OLD SPEAK/NEWSPEAK OF (NEO)LIBERALISM ON DEVELOPMENT

Jacques Hersh*1

Abstract
In the present context of world affairs, there are good reasons to be sceptical of the way events and conflicts are explained and presented by politicians, their spin-doctors and the media. It would not be surprising if future generations look upon our era as “the age of newspeak” or doublespeak: half-truths and lies being used to justify policies and actions which are in opposition to established norms of morality and decency grounded in the dominant democratic ideology. This article, based on the author’s Emeritus lecture, presents the impasse in development studies and argues for the inclusion of an international perspective as an alternative out of the stalemate.

INTRODUCTION
In the book, 1984, by George Orwell, one of the characters says, “Don’t you see that the whole aim of Newspeak is to narrow the range of thought? In the end, we shall make thoughtcrime literally impossible because there will be no words in which to express it.” – A wake-up call that has not lost its relevancy!

In the present context of world affairs, there are good reasons to be sceptical of the way events and conflicts are explained and presented by politicians, their spin-doctors and the media. It would not be surprising if future generations look upon our era as “the age of newspeak” or doublespeak: half-truths and lies being used to justify policies and actions which are in opposition to established norms of morality and decency grounded in the dominant democratic ideology.

The reason “newspeak” is becoming the main feature of our time’s political culture is the institutionalisation of the phenomenon, even at the academia level! The responsibility of institutions of higher learning is clear, as most politicians,

* Jacques Hersh is Professor Emeritus at the Research Centre on Development and International Relations, Aalborg University.
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spin-doctors and media people are products of the education system. This should be food for thought for educators and researchers!

As a student of development and international relations – two areas which contrary to the conventional compartmentalization of disciplines should not be studied separately - I propose to present a critical interpretation of our contemporary world with its residual tensions, conflicts and prospects.

In doing so the holistic approach appears to be the appropriate choice. Consequently this essay will focus on the following aspects:

- why history is an important tool of analysis;
- the determinance of geopolitics;
- the theory and practice of liberalism in a development perspective;
- the contra theory and practice of economic nationalism in a development perspective; and
- the need for new thinking on development and international relations.

THE PRESENT AS HISTORY

For students of international affairs the task is to make sense of the apparent complexity of the contemporary world. The methodological challenge is to understand the past and the present in order to project expectations of the future.

The political historian E.H. Carr stressed, in his book *The New Society* (London 1951), the need “to analyse the past in the light of the present and future which is growing out of it, and to cast the beam of the past over the issues which dominate present and future”.

The incorporation of history is necessary in order to comprehend the evolution of capitalism to its present mature stage so as to put the problems facing the national units of the international system into perspective and offer reflections on possible developments. The difficulty is how do we do that. Like other disciplines in the body of social sciences, history is not neutral! Normative positions are important to the extent that they determine, perhaps even more than facts themselves, how we understand empirical material. The concepts and theories we choose will depend on the questions we ask and affect the results we get. This explains the variation of interpretations of the same phenomenon.
Part of the problem for social sciences is that once a paradigm has achieved hegemony and become adopted by the political elite, it is difficult for alternative thinking to be put on the agenda as the premises have been accepted by opinion-makers and their intellectual acolytes.

In the contemporary epoch there have been paradigmic discussions within the established politico-scientific community concerning the interpretation of the much advertised (and abused) globalisation process in conjunction with the demise of state socialism. The importance of such debates is that—although they do not touch upon the essence of the workings of the system—they can give legitimacy to policy-making. A good example is found in the evolution of the ties of mainstream political scientists to US economic and political strategies.

In the first half of the 1990s, two main explanations were offered within the American intellectual realm. The political scientist, Francis Fukuyama, provoked the Western scientific community following the implosion of the Soviet Union with his thesis of “The End of History”. This interpretation of the world took its point of departure in the assumption that with the victory of liberal democracy, capitalism no longer faced a societal challenge and as a result the whole world would now adopt its guidelines. In other words the prophecy “there is no alternative” of the former British prime-minister, Margaret Thatcher, had become a reality. Thus the “end of history” served the discourse of global neoliberalism by intellectually delegitimising the possibility of opposition.

**Geopolitics to the Rescue**

However, an opposite interpretation of the post-Cold War era was suggested by another American political scientist who refuted the notion of the end of history. According to Samuel Huntington, even though the Western model of societal organization was no longer confronted by the ideological and political challenge of socialism, the world would nevertheless be characterized by what he called “The clash of civilizations” i.e., a conflict between the “West and the Rest”. Overlooked by most commentators who focused on the cultural theme of the thesis, Huntington identified inequality as a determinant source of tension. The problem as he saw it is related to the fact that the West has a monopoly on world resources and international decision-making while nations in the non-European sphere would strive to get their share. The suggested response to this challenge...
required a strengthening of Western (including Japan) coherence and determination.

Huntington focused in particular on the defiance of the Sino civilization and the Islamic civilization and the threat the two posed in the form of a potential alliance or marriage of convenience between the emerging economic giant China (with future oil needs) and the Arab countries (rich in petroleum and in need of Chinese economic resources).

With its emphasis on power politics, “The clash of civilization” thesis which can be classified as an up-dating of political Realism following the end of the Cold War was published about ten years before the terrorist attack on the United States in September 11, 2001 - an historical date which is taken as a determinant point of reference in the conventional explanation of the present American engagement in the world. However, in the context of US foreign strategy before 9/11, post 9/11 and future tendencies, the argument can be made that Washington’s geopolitical concern for some time had been/is and will be to gain or maintain control over oil resources. The aim is not only to satisfy domestic energy demand but is related to the geopolitical strategy of containing the emergence of future challengers to American world hegemony.

Policy papers, prepared more than a decade ago by members of the circle around President Bush (the so-called “Neoconservatives”), recommended that the US should pursue a strategy of preventing the rise of challengers, including (besides China) the EU and Japan. Experts of international relations have suggested that under the pretence of the struggle against terrorism, the war in Afghanistan aimed at establishing a US position in petrol-rich Central Asia while the war in Iraq aimed at gaining and maintaining American control over the Middle East. In doing so, oil is becoming an instrument of US foreign policy vis-à-vis allies as well as foes.

Seen in the context of events in this new millennium, globalisation is neither the end of history nor the beginning of a civilisational confrontation between the “West and the Rest”. For the non-initiated it may appear paradoxical that many of the main contradictions in the world today are in fact the result of previous policies put into effect by the decision-making centres of the world during the second half of the twentieth century. If we look at Huntington’s projected conflicts with China and the Arab-Islamic world we get an illustration of the scope of US responsibility.
Concerning the potential Chinese threat, the irony is that the West (principally the United States) did its utmost to encourage the political class of China to abandon the socialist path of self-centred development and adopt a proto-capitalist system and integrate into the international division of labour. The prospect of a huge market was attractive to world capitalism until it was realized that China would also acquire a production capacity which would have to be absorbed in the world economy. The historical analogy to the opening of Japan and its absorption as an industrial power in the capitalist world system is relevant. This process was characterized by contradictions and conflicts contributing to the Second World War. In this connection and contrary to conventional thinking, the tendency towards overproduction should be recognized as the main economic problem in the functioning of the international capitalist system.

The other paradox related to the thesis of the clash of civilizations is located in the Middle East where religion was used against secularism. During the postcolonial period, US strategy had been to encourage and support Islamic revivalism in the struggle against Arab nationalism and Pan-Arabism. The antagonism towards these movements was of course related to control of oil.

Not unlike the present conflict in Iraq, the United States and Britain in 1953 pioneered regime-change in Iran by implementing the removal of the nationalist and democratically elected government of Mossadegh whose cardinal sin had been the nationalization of the country’s oil industry! In Afghanistan, it was the United States who mobilized and encouraged the creation of an “Islamic International Legion” to fight the Soviet invasion. The “blow back” effect or unintended consequence of US strategy is that Islamic fundamentalism is now joining its natural enemy, namely secular nationalism, in becoming anti-American.

This geopolitical digression is meant to underline the contradictory nature of the world order in the age of so-called globalisation and to confirm the assumption that something can be learned from history concerning the dynamics of present-day capitalism as an international system which will shape the future.

(NEO)LIBERALISM: A DOUBLE-TONGUED DISCOURSE ON DEVELOPMENT

There are good reasons to be wary of the dominant discourse which plays a crucial role in determining economic and policy-making on the world scale.
Neoliberalism, as the ideological and theoretical framework of globalisation, proposes an ideal-type projection of economic harmony between all nations preconditioned on the adoption by all states of “good policies”. These are restrictive macroeconomic policy, free trade, free capital movement, privatisation, deregulation and democracy. A kind of one-size-fits-all economic policy.

Pushed by the so-called “Washington Consensus” this discourse has been adopted by the main international economic organizations (IMF, World Bank and World Trade Organization). The presupposition is that with the removal of all hindrances to exchanges between countries and adaptation to the demands of the world market, all nations will gain and have the possibility of improving their situation. This recipe is said to apply for the strong economies as well as for the weak economies.

Seen in the context of world poverty, this vision should be taken seriously. From the prism of economic development, the globalisation problematic raises the issue of whether present-day capitalism is conducive to the homogenisation of economic levels of the different countries and whether less developed societies stand a better chance of acceding to the highest levels of economic development by internalising and accepting the guidelines and rules which have emerged in the leading centres of capitalism. Were these concerns to be answered affirmatively, this would indeed represent the ultimate reversal of what Polanyi called The Great Transformation!

Although this issue is crucial, its essence is not without precedent. A comparative analysis between the past and present can thus be illuminating. Economic history makes us aware that such recommendations (especially liberalization of international trade) resemble the so-called “cosmopolitan” economics promoted by Great Britain when British hegemony of the world economy was at its peak. The present discourse of neoliberalism under the conditions of globalisation or Americanisation – which some critical voices call this process - bears a striking resemblance to the liberalism preached under British dominance. Seen in this light, neoliberalism can be conceived as the ideological framework to add legitimacy to US domination and as such signifies a remarkable “back to the future” continuity.

The weakness of the proposition, that if all lift the boat together it will bring prosperity to all, is apparent. After decades of implementation of global neoliberalism, only a handful of developing countries have been able to achieve a
substantial degree of growth. Furthermore this was done not by adopting “good” free market strategies but by following a form of state-directed capitalism – China being a case in point. It is telling that during the 1997-financial crisis in East Asia, the countries of the region who implemented policies of capital control (China, Vietnam, Malaysia, Taiwan, Hong Kong) were able to avoid the consequences of the blow-up.

In this context, we see in Asia what appears to be an interesting anomaly and which may give rise to a newer hybrid-type of society. Here we have the Vietnamese Communist Party and the Chinese Communist Party who previously had struggled against Western imperialism, actively engaged in capitalist growth strategies and societal construction under a communist political system building some kind of protocapitalism using the notion of market socialism as legitimation. Another interesting example of doublespeak!

In order to grasp the scope of the discrepancies of the conventional Western ideological propositions in light of the realities of the Third World it is useful to dwell upon the use/misuse of history in relation to the general question of development.

During the systemic confrontation between socialism and capitalism following the Second World War, a body of development theories emerged in the United States. Known as modernization theory, its “godfather” the American sociologist Walt Rostow published the book *The Stages of Economic Growth* with the subtitle: *An Anti-Communist Manifesto!* The objective of modernization theory was to project the evolution of European capitalist development as the ideal-type model to be emulated as a counterweight to socialist development which could be observed in the Soviet space and in East Asia, as well as some countries in the Third World. The example and experience of Western capitalism was implicitly considered to be applicable to the situation of underdevelopment in the post-colonial world.

In doing so, little attention was paid to the fundamental divergences which distinguished the specificity of capitalist development in the Western European cultural sphere from that of most of the rest of the world. Although interrelated, the two experiences were quite dissimilar. First and foremost, while the international dimension played an important developmental role in determining the evolution of European capitalism, it is less certain that ties to the industrialized centres constituted a positive impulse for late developers. The windows of
opportunity offered by the modern world economy to the periphery were not/are not the same.

The father of liberalism, Adam Smith, as well as the father of socialism, Karl Marx, comprehended the importance of contact to extra-European areas for the specific development of capitalism. Thus Adam Smith stated the following in his magnum opus *The Wealth of Nations* (1776):

> One of the principal effects of those discoveries (America and the passage to the East Indies through the cape of Good Hope) has been to raise the mercantile system (commerce) to a degree of splendour and glory which it could never have otherwise attained.

Karl Marx and Friedrich Engels in the *Communist Manifesto* (1872) explicitly specified the significance of the extra-European world for the transition to capitalism in Europe:

> The discovery of America, the rounding of the Cape, opened fresh ground for the rising bourgeoisie. The East-Indian and Chinese markets, the colonization of America, trade with the colonies, the increase in the means of exchange and in commodities generally, gave to commerce, to navigation, to industry, an impulse never before known, and thereby, to the revolutionary element in the tottering feudal society, a rapid development.

In the relationship that evolved between the European centres and the periphery, the position of what became the colonial areas was always subordinated to the interests of the developed countries. This legacy lives on! The present guidelines given in the context of modernization theory and neoliberalism relative to relations to the world market were/are truncated in favour of the advanced capitalist countries. The already strong economies are able to reap most of the benefits that an open world market offers. As the American economic historian Charles Kindleberger put it: “Free trade is the protection for the established exporters” (cited by Schlosstein in *Trade War*).

Historical evidence shows that capitalist economic development is not the result of a spontaneous occurrence. The process has been characterized by a determined struggle demanding concentration of human and material resources on the internal evolution of the economy and protection from the forces of the world market. In addition, as the capitalist industrial countries did not develop at the
same time and pace, *late development or catching-up required political guidance of market forces in the past*. This notwithstanding, the message given to so-called late developers by the conventional development discourse ignores the true experience of capitalism.

It is an irony of history that the liberalism of British capitalism, based on the teachings of Adam Smith and David Ricardo, was not promoted until the industrial revolution had made England the factory of the world. Only after the need to export had become strong and British industry was able to outcompete other countries, did England impose the notion of free trade on the rest of the world.

It is often conveniently forgotten that prior to reaching this level, Britain had protected her industrial growth by limiting imports of Indian and Chinese silks and textiles and then prohibiting, to the best of her ability, the import of such wares by continental Europe. This was a contributing factor – but of course not the only one - to the demise of the industrial revolution in these Asian countries. The notion of “comparative advantage” was imposed on weaker nations by political and military means. The Treaty of Methuen (1703) between Britain and Portugal is a case in point. The logic behind the theory was that agrarian economies should concentrate on their advantage in producing foodstuffs and raw materials, while England would export manufactured products. To the extent that the theory ignores the fact that “comparative advantage” is not a permanently given economic factor and by not including the possibility of changing a country’s position in the international division of labour through political strategies, the concept remains a static notion.

It is interesting to note that today, the gist of policy recommendations by the IMF and World Bank to Third World countries has also been to concentrate on the exports of products in which they have a comparative advantage and keep their markets open. The problem arises however when this advice is given to groups of countries, like those of Sub-Sahara Africa or Central and South America, who overproduce similar traditional commodities and in this manner push world prices down because the world market cannot absorb more bananas or coffee. The demand for such produce being inelastic means that even if prices go down there is a limit to the consumption of bananas!

In a passage in *The Wealth of [‘some’] Nations*, Adam Smith considered the United States “like Poland” destined to rely on agriculture; he warned Americans
against the attempt to promote the country’s beginning industrialization by protecting the so-called infant industries. The policy he recommended was to open the economy to the import of European (British) manufactures as the opposite course of promoting American industrial production would:

*retard instead of accelerating the further increase in the value of their annual produce, and would obstruct instead of promoting the progress of their country towards real wealth and greatness* (Smith 1776:347-348).

**ECONOMIC NATIONALISM AND THE POLITICS OF DEVELOPMENT**

Had American decision-makers of that time followed the advice of the eminent economist whose theoretical teachings they today profess adherence to, the United States would indeed have been a very different nation. The same can be said about Germany and Japan. Had the Japanese elite following the Meiji Restoration (1868) not taken the political decision of industrializing in order to become a strong developed nation, the Japanese would be known only as an exporter of rice-wine!

Contrary to the liberal interpretation, history shows that the development of industrial capitalism did not depend on purely economic impulses but was a process in which politics played a determining role. This applied not only to late-comers. Thus while the theoretical framework of market liberalism stressed free trade, evidence suggests that Britain used state-directed trade and industrial policies to the same extent as later developers did. The non-correspondence between practice and theory/ideology of liberalism was not lost on economists of less developed Western nations.

It was no accident that while the doctrine of liberalism (free trade) originated in England, the counter-doctrine emerged in countries who wanted to reach the same levels of industrialization. While liberalism projected the world market as a benign entity conducive to benefit all participants, the doctrine was challenged by the German economist, Friedrich List, who became known as the theoretician of economic nationalism. The essence of the contra-position found expression in the logic of development in a world where the developed are not really interested in the industrialization of late-comers. Accordingly this theory recognizes that participation in world trade is a zero-sum game where some gain and some lose! In The National System of Political Economy (1885), a book which later found
greater resonance in modern East Asia than in Western conventional development thinking, he put it in the following way:

*It is a very common device that when anyone has attained the summit of greatness, he kicks away the ladder by which he has climbed up, in order to deprive others of the means of climbing after him. In this lies the secret of the cosmopolitical doctrine of Adam Smith, and ... all his successors in the British Government administrations.*

Friedrich List had been very much influenced by a stay in the United States, where he observed first hand the implementation of a strategy of industrialization. It was in fact in the United States, in the latter part of the eighteenth century and in the nineteenth century, that protection of “infant industries” from the influence of the world market (in this case British exports) was formulated and put into practice. At that time numerous American intellectuals and politicians understood that free-trade was not suitable for their country. This conclusion had been reached even though liberal economists of renown had entertained the notion that protection of American industries would be counterproductive and that the United States should specialize in agricultural production.

According to List, it was fortunate that Americans had rejected the analysis of Adam Smith, opting instead in favour of “common sense” and the instinct of economic nationalism in the interest of the nation by protecting their beginning industrialization. In the context of economic development it is important to emphasize that the doctrine of economic nationalism is not the same as anticapitalism. On the contrary! What it implies is a strategic retreat from the world market in order to rejoin it in a stronger position, later on. Criticizing the British sermons of free trade for the United States, the American president Ulysses S. Grant declared that “within 200 years, when America has gotten out of protection all that it can offer, it too will adopt free trade” (cited in Ha-Joon Chang 2003:26). This is exactly what the United States did by remaining the most heavily protected economy in the world until the Second World War.

The rationale behind industrialization for “late-comers” has been related to the imperative of making the nation economically prosperous and strong in order to impose itself politically in the world. This is dictated by the modus operandi of international capitalism whereby weak nations are dominated by the strong ones. In this non-congenial international environment, the emergence of new industrial
powers has historically had a geopolitical impact on the system of nation-states - a system which originated simultaneously with the birth of capitalism.

The catching-up of Germany, the United States and Japan, challenged the position of Britain as the leader of the capitalist system. It was this confrontation between the different capitalist countries which contributed to the world wars of the twentieth century. One attempt to explain this state of affairs is located within the Marxist tool-box which operates with the notion of “uneven development” of capitalism. As a result of the tendency to develop at different rates, the more advanced countries will at a certain stage be challenged by more dynamic new comers. In a world economy characterized by the above-mentioned tendency towards overproduction, the emergence of new industrial powers creates imbalances and results, as recognized by Max Weber in conflictual competition which will affect the societies involved:

*Only complete political confusion and naïve optimism can prevent the recognition that the unavoidable efforts at trade expansion by all civilized bourgeois-controlled nations, after a period of seemingly peaceful competition, are clearly approaching the point where power alone will decide each nation’s share, and hence its people’s sphere of activity, and especially its workers’ earning potential* (Hobsbawm 1987:Ch. 3).

The interaction between development, trade and power politics on the international level is furthermore related to the fact that the late-comers often were led by ultra-nationalist or fascist regimes who also promoted militarism. The exception to the rule was the emergence of the United States as leader of the capitalist world without having abandoned parliamentary democracy during its ascendancy in the first half of the twentieth century. Although having joined the imperialist powers in the “opening” of China and having forcefully gained control of the Philippines and Cuba, the United States was able to use geography as a comparative advantage in relation to potential rivals. Thus while the contradictions between the main industrial nations were being played out in Europe, the United States - who also followed a course of economic nationalism - managed to remain aloof. By coming into the two world wars rather late, the United States could reap benefits from the weakening of potential economic and political rivals, without having itself suffered damages on its soil.
The hegemony of the United States following the Second World War was institutionalised through the creation of international organizations where American interests were given priority. The division of the world between the “socialist camp” –under the domination of the Soviet Union - and the “free world” helped to cement the hegemony of both superpowers in their respective spheres.

In contrast to the era of neoliberalism, which achieved hegemony since the 1980s, during the post-World War II reconstruction period, capitalist countries followed state managed economic policies in achieving unprecedented growth and popular support. Even Richard Nixon once declared himself to be a Keynesian. The so-called Keynesian macroeconomics allowed governments to exert control over the economic relations to the world market.

Another variant of state management of the economy took hold in East Asia. Prior to World War II, Japan had followed the strategy of economic nationalism which continued after its defeat and during the American occupation. The Japanese socio-economic and political system functioned on the basis of what has been called the “capitalist developmental state”. This type of capitalism was closer to the theory and ideology of economic nationalism than economic liberalism. Even though the United States after the Second World War, supervised Japanese politics, it didn’t discourage (with the exception of militarism) Japan from returning to its older state form and economic policy. The American position was determined by geopolitical considerations. At the time the US political establishment felt the need to promote Japanese capitalism and make the country an actor in Asia. This was dictated by the concern of countering the influence of socialism in the region, especially after the victory of communism in China.

The potency of state dirigisme of the market was also a determinant factor in the evolution of the so-called East Asian NICs (newly industrializing countries). Motivated by the ideology and strategy of economic nationalism while under the dual hegemony of the United States and Japan, South Korea and Taiwan also became known as developmental states. The economic strategy was based first on import substitution industrialization before implementing a course of export-oriented industrialization. Due to a special set of circumstances, the East Asian countries were able to control to a certain extent import of finished products and foreign capital while drawing advantage of being able to export especially to the United States as Japan followed a more restrictive import policy.
As mentioned, there was a political imperative behind the US strategy of turning the East Asian countries into display-windows of successful capitalist development. In this relation it should furthermore be stressed that it was primarily the Korean War and the war in Indochina later on, which fostered the economic take-off of first Japan and then the NIC’s in East Asia.

In contrast, it was much more difficult to carry out economic growth in Latin America on the basis of an economic nationalist strategy of import substitution. Nor was export-orientation in the cards. One reason was that, in contrast to the East Asian NIC’s, the United States was not really interested in favouring the development of the region by opening its home market to exports from these countries; neither did it favour the implementation of an agrarian reform which could have vitalized the internal market for the locally produced industrial goods. Secondly, the internal conditions were different than those in South Korea and Taiwan who, as former Japanese colonies, did not have as well entrenched agrarian elites as those of South America. The latter were uninterested in an overhaul of the rural structures and industrialization. Thus the weakness of the domestic market affected industrial development in a negative direction.

While the experience of East Asian economic nationalism shows that the role of state dirigisme of the economy and society is important in conjunction with foreign trade opportunities, without the geopolitical interest of the United States – as leader of the international system—the export-led growth of these economies would have found the world economy less conducive to their project.

**GLOBALISATION AND THE NEED FOR ALTERNATIVE THINKING**

Before concluding this discussion of the problem and strategy of capitalist economic development in a historical and geopolitical perspective it may be of heuristic value to return to the issue of globalisation: to what extent have we entered a new world order in which the notion of “uneven development” has become superseded, and to what extent does the liberalization of the world market serve the interests of all participants in the global economy?

The results of the policies of neoliberalism, which in the past twenty years have had a dominant position, need to be compared with the previous era when Keynesian macroeconomics and economic nationalism were dominant. According to the neoliberalist doctrine, the rate of growth of the global economy ought to have increased as a result of market liberalization. But the factual evidence shows
that during the 1960’s and 1970’s when the world was characterized by much
greater national protectionism and other regulations of trade and capital
movement, the world economy was nevertheless growing at a stronger pace than
was the case in the 1980’s and 1990’s.

The implementation of the discourse and strategy of neoliberalism by the
developed centres of world capitalism offers a typical example of doublespeak:
although the explicit aim of neoliberalism was to “liberate” the market from
political interventionism in the industrialized countries, it was primarily Third
World nations that were targeted to submit to unfettered capitalism by reducing
the role of the state and liberalize their economies. The upshot is that while
developing countries were left defenceless vis-à-vis the world economy, the US,
the EU together with Japan (the so-called TRIAD) have been using state policies
to intervene with the workings of a liberal global market. By subsidizing their
agriculture and industrial production and raising barriers to the free flow of goods,
instead of opening their markets to the exports of developing countries, they don’t
practice what they preach. The economies of the Third World thus have to operate
on a non-levelled playing field and are put at a great disadvantage. Oblivious of
the fact that it is the United States who is the largest debtor country, the IMF-
initiated Structural Adjustment Programs dictate economic policies of Third
World debtor countries by enforcing the opening of their markets and
liberalization of their economies - ironically measures which necessitate political
intervention by the state!

On the basis of this interpretation of the paradoxes of economic development and
international relations, a conclusion imposes itself especially if we seek a
reduction of pauperisation and polarization in the world. The legitimacy of such
an endeavour is accepted at the discourse level by both proponents and opponents
of neoliberal globalisation. Consequently, transparency should be applied to the
analysis of the experience of historical capitalism. The politics of economic
nationalism in the catching-up process should be treated in an appropriate manner
so as to offer developing countries a choice. Forcing them to follow an economic
course which was not followed by the industrialized countries themselves raises
the level of antagonism as the “ladder is kicked away” by the centres of
capitalism. The notion of development under conditions of an (il)liberal global
economy becomes an ideological construct which serves the interests of those
already developed at the expense of the late-comers!
In addition, yet another aspect related to late development under globalisation needs to be taken into consideration. Throughout the evolution of capitalism, damage to nature has been externalised from economic calculations by not being conceptualised as of cost of production. Under these circumstances resources were not considered to be limited or finite. This is not sustainable as this element will increasingly affect the future geo-economics and geopolitics of mature capitalism. Besides the problems at the level of the international political economy, the root of the new challenge which will increasingly impose itself is whether nature will be able to accommodate the capacity with which the global economic system contributes to the depletion of the planet’s natural resources and creates environmental problems. In the last instance, what is at risk is the survival of the life-support system for humankind!

The paradox is that the “overdeveloped” societies need to constantly boost economic growth in order to keep their socio-economic and political system from breaking down. This translates into a lopsidedness whereby approximately 20% of humanity consumes 80% of the planet’s resources. The question that arises is whether it is possible to mobilize at least four times more extra resources to raise the consumption level of the remaining 80% of the world’s population to the same level if global harmony can be achieved.

Common sense dictates scepticism. Neither economic (neo)liberalism nor economic nationalism have been preoccupied with this existential problematique. The same can be said for socialist productivism. This notwithstanding, the need for alternative theories and practices to developmentalism is increasingly felt and propagated by social forces and movements outside the realm of mainstream thinking and activities. Witness the yearly meetings of the World Social Forum which are organized by grassroots movements in opposition to the World Economic Forum whose meetings gather the world elite in Davos every year.

The stakes are high and pessimism about the evolution of the world is not unwarranted. Without an alternative viable mode of organizing production and way of life on a world scale, the march towards barbarism may be shorter than realized.

With this concern in mind, it is to be hoped that research and teaching programs in Development and International Relations at Aalborg University will keep identifying with the imperative of alternative thinking and strive to be part of the solution rather than part of the problem.
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