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From Empire to Association – Reforming Global Governance in the Direction of Civil and Associative Pluralism

1. Introduction

Following the sudden collapse of Soviet state communism in 1989-90, many predicted the triumph of Western models of democracy and market economy – Samuel Huntington’s ‘democracy’s third wave’ and Francis Fukuyama’s ‘end of history’. But twenty years later, we are seeing the return of empire, authoritarian democracy and bureaucratic capitalism. In different ways, these three phenomena tend to reinforce the ever-greater centralisation of power, concentration of wealth and financial abstraction from the real economy and from the shared natural world on which we all depend. As such, the alternative is to decentralise states, localise global finance and to re-embed both politics and the economy with the associative, social bonds of civic society.

Applied to global governance, this means reconnecting both markets and regulators to human and social relations that form the basis for transnational cultural networks and trading ties. The market-led neo-liberal phase of globalization has mostly destroyed locality by flattening the complex cultural fabric of non-modernized societies. But new transport and communications links can provide the means for building a global village where communities and localities interact directly with one another across the world. This has the potential to re-inscribe economic transactions and political processes within the mutual bonds of civic virtues such as sympathy and reciprocity.

Ideas and practices of civic virtue, which are present in a variety of western and non-western traditions, show the way for radical alternatives to the state- and market-centric models of global governance such as the G20. These and other multilateral institutions like the IMF or the WTO are failing to prevent debt-deflation and the descent of the world economy into depression.

2. The return of empire and the future of hegemony

The argument that the ‘great forward march’ of democracy and market economy has ground to a halt is borne out by recent history. Just as tsarist Russia and imperial



Britain carved out spheres of interest in the nineteenth-century Great Power Game, so Moscow and Beijing are vying for geo-political hegemony over Central Asia in the twenty-first century. Paradoxically, at a time when the USA and other western countries speak of a ‘multi-partner world’, we are seeing the rise of old eastern empires dressed up in new clothes. At the level of political and business elites, countries such as China and Russia view themselves essentially as imperial powers. Both operate a tributary system with smaller neighbours. They provide ‘security’ in exchange for market outlets and inexpensive imports. Russia sells military equipment and buys up central Asian energy to export it to the West, while also importing cheap labour to compensate for its declining population. China needs primary commodities to sustain its buoyant economic growth and market access for its cheap consumer goods.

In the new Great Power Game, the geo-economics of energy security matters just as much as the geo-politics of territorial conquest. In fact, growing Chinese and Russian economic investment in their ‘near’ and ‘far abroad’ could see them being pulled into local conflicts and forced to deploy some measure of military power to secure their imperial interests. For instance, China is busy upgrading its navy and building up more mobile maritime military capability in order to protect Chinese shipment of energy and other primary resources against the threat of piracy off the coast of Somalia and elsewhere. More fundamentally, Beijing is projecting naval power well around the world, from the oil ports of the Middle East to the shipping lanes of the Pacific and African Cap. As part of its ‘far defence strategy’, it is building long-range naval capabilities that over the medium-term could rival those of the USA. Likewise, Russia is keeping a close eye on political instability in its Caucasian and Central Asian post-Soviet backyard – though the Kremlin has resisted the option of armed intervention following the recent troubles on the Kyrgyz-Uzbek border.

Instead of national states and liberal-democratic market economies, we are seeing the rise of old empires and new elites who combine bureaucratic capitalism with authoritarian plutocracy. This gives lie to the claim that the world will gradually converge towards a universal model of capitalist democracy.

Even the heartland of democratic capitalism in the USA and Europe looks increasingly imperial. Largely as a result of its battle against colonial Britain, US political elites sharply contrast old European empire with new American democracy.



Whether Republican or Democrat, US administrations just don't do 'empire'; they do 'global leadership' – political parlance for the Marxist notion of hegemony. But in reality, America's fiscal deficits and military overstretch make it look more like an old-style empire than an enlightened democracy. For all their official protestations, US leaders are all-too aware that imperial appearances aren't always deceptive: in 2000, the then presidential candidate George W. Bush claimed that "America has never been an empire. [...] We may be the only great power in history that had the chance, and refused". Echoing this theme aboard the U.S.S. Abraham Lincoln on 1 May 2003, President Bush – speaking against the infamous backdrop of "Mission Accomplished" declared that "[o]ther nations in history have fought in foreign lands and remained to occupy and exploit. Americans, following a battle, want nothing more than to return home". This hardly squares with political meddling and commercial interests in Iraq or Afghanistan.

The case of the EU is perhaps even more peculiar. Traditionally considered as an economic giant and a political dwarf, the Union sees itself as a political system sui generis and a civilian power in defence of human rights, democracy and the rule of law. At the same time, it dictates the terms of engagement to candidate countries and trading partners in the wider European space and also in the context of relations with former colonies (as part of the EU-ACP framework). Coupled with classic imperial policies of income redistribution and central representation of peripheries, the EU increasingly resembles a post-modern, neo-medieval empire – with overlapping jurisdictions, horizontally diffuse sovereignty and multiple membership in vertically arranged concentric circles of integration.

The return of empire does by no means imply continuity and stability. On the contrary, the history of imperial powers suggests that their rise is much slower than their fall is fast. Given that the current phase of globalization compresses space and accelerates time, the 'fall' of the US empire could occur much earlier and much more marked than widely anticipated. Paradoxically, American isolationism, which is once again on the ascendency, could lead to more aggressive interventions in order to secure vital interests. Arguably, the worsening crisis of the eurozone might spell the end of the European project which looks like it has already peaked and is currently on a long trajectory of decline. With failed and failing national states around the world,



the Kantian utopia of a ‘perpetual peace’ has given way to a Hobbesian anarchy – all of which might make some imperial structures inevitable and perhaps the least undesirable option.

2. Authoritarian democracy and bureaucratic capitalism

In his book *Post-Democracy*, the sociologist Colin Crouch makes the point that democracy and modernization in advanced countries since the 1970s have not moved in linear or cyclical ways but have instead exhibited a parabolic shape. As such, politics becomes increasingly democratized for a period through extended voting rights, regular elections and alternating governments, and democracy remains formally in place – even after actual democratic practices weaken and power reverts to small groups. Leaving aside for now novel forms of democratic innovation, these and other post-democratic trends are borne out by cross-country data on falling levels of voter turnout, the collapse of membership in political, civic and fraternal organizations, as well as the spread of ‘spectacular politics’ which replaces popular political debate with a tightly controlled spectacle of endless electoral campaigns, televised shows and mindless PR stunts.

In consequence, the formal continuation and even expansion of democratic regimes is entirely compatible with an accelerating decline in popular participation and a growing concentration of power in the hands of old elites and new classes which serve the interests of corporate business at the expense of the wider public good. In the words of Sheldon Wolin, this marks “the *political* coming of age of corporate power and the *political* demobilization of the citizenry,” whereby democracy becomes increasingly managed and flips over into something like ‘inverted totalitarianism’.

Arguably this evolution is part of a wider and deeper change in global geopolitics and geo-economics. The dominant modern conceptual dualities and ideological paradigms have entered a zone of ‘in-distinction’ where nominal differences remain in place but where real distinctions between the state and the market, ‘left’ and ‘right,’ and democracy and authoritarianism have begun to dissolve. Just as in many Western countries and elsewhere the central state and the ‘free market’ have colluded at the expense of intermediary self-regulating institutions and local government, so the left and the right are converging and increasingly becoming the same – replacing a real



contest of ideas with a post-ideological managerialism, which nevertheless masks a more profound commitment to the centrist *status quo* embodied by the neo-liberal creed whose conspicuous failure is now plain for everyone to see.

Here it is critical not to conflate neo-liberalism with *laissez-faire* market fundamentalism. The new era ushered in by Thatcher and Reagan in the 1980s did not in fact reduce the weight of the state in the economy. The share of the public sector in overall economic activity either remained constant (at about 35-40% of GDP) or in the case of the UK even went up to almost 45%. Instead of “rolling back the frontiers of the state,” neo-liberalism expanded state regulation to newly privatized utilities and other areas. Moreover, economic liberalization and financial deregulation were of a piece with central state intervention aimed at extending the reach of the market and international finance in hitherto nationally owned industries and public services. As Andrew Gamble and others have shown, from the outset free economics and the strong state went hand in hand. The international hegemony of neo-liberalism exported this model from the Anglo-Saxon world to the rest of the West and beyond by enshrining the ‘Washington consensus’ in the institutions and policies of global governance.

3. Civil Society and Civic Virtue

Responses to the global economic crisis have so far failed to change the imbalance of power between global finance and local economies. Unprecedented state action to the tune of US \$9 trillion in cash injections, lending guarantees and funding lines (according to IMF estimates) came to the rescue banks and other ‘systemically important’ financial institutions. But it has not improved lending to cash-strapped businesses or households. Nor has a proper contest of ideas resumed between parties in government and in opposition. Instead, the left has bailed out global finance without reforming it – while the right has printed money and defends cartel capitalism against fair competition. Both have propped up a system that privatizes gains, socializes losses and nationalizes debt. Neither has so far launched a genuine redistribution of power and a re-balancing of wealth in favor of citizens, communities, intermediary associations and small businesses – in short, global civil society.



The problem with appealing to global civil society is that has either been absorbed into the state (Hobbes) or been privatized and relegated to the sphere of individual, proprietary relations (Locke) or subordinated to some abstract cosmopolitan order (Kant). Either way, civil institutions and civic culture are subordinated to the state and, increasingly, to the market. This is not to say that all civil society actors and structures are under the control of the market-state. On the contrary, some local and transnational networks escape the disciplining power of state and market. However, the basic separation between the private and the public sphere remains in place, as does the division into individual and collective property and other cognate distinctions we owe to modern liberalism. The fundamental basis for political, social and culture relations is a combination of state-policed legal contracts and market-enforced exchange. All forms of communal association based on common lineage, locality or professional ethos are confined to the essentially private ‘voluntary sector’ which lacks the necessary autonomy in order to resist the legalization and commodification of mutuality and reciprocity. Sterile appeals to ‘public order’ and a value-neutral political realm open to all fail to recognize that participation is conditioned by the absolute primacy of state and market over social groups, as Robert Nisbet showed forty years ago.

Moreover, even the moderate US Council on Civil Society accepts that autonomy of ‘civil society’ has diminished and that we must confront the disintegration of civic culture. To be sure, there never was a golden age to which we should or could return. But it is equally clear that the last thirty years or so, which coincide with the political victory of right-wing economic liberalization and the triumph of left-wing social-cultural liberalization, have seen a regression across the West and elsewhere. Our present predicament can be summarized as an ever-greater centralisation of power, concentration of wealth and financial abstraction from the real economy and the shared natural world on which we all depend.

Linked to this is a growing formalisation of virtually all areas of human and social life. In turn, this is closely connected with the primacy of abstract values and standards (such as formal right or contractual relations) over virtues embodied in practices. Indeed, older civic virtues of justice, mutuality and reciprocity have been sidelined and supplanted by the new economic values of fairness and aspiration.



Worse, these ‘progressive’ values represent a new cosy consensus that endorses the logic of capitalist democracy where human and social relations are increasingly commercialised and commodified.

By shifting our focus on civic virtues of justice, reciprocity, mutuality and fraternity, we can see how civic institutions and virtuous practices of civil life – rather than the national state and the transnational market – are indispensable for transforming the individual pursuit of self-interest into public happiness. It is precisely the civic relations of civil society that constitute the nexus of relationships where individual interest and public welfare coincide without ever being fully identical.

4. Reforming Global Governance

The which I have hinted at of an economy that is re-embedded in politics and social relations which are governed by civic virtues of reciprocity and mutuality. As such, this vision offers a refreshing alternative to the residual market liberalism of both left and right. In practice, an embedded model means that elected governments restrict the free flow of capital and create the civic space in which workers, businesses and communities can regulate economic activity. Instead of free-market self-interest or central state paternalism, it is the individual and corporate members of civil society who collectively determine the norms and institutions governing production and exchange.

Specific measures include, first of all, extending fair-trade prices and standards from agriculture and the food industry to other parts of the economy. This could be done by strengthening the associative framework and giving different sectors more autonomy in determining how to implement a set of desirable goals debated and voted upon by national parliament, regional assemblies or city halls.

Second, replacing the minimum wage with a just, ‘living wage’ that reflects the true value of labour. Here the example of London Citizens is very instructive – a network of different local communities and faith groups that has persuaded City Hall and a growing number of corporate businesses to sign up voluntarily and pay their staff the ‘living wage’. Other local experiments that have global lessons include ‘economies of communion’ in countries as diverse as Brazil, Portugal and Italy where



different businesses come together under a common umbrella to revitalise previously defunct local economies.

Third, at the level of the G20 and the EU pushing for global capital controls in the form of the Tobin tax and bank levies (including voluntary caps on interest rates), coupled with new incentives to reconnect finance to the real economy, by promoting investment in productive, human and social investment. The overriding aim must be to preserve the sanctity of natural and human life and to promote human associations that nurture the social bonds of trust and reciprocity on which both democracy and markets depend.

5. Conclusion

Since the origins of the dominant ideology and politics can be traced to the convergence of state and market and the collusion of left and right, what is required is a new politics that eschews market liberalism and state socialism in favour of associative democracy and civil economy. This will have to be pursued in greater detail elsewhere, but this presentation has suggested a variety of ways in which the ideas of the civil economy tradition and associative pluralism can be applied and extended in the direction of a new civil compact. In such a compact, the relations between individuals, the state, and the market are re-embedded in the overlapping networks of reciprocal human relationships of mutuality and sympathy.

