

As the international financial system has expanded so too have financial abuses, money laundering, tax evasion, and rogue banking. What does it take for inequality to produce unrest: A lack of balance creates 'slumization' in big cities as people go to where they can find work. That creates all the problems associated with large urban concentrations. Among other things, it increases inefficiency. That is economist-speak for boatloads of immigrants being smuggled into the United States (and other place in between) in the quest for work. It's shorthand for the money that quest puts in the pockets of organized crime groups, the way it increases corruption and forces governments to spend money to counter it. After all, money spent trying to isolate the poor is not being spent on other, more productive purposes. Money laundering and tax evasion are often viewed as complicated, boring matters hinging on the minutiae of tax codes and regulatory laws. But that image masks a destructive, often bloody reality. Drug cartels, arms traffickers, terrorist groups, and common criminal organizations use banks to launder their dirty money, making it appear as the product of legitimate business. They need funds to carry out terrorist activities. If the funds were given to them from some 'benefactor state' directly it could be too easily traced to its source. So, their benefactor engages the services of some ambiguous holding company - essentially a shell company, say in the Bahamas, which indulges in money laundering. Using probably a third party, they 'buy' securities from the holding company, which then becomes the very vehicle through which clean money can flow back into their hands and then on to the terrorist group. Perversely efficient and highly discreet.

The lure of quick wealth has generated other ideas as well. Other countries soon figured out

that they too could attract dirty money just by passing a few laws. These laws included provisions to establish strict bank secrecy, criminalize the release of customer information, and bar international law-enforcement cooperation. Other laws involved licensing 'brass plate' banks (which have neither physical presence nor personnel) and allowing the creation of anonymous companies and asset-protection trusts, some of which can give ownership to whomever happens to be holding the relevant documents at that moment. Some countries also created offshore regimes with special rules, including tax advantages that are available only to foreign customers. Others established 'economic citizenship' programs, which sell passports to anyone who can afford them, and Internet gambling licenses, which provide convenient cover to those who wish to move large amounts of money. These nations then worked to help their banks set up relationships with established banks elsewhere - an easy matter given modern banking and communications technologies. All that was left was to set up Internet sites touting the advantages of offshore banking, sit back, and watch the registration and licensing fees accumulate. Not surprisingly, almost none of these countries bothered to establish the financial supervisory institutions or examination mechanisms that even approached international standards.

Nauru's export is a postal address for the new global black economy. Anyone from anywhere with \$1000 to spare can buy that postal address, organization in a shack on the island, and register it as a bank. 'About 400 such entities have done so, about 100 of them Russian. Between them, these entities are accused of having used the address of the shack, which houses nothing more than files of registrations and a wall of names of those far-flung 'banks', to rob post-communist Russia of its economic future. Shortly after the USSR fell apart, an estimated *\$140 billion in one year, 1998*, was washed out of Russia by its mafia, disappearing magically in a web of transactions that themselves vanish, according to frustrated investigators, into the smoke of those entities registered in the hut on Nauru. None of the allegedly laundered money has ever found its way to Nauru - electronic transactions make this unnecessary - but the island nation, facing an international financial blockade, has just passed an anti-laundering bill that means the registration papers in the shack will be opened to scrutiny. . . . An aggrieved London-based bonds dealer has taken Nauru to the High Court of Japan, seeking a payment of 1 billion Yen (\$400m, plus interest, which could take it to \$750m)'.

Law may often be part of the problem of corruption. Too many laws, often by excessive formalism, and vexatious procedures help create corruption (by forcing people to get round them) and weaken attempts to control it. Law diffuses responsibility; investigations and punishment over-dramatize; and the need to distinguish between the legal and illegal creates artificial dichotomies between behaviour. Legal campaigns upset predictability, and law can express an over-ambitious ideal of the relationship between citizens and the State. The enforcement of laws involving corruption and white-collar crime, often enacted on a tide of popular resentment in harness with a need for political élites to re-legitimize the State, often involves major intrusions into civil liberties, which may have broader social consequences. Precisely because there are seldom any complainants, even where the corrupt extort money from businesspeople or the public, corruption may be seen as an opportunity for policing agencies to develop proactive strategies: but this gives powerful élites the opportunity to target selectively their political opponents (or those who refuse to pay bribes/make political 'donations' to the 'right' party) for sting operations or intensive tax reviews, while leaving 'friendly' parties alone. In short, high-level corruption like those economic crimes involving business élites that do not involve corruption raise a variety of problems for the normal functioning of policing and prosecution agencies.

The propaganda of globalisation is the same by corruption. Take the term 'free market'. In the global economy there is nothing free about the market. Do we remember that only twelve years ago it was a commonplace that democracy and free-market capitalism were essentially in conflict? So obviously in conflict that even a market fanatic like Gordon Gekko (villain of the movie Wall Street) could insist: 'You're not naive enough to think we're living in a democracy; it's the free market!' By now, through ever-increasing media attention, the market has become such a familiar symbol of everyday American life as to be equated with democracy. To resist this equation by reminding us of its devastating social consequences is the not uncommon strategy Bourdieu deploys. In the United States the most zealous exponents of this free market the aerospace and arms companies are more heavily subsidised than socialist plans would ever dare. So are their wheat farms. Three American companies control the world trade and food grain because they are subsidised by the American factories. Most of so-called free trade actually takes place as transactions within multi national corporations. 'Cargill (under its subsidiary Excel) controls 22% of the market. . . . As a commodity broker, it buys and sells food and other commodities trying to get the best price for itself, regardless of the effects on the producer or consumer or their own workers'. The truth is there is no free market. There is a system rigged by the powerful - the United States, Japan and Europe which operate behind the kind of protective barriers that they deny the rest of the world. In other words we have socialism for the rest and cut throat capitalism for the poor. In a world everything is a commodity to profit from. The fewer players there are who set the agenda, who can flood markets, short markets or who can manipulate for their own benefit. Plants, animals, farms and farmers, energy, consumers and, even workers: everything is for sale, but at what cost?

'Corruption can never be entirely eliminated. Under many realistic conditions, it will simply be too expensive to reduce corruption to zero. Furthermore, a single-minded focus on corruption prevention can have a negative effect on personal freedoms and human rights. Such a focus could produce a government that is rigid and unresponsive. Thus, the aim is not to achieve complete rectitude but rather a fundamental increase in the honesty-and the efficiency, fairness, and political legitimacy of government'.

Conclusion

The acceptance -- though there are some points of resistance -- of the American consumerist privatized model strengthens the prevailing domestic mind-set and the myopic views that accompany it. Actually, the export 'model' is shot through with failings, the most important of which is that only about 15 percent, at most 25 percent, of the people in what Wall Street euphemistically calls the 'emerging markets' participate in the new consumption standard. The rest are window-shoppers at best, while the numbers of destitute grow larger. This side of the story gets minimum attention.

The danger of the 'moderate' view, which refuses to contemplate the sheer rapacity of western state power, is that it can be co-opted. The World Bank and the IMF, now under siege as never before, have devised their survival tactics in relation to this. Together with the World Bank, and the World Trade Organisation, it now promotes 'dialogue' with 'moderate' non-governmental organisations (NGOs) opposed to globalisation, anointing them as 'serious opponents', in contrast to the 'hooligans' on the streets. Clare Short's Department for International Development employs this tactic, co-opting leading NGOs for 'consultation', even commissioning them to contribute to government white papers. This collaboration should not be underestimated. An article that gives some indication of how much control has

already been surrendered to the transnational corporate institutions, and their present style of political operation has been indicated. Following the successful attack on the World Trade Organisation in Seattle two years ago, more than 1,200 groups and organisations from 85 countries called for a 'moratorium' on further liberalisation of trade and an 'audit' of World Trade Organisation policies as the first stage of reforming it. The World Trade Organisation and its creators in Washington were delighted, for its legitimacy was not in question. Yet, this secretive, entirely undemocratic body is the most rapacious predator devised by the imperial powers.

For the poorest people throughout the world, IMF programs have been a dismal failure. In countries where the IMF's policies of structural adjustment have been imposed, the result has been higher unemployment, lower wages, and more human suffering as governments have been forced to cut funding for food, health, education and other necessities. In addition, the IMF has weakened the institutions of democracy in country after country, where elected officials have been required to relinquish control over major decisions affecting their citizens in exchange for IMF loans. Moreover, the IMF has turned a deaf ear to the growing calls for debt cancellation for the poorest countries, even though debt burden and IMF austerity policies have strangled the economic growth of these countries, and the IMF can easily afford to pay down these debts from its own resources. Millions of people across this country and around the world have lost jobs, been poisoned, watched their farms foreclosed and suffered other indignities from corporate globalization. In the global economy, the law protects property, but not people. The World Trade Organization enforces copyrights, but not workers' rights. Safeguards for clean air and clean water are struck down at the same time that protections for capital are built up. Despite already soaring debts, impoverished nations are forced into a ruinous competition for costly foreign capital. And to secure that capital, the World Bank and IMF routinely demand that social programs be dismantled or privatized, workers' protections rolled back and markets deregulated. The resulting concentration of power and capital is astonishing. The fantastic fortunes of three billionaires alone are together larger than the combined GNP of all of the least developed countries and their 60 million people.

If the global economy doesn't work for working families, it doesn't work. More than 30,000 people continued to spread that message by protesting in Washington, D.C., against policies of the World Bank and the International Monetary Fund that strangle the economies of developing nations and force millions into poverty. And War is part of the Millennium Round. What happens to countries that refuse to deregulate trade and foreign investment and provide 'national treatment' to Western banks? The Western military-intelligence apparatus and its various bureaucracies routinely interface with the financial establishment. The IMF, the World Bank and the World Trade Organisation -which 'police' country level economic reforms - also collaborate with NATO in its various 'peacekeeping' endeavours, not to mention the financing of 'post-conflict' reconstruction under the auspices of the Bretton Woods institutions.

How are we to find new forms of rebellion, of dissidence, to meet the new global challenges? The expressions by the unemployed in Europe are a first step towards forming networks that could take parallel action in every country and also in Brussels, in the European Parliament, availing themselves of the many opportunities offered by the European institutions. With modern means of communication, especially the Internet, it is easy to establish worldwide networks, mobilise and act. They think that was a very significant coming together of governments to share information on the pressure that is brought to bare on them by the rich

world and especially institutions like the World Trade Organisation, the World Bank and the IMF. One of the solutions to the exploitation that comes with globalisation is loose federations like the G77 and regional groupings that are not those set up by the west. This collective opposition to globalisation carries potentially enormous power. There can be no alternative but to reject the World Trade Organisation as a 'totalitarian' organization, to imprint the World Trade Organisation as an illegal organization. In other words, the entire process must be rejected outright. And this means that citizens' movements around the World must pressure their governments to withdraw without delay and cancel their membership with the World Trade Organisation. Legal procedures must also be initiated in national courts against the governments of member countries, underscoring the violation of domestic laws and national constitutions. We cannot postpone our struggle and wait a few years in the context of an 'Audit' and meanwhile the World is consumed and destroyed.

We must confront politicians and international officials, we must unmask their insidious links to powerful financial interests and eventually we must overhaul and transform State institutions removing them from the hold of the financial establishment. In turn, we must democratise the economic system and its management structure, challenge the obvious concentration of ownership and private wealth, disarm financial markets, freeze speculative trade, arrest the laundering of dirty money, dismantle the system of offshore banking, redistribute income and wealth, restore the rights of direct producers, rebuild the Welfare State. The military-industrial and security apparatus that sustains these financial interests must eventually be dismantled, which also means that we must abolish NATO and phase out the arms industry. We must combat the 'media lies' and 'global falsehoods' that uphold the World Trade Organisation and the powerful business interests that it supports. We must contest the 'false consensus' of Washington and Wall Street that ordains the 'free market system' as the only achievable choice on the destined road to a 'global prosperity'.

To achieve these objectives we must restore a meaningful freedom of the press. The global media giants fabricate the news and openly distorts the course of World events. In turn, we must break the "false consciousness" which pervades our societies, prevents critical debate and masks the truth: ultimately, it precludes a collective understanding of the workings of an economic system that destroys people's lives. The only promise of the free market is a World of landless farmers, shuttered factories, jobless workers and gutted social programs with 'bitter economic medicine' under the World Trade Organisation and the IMF constituting the only medicine. We must restore the truth; we must reinstate sovereignty to our countries and to the people of our countries. The struggle must be broad-based and democratic encompassing all sectors of society at all levels, in all countries, uniting in a major thrust workers, farmers, independent producers, small businesses, professionals, artists, civil servants, members of the clergy, students and intellectuals. The globalization of this struggle is fundamental, requiring a degree of solidarity and internationalism unprecedented in World history. The global economic system feeds on social divisiveness between and within countries. A main thrust is required which brings together social movements in all major regions of the world in a common pursuit and commitment to the elimination of poverty and a lasting peace.

Said observes that the European colonialists, however commanding and brutal, were always aware that they were imperialists. *Culture and Imperialism* demonstrates that Western imperialism's most effective tools for dominating other cultures have been literary in nature as much as political and economic. This cannot be said of the American brand of order-giving. The market mechanism -- the relatively invisible mechanisms of finance, trade and

investment, all seen as part of a free market and a free world -- denies the existence of unequal relations between states and peoples and lends credibility to the governing class's rhetoric of freedom. Only the most profound shocks in the global and domestic economies will be sufficient to shake the beliefs and values that now prevail in the minds and consciousness of most Americans. This is not a comforting thought. But the machinery of mind management is so entrenched and pervasive that nothing less than seismic movements can be expected to loosen or weaken its pernicious authority.

This is not a call for nostalgic return to the past, but a plea to understand what has actually happened and its consequences and to employ these consequences to explore the possibilities they present for action. 'We are talking, moreover, about a strategy that consciously subordinates the logic of the market, the pursuit of cost efficiency to the values of security, equity, and social solidarity. We are speaking, in short, about re-embedding the economy in society, rather than having society driven by the economy'. You are reminded that these remarks on the 'political function of the intellectual' are merely *provisional*. If we do not ask these questions, if we do not take our relations to these problems seriously, they will be answered for us. As Deleuze remarked with respect to the emergence of the societies of control: 'there is no need to fear or hope but only to search for new weapons'.

