



The Neo-Capitalist Assault

Essay Two of Part V (In Search of Social Justice)

August 2001

GLOBAL ECONOMIC DEVELOPMENT – A TLWNSI ISSUE ESSAY SERIES

The Capitalist Challenge I: The Equitable Way

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From time to time TJSGA will issue essays on topics relevant to The Living Wages North and South Initiative (TLWNSI). This paper is the Sixteenth in the series “The Neo-Capitalist Assault” –a collection in development about Neoliberalism.

The essay presents the actual proposal to achieve a sustainable and democratic global Capitalism. It proposes to place Civil Society in the driver’s seat and strike a balance between social prerogatives and market efficiencies with the common good above all. The Assault begins by stating that the right way is to build a balanced model with the need to redistribute wealth as the most transcendental action.

It should be clear by now that balance is the only way of finding a successful capitalist economic model. No form of savage Capitalism, leaving everything to the free forces of the market, can succeed because the majority of the world’s population is in no position to compete under equal terms. The competitive nature of Capitalism cannot fulfil the democratic goal of economic development with social justice unless a series of checks and balances are put in place to that effect. By the same token, a mixed economy, where the government gets, in a substantial manner, directly involved in the economic activity, playing an entrepreneurial role, and where certain industries are protected from outside competitors, will seldom produce a successful and sustainable economy. The goal of building a balanced model is anchored on the absolute necessity of achieving a balance be-

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tween social prerogatives and market efficiencies, with the need to redistribute wealth as the most transcendental action. For this reason, no fundamentalisms can be part of the balance. Unbridled or protectionist Capitalism will not produce an equitable economic ethos. Extremes are always harmful. What the capitalist nations of the Twentieth-First Century need is a middle path that is as fair as is humanly possible to all players. Thus, the goal is, with political will, to achieve the best balance between social and shareholders’ demands. Nonetheless, Civil Society must be at the centre to demand and ensure that this balance is achieved. This is the challenge for both democracy and Capitalism.

Balancing Acts

Of course, a balance is not at all a new idea. This vision has been tried in the past, and it is very much alive at the present time and in full practice in different parts of the world. So far, the results obtained between each conception are, generally speaking, far from what is necessary, because of the constant struggle between social demands and the sheer force of capitalistic interests, which are, by their intrinsic nature, always at odds with social justice.

The mixed economies of the Twentieth Century, in many developing countries and especially in Iberian America, have been based precisely on the vision of a balance economy between the demands of the shareholders and the prerogatives of Civil Society. These experiences have shown their contributions and errors to economic development but, in the long run, have shown greater shortcomings than successes. Some of these shortcomings are endogenous to the concept while others are exogenous. To be sure, the overwhelming factor has been the failure of democracy and of the absence of a real "state of law", because the amoral or immoral forces of sheer monetary interests have corrupted its institutional edifice.

In the balance to be achieved, the fact that nothing can be definite is implicit. It all depends on the specific circumstances of a national economy vis-à-vis the other players. To illustrate this, let's briefly discuss the issue of the oligopolisation of specific industries that has been going on for twenty years through a process of mergers and acquisitions. It is common knowledge that oligopolies and monopolies do not benefit an economy because they manipulate supply and prices to their advantage. This has been rendered as something very negative since the days of Classical Economic Theory. Nonetheless, in some situations, it would be plausible to have some duopolies or monopolies that are necessary to compete in a specific economic sector. For instance, airlines are merging everywhere, even between nations. Thus, contrary to common wisdom against monopolies, it may be plausible that the privately-owned airlines of a country, in order to compete, be allowed to merge, so that they can compete successfully against other airlines that have already merged in the same markets where they are active. By the same token, in some instances, it may be plausible to maintain the direct involvement of governments in very specific industries and reject privatization until potentially competitive domestic players can be identified in highly-sensitive industries of national security concern. The need to maintain Mexico's oil industry in domestic hands, due to the overwhelming power of foreign competitors, may be deemed a condition to be demanded by its Civil Society; or the refusal of France to open its market to the U.S. movie industry, due to the

need of French Civil Society to protect its culture, is also completely admissible. Or it may be necessary to re-impose regulation due to the sheer speculation of free-marketeers. The bankruptcy of the power industry in California after deregulation, or the chaos of California's "workers' compensation insurance" industry, also due to deregulation, are classic cases. Thus, there is no clear path to follow except that which the Civil Society of each nation considers to best protect its interests. To be sure, it takes the political will of a mature Civil Society and of a skilled government to perform a successful balancing act. But only a balancing act is capable of best serving all ranks of society in an equitable way.

My entire rationale on the issue of creating a balancing act is obviously made from the perspective of nation-states. But some persons may argue that globalization is, precisely, weakening the concept of nation-state and segregating the role of governments to mere administrators of the economic consensus brought forward by the MNCs. The fact that European governments are relinquishing some degree of sovereignty in favour of a new pan-regional government could be deemed a good example of the deterioration of the nation-State. Nonetheless, without getting into a dissertation about the current health of the nation-State, since this is outside the realm of this work, it suffices to say that, although there are certainly clear situations that attest to the gradual transformation of the concept of nation-State, there are other signs that attest to the strengthening of some nation-states. The best example is that the main promoter of today's globalization, the U.S., is not diminishing its power but rather increasing it as the most powerful economic, scientific and militaristic nation-State on earth; and it is doing it with a clear hegemonic agenda. In this case there is clearly a strengthening of the concept of the nation-State, of the imperial-nation-State to be precise. To be sure, many nations under the U.S. aegis are losing more of their sovereignty, not because of globalization per se, but because sovereignty is being relinquished in favour of the U.S. which concurrently is strengthening its own. This is especially true in Iberian America, an area traditionally regarded by the U.S. as its backyard. What we are really witnessing is a globalization of the U.S. hegemonic ethos, a globalization of

the U.S. indeed. What we are witnessing in the case of Europe and, to a much lesser degree in East Asia and the so-called South Cone of South America, is only a repositioning of the nation-states in the region with the purpose of competing successfully in today's neoliberal ethos. For this reason, I believe that, rather than seeing the disappearance of nation-states, as some would lead us to believe, this concept is being redefined by the most developed nations in order to compete successfully and cope with the challenge that has been unilaterally advanced by the U.S. The rest of the world, which, with few exceptions, has never enjoyed a high degree of sovereignty, will most likely fall into the aegis of the three blocks that are being gradually formed by the U.S., the European Union and the nations of East Asia.

The current neoliberal ethos is indeed a major consideration in the achievement of a balancing act, which cannot be ignored because it is already well entrenched, and most players are already involved in various degrees in its neoliberal global economy. This poses the question of competing with the same weapons that the U.S. has imposed. This is the case of nations being forced to adopt the same economic and business strategies and tactics adopted in the U.S. economy because, supposedly, this is the only way to compete successfully, as a nation, against the U.S. It is a question of convergence with U.S. Capitalism's philosophy in order to remain a competitive nation. The Economist raises a very interesting question to this respect. It contends that the conventional wisdom, that the only way to survive in a neoliberal ethos is to embrace it because this is the only way to compete, is wrong. It contends that even if [we assume] U.S.-style capitalism is the best way to get rich, the European way [for example] is an option, regardless of globalization or no, if that is what Civil Society demands.¹ The Economist even puts in doubt the belief that inflexible economies are less efficient. To illustrate this, The Economist used the findings of recent research by economist Richard Freeman of the U.S. National Bureau of Economic Research. Freeman's findings show that employment-protection laws have little effect on the levels of employment and that U.S. labour flexibilities do not substantially benefit U.S. economic efficiency. In fact, Freeman's findings assert that the main difference

between the generally more flexible economies of Anglo-Saxon countries and the generally more rigid economies of continental Europe is not productivity or levels of employment but fairness in wealth distribution. Indeed, based on his findings, Freeman argues that the less flexible economies of Germany, France, the Netherlands and others are more egalitarian and, as a whole, no less productive.²

Therefore, it is not only the prerogative of Civil Societies to reject neoliberal economics, if they so decide, but it is very plausible that a balanced economy can be more egalitarian and as competitive as those immersed in total flexibility. Nonetheless, finding that balance is completely contingent on the historical and social background of each nation in question. This is in part the view of the so-called Regulation School. Its view is that, given the inherent contradictions and conflicts of Capitalism, the outcome, in a regulated economy, depends upon the outcomes of specific local, social, and political struggles, strategies and compromises, and on the pre-existing local institutional context. Thus, the set of rules that emanates from these factors determines the actual mode that each society uses to regulate its economy and the actual success or failure in achieving its objectives.³

In my view, those nations that, as a result of the social, economic and political struggles, achieve a balance between social and capitalist demands will build the most sustainable and egalitarian societies. As we know, within the capitalist world, we have had several important social struggles that have been going on since the end of World War II. The Third World, in general, has been the victim of its colonial past and of the success, until now, of the local oligarchies in maintaining their alliance with the international centres of power to exploit the majority of the population. In Africa, the official decolonization and the creation of many states has been followed by the imposition of neoliberal reforms and the struggle of local elites to maintain their past prerogatives. These elites are, in many cases, led by strong men who, in their pursuit of economic gain, are willing to commit genocide to achieve their ambitions and who have brought many African nations into anarchy and into a latent state of civil war. The centres of power, in the meantime, have deemed most of the region

irrelevant for the new global society and have left it largely in oblivion. In Iberian America, the local industrial oligarchies have largely succeeded in maintaining an exploitative mode of regulation that disregards democracy and social responsibilities and continues to extract most of the surplus of the economic activity through crony capitalism. Only recently, with the slow emergence of Civil Society, there is some hope that the pendulum, oscillating between shareholders' and social demands, will eventually begin to move towards the centre. In the Islamic world, many countries have suffered a wave of fundamentalist religious revolts. These attacks on the most basic civil rights have vanquished any hope of developing an ethos that provides some level of democracy and of social justice in the near future, whilst they have left the prerogatives of the traditional elites largely untouched. Indeed, the "fanatization" of officially secular and even of moderate Islamic regimes destroys basic human rights and the legal system, whilst it leaves the existing economic formation and the political model inherited from previous regimes largely untouched.⁴ As a result, in some of these states, Civil Society is non-existent.

In Eastern Asia, in contrast, we have a different reality. In general, there seems to be an agreement that the combination of cultural and geopolitical factors are the main contributors in the rapid economic development of the leading Asian nations, including imperialistic prone Japan, and that this has included some degree of egalitarianism. Many economists coincide on the fact that Confucian ethics, stressing respect for authority, family and community and the need to conform to seek stability, and huge U.S. economic support to establish a cold war defence of western capitalism at the edges of its western realm, produced the fastest economic growth in the world during the second half of the Twentieth Century. In a lucid analysis of the nature of East Asian economic development, Hoogvelt points at the agreement of many economists with this view, and describes the Confucian values that have played a major role in the results obtained in this region, combined with an increasing skill in the use of western economic theories.⁵ She regards the legitimization of government, the respect for hierarchy and status and the search for harmony, based on conformity and consensus, as critical in the rapid economic growth achieved. Moreover,

she explains that although there are many religions in the region, some sort of syncretism has arisen to produce a set of values characterized by diligence, respect for authority, "familism" and a positive attitude to the affairs of the world.⁶ This, combined with the very asymmetric conditions in favour of these nations in their terms-of-trade with the U.S. –as part of its cold war policy– and the direct U.S. assistance with billions of dollars annually, in the space of nearly three decades, generated the fastest economic growth.

Nonetheless, these nations have not been left out, whatsoever, in the world's share of authoritarianism and corruption. For the degree of development of democracy, in most countries, still is far from mature and leaves much to be desired. However, they have fared much better than the nations of Iberian America in the distribution of wealth, and they have been able to reduce their levels of poverty. Indeed, in stark contrast with Iberian America, after the U.S. began to pressure the East Asian nations to open their economies and accused them of staunch protectionism, they did not fold and open their economies indiscriminately. They have been doing it selectively, in a balancing act, allowing competition in the industries where they have achieved world-class competitiveness. They have also been selective, for instance, about the liberty they allow to foreign speculative investment.

At the same time, some degree of democratic openness has allowed some degree of egalitarian development. The fact that western capital, in its relentless search for the cheapest workers available, has been moving away from the more successful economies of South Korea, Taiwan and Hong Kong to less successful ones in the region, or to labour markets outside the region, such as Mexico, is the direct result of consistent rising wages in these economies. As part of the cultural factor, Hoogvelt explains that the legitimacy of the East Asian governments has gradually come to be derived from their acceptance of their obligation to improve the economic condition of the people. In this sense, East Asian governments tend to believe that they have the right to intervene in the lives of their citizens as long as they are doing it in order to fulfil their obligation to improve their welfare. In consequence, East Asian capitalism has given the government the

role of development agent, not in the Keynesian sense of a Welfare State, but in the achievement of development as the medium to end their dependency from the West and become successful independent economies.⁷

In search of this goal, the East Asian economies have been working during the last two decades to strengthen their domestic markets and to achieve major regional economic integration in order to compete in a globalised world. To be sure, the East Asian nations are still far away from achieving a reasonable degree of equitable development. However, perhaps due to their Confucian ethics, they have put slightly more effort, and more intelligently than other regions in the Third World, in building a concept of development better balanced between the interest of their business class, the pressure of the western centres of power and the social demands of their Civil Society. As a result, the gap between rich and poor is today less dramatic than in Iberian America, the region that had a similar level of development forty-years ago. The important moral of the East Asian nations is that, notwithstanding their lack of democracy and their corruption and cronyism, their less unbalanced path towards development and economic independence has rendered some hope of overall economic success, in contrast with the extreme oligarchic and crony "*developmentalism*" of other regions. This is because the mere act of trying to establish a balance is, in itself, an effort to create some degree of democracy.

In the European Union we are witnessing the struggle between the forces of free-marketteering and European democracy, in the world's most profound experiment of regional integration. Since the end of World War II the Western European nations have embarked on a historical project to build "Fortress Europe": a quasi-nation-State where all the member-states have agreed to relinquish part of their sovereignty in order to achieve economic integration and, to a lesser degree for now, political integration. The original European Community was conceived to put an end to the endless political conflicts between competing nation-states and also to compete successfully in the new post-world war capitalist order led by the U.S. This has successfully ended any peril of renewed conflict between the leading Western European states. It has also dramatically

raised the standard of living of the less-developed Mediterranean member-states that joined in the 1980s. Furthermore, since the fall of the Berlin Wall, the Union has entered a process of subsequent integration of many of the central and Eastern European states that formerly belonged to Europe's communist block. Thus, in the next fifteen years, the Union will have nearly twenty member-states.

Nonetheless, since the U.S. unilaterally ended the Bretton Woods system and began its process of imposition of U.S. hegemonic globalization, the struggle between the demands for market efficiencies and social responsibilities has been gradually escalating. This is due to the perception by European Civil Society that most European governments have become agents of change to establish U.S. hegemonic Capitalism, favouring the demands of the market forces and disregarding the demands of Civil Society. As a result, the denunciation of top-down policies in favour of free-marketteering has escalated to a level where a growing network of civil organizations opposing the neoliberal ethos is systematically denouncing every move and demonstrating in every gathering of the supporters of neoliberal globalization. One could assume that, given the much older democratic institutions of European Civil Society, their leverage to force governments to be responsive to their demands is much more effective than that of the fledgling democracies of the Third World. To be sure, Civil Society is indeed pressuring European governments to work to achieve a balance between social and market demands and to end the current ethos that draws only a few winners. But, evidently, their force has not stopped the process yet, and governments keep working to consolidate the neoliberal ethos. For, until now, the push for the establishment of economic globalization under U.S. hegemony is still succeeding in dismantling many of the structures that were erected to protect the welfare of European Civil Society. As a result, the current actions of European governments and the EU itself are creating imbalances that clearly favour market demands; hence, inequality, as everywhere else, is clearly on the rise.

Some European scholars believe in another type of balancing act: that where the European Union actually represents a balance in the current ethos

of globalization. This is the case of French scholars Burgi and Golub, who explain that the European governments have concluded that the current ethos is irreversible, and that, rather than opposing neoliberal globalization, the best option is to embrace it jointly. Moreover, they assert that, since the early 1980s, European unification has been directed towards the creation of an entity capable of competing with the US. In this way, by combining forces in a larger unit, the member-states have been attempting to assert their sovereignty jointly in response to globalization, since none of them is any longer able to do so individually. Thus, they represent a successful counterweight to the U.S. in the balance of economic power.⁸ There is no qualm, whatsoever, with this reality. However, as they also argue, this has been done at the cost of growing social hardship, and they explain that the strength of governments has been redirected to play the role of neoliberal agents. The underlying consequence is that real democracy is deteriorating in favour of a top-down democracy, which is defined based on the interests of the centres of economic power: the international financial groups and the MNCs. This generates a large democratic deficit, in which state sovereignty implies no longer the right to self-determination according to the interests of the entire citizenry, but rather the autonomy of governments to do as they please in pursuit of their very private self-interests and of those of the international centres of power in exchange for regulations designed to mitigate the suffering that is endured by the majority. The end result of this illegitimate autonomy is the liberalization of the European labour markets.⁹

To be sure, this has caused a growing struggle between Civil Society and those in power, especially when left-of-centre parties are now leading most governments in Europe. The deficit in democracy that Burgi and Golub refer to is simply an insistence from the part of the government to impose top-down democracy and to continue to pursue the interests of the centres of economic power. This has caused schisms in the left, such as the very early resignation of Oskar Lafontaine as Minister of the Treasury and as member of the German Socialist Party, the SPD, in the Presidency of German Prime Minister Gerhard Schroeder. The SPD won a clear election in 1999 based on a program to provide

an ethos of social justice for the German Civil Society, which was opposing the endorsement of Neoliberalism by the Christian Democratic Party of Helmut Kohl. The surprise was that Gerhard Schroeder recanted from his campaign commitments and embraced the so-called Third Way of Anthony Giddens, Director of the London School of Economics, in its corrupted version of British Prime Minister Tony Blair. And Lafontaine resigned in order not to be an accomplice of Schroeder's treason of German Civil Society. Schroeder decided to align with Blair and other neoliberals, such as Aznar in Spain, rather than with France, its traditional political ally.

In the growing decay of top-down corporocracy, Tony Blair had the brilliant idea to adopt the concepts of the so-called Third Way to make it, rhetorically, a showing of political will of governments to respond to social demands and achieve a balanced ethos. This was supposedly an address to demands coming from the bottom. But, as we all know, nothing has materialized in the direction of economic egalitarianism, for it has only been a subterfuge to buy more time and further advance neoliberal globalization under the disguise of a sheep's skin, supposedly following a middle ground or Third Way.

It should be remembered that Thatcher went out of her way to dismantle the British Welfare State, privatizing many basic social services. And her ultra liberal obsessions destroyed the British mining industry, replacing coal with nuclear energy, no matter that it cost thirty percent more and eliminated over a hundred thousand mining jobs.¹⁰ Indeed, Britain has been at the forefront of Neoliberalism since 1980. A very illustrative case of its vanguard approach to profit-driven liberalization and deregulation, is the current problem of the foot and mouth epidemic, which is out of control because of the neoliberal measures implemented due to the pressures of the producers to increase profits by relaxing the safety standards. Thatcher first supported them by drastically reducing the network of ministry vets and then proposed to the European Union in 1991 the elimination of livestock routine vaccination altogether, which was approved, in order to build exports, increase profits and save public funds.¹¹

This crisis is possible because the alignment of the British Labour Party's economic policy with Neoliberalism was sealed in 1996. Of course, they disguised it under supposedly socially conscious verbiage, but it is Neoliberalism at its best all the same. The new role of the government is to be an agent of marketeers by providing the ideal market conditions for free competition and the stability of the new ethos. Thus, the obsessions of Thatcher were further advanced following the Neoliberal doctrine: reduction of government spending, reduction of direct taxes and, naturally, the enforcement of full labour market flexibility, including Thatcher's anti-union legislation.¹² And so, Blair, with his New Labour party sought out to redefine the concept of Social Democracy in Europe and elsewhere in alliance with Bill Clinton and his supposedly New Democrats. To do so, he introduced the ideas of British economist Anthony Giddens and another of his loyalists, John Gray, under the concept of the Third Way. As German scholar Wolfgang Merkel explains, the European left had already reacted to the changes advanced by the conservative parties in the 1980s –when the right moved into power with Thatcher, Kohl, Chirac and others– in order to be able to compete successfully and embraced some of the guidelines from Maastricht that liberalized the labour markets. However, there was no precise and coherent ideological framework until Anthony Giddens' Third Way provided it, and Blair sought out to sell the scheme as the strategy for the social democratic parties to return to power.¹³ Indeed, Blair's Third Way is nothing more than a self-serving scheme for social democratic parties to become competitive in the battle for government. What we are seeing is the prostitution of the left, betraying its commitment to social justice, in order to ascend to a power whose strings are controlled by the private sector that is financing today's political campaigns, a clear corroboration that governments no longer feel responsible to Civil Society. The central element of the Third Way is the reduction of government to a mere agent of market democracy, despite Blair's argument that he does not advocate a market society, just a market economy. Thus, Blair argues in favour of further reduction of the Welfare State because it is too costly to compete with the most efficient economies, and he asserts that the welfare system should be available for those who really need it and not the middle class.

Furthermore, he advocates in favour of making everyone work, including the handicapped, and seeking the new opportunities that are emerging, no matter that the conditions offered by these undefined opportunities do not guarantee, whatsoever, a living income.

Indeed, in a lucid analysis of Blair's Third Way, Ralph Dahrendorf, British sociologist and former director of the London School of Economics and member of the Lord's Chamber, writes that the Third Way's reform of the Welfare State implies not only savings of public funds but also the strict insistence that everyone must work. Dahrendorf, who predicted three decades ago the demise of European Social Democracy, explains that Blair's Third Way argues that the government must stop paying even when there is no job available, much less a desired job available, so that people create their own opportunities. Dahrendorf points out to the postulate that argues, "The state must not row but direct". That is, the government will no longer pay to provide the means, it will only tell people what to do to carve their own livelihood. And he adds that, to be sure, the British experience provides worrisome examples of what this could represent.¹⁴ In looking at Giddens' theoretical framework, Dahrendorf explains that he places an effort to achieve the combination of wealth creation with social cohesion in the context of the great changes brought about by today's globalization, the new dialogue with science and technology and the transformation of values and lifestyles.¹⁵ Giddens bestows six political tasks to his Third Way: (1) A new political ethos with a new wave of democratization that calls directly on the people; (2) a new relationship between the state, the market and Civil Society that joins them together; (3) supply-based policies through social investment, mainly in projects in education and infrastructure; (4) the overhaul of the Welfare State by creating an equilibrium between risk and security; (5) a new relationship with the environment through ecologic modernization; and (6) a strong commitment to transnational initiatives in a world with a blurring sovereignty.¹⁶

In my opinion, despite Giddens' assertion of a new wave of democratization, these are clearly the conditions that are required by Neoliberalism to impose a market democracy that imposes its rules on Civil Society. Conceptually, a set of

supply-based policies does not provide a balance between the economic management of supply and demand, but it does provide the resources that capital needs to increase efficiencies and, thus, competitiveness. Thus, this clearly appears to be an address to the demands of the marketeers and not of Civil Society. And the call for equilibrium of risk and security in the Welfare State is only reinforcing the increasing imbalance generated by the restriction of labour rights and the relaxing of hiring laws through so-called best organizational practices. One critical comment that Dahrendorf makes is that the left or the right, depending on the cultural context of each nation, can embrace Blair's Third Way. Thus, in traditionally liberal states such as Britain and Holland, the Third Way could be part of New Labour; but, in many other states, this idea would belong to the traditional right. This is why, he adds, it is not surprising to understand the alliance between Blair and rather conservative Spanish President Aznar. His major critique, however, is the lack of importance given to this idea of freedom, good old freedom, especially because the idea of trying to internationalize a set of practices almost invariably signifies a loss of democracy.¹⁷ Thus, it is evident that this is not an unintended omission; for the Third Way is not about open societies and freedom, it is about integration and social cohesion with a distinctive authoritarian vein.

Both Merkel and Dahrendorf coincide in that Blair's Third Way is only a third way, because there can be an infinite number of third ways depending on the vested interests of those who promote them and the cultural context of the places where they try to advance them. In fact, Merkel asserts that the first idea of a Third Way was proposed early in the Twentieth Century. The Austro-Marxians invented it in the Twenties, it was used in the founding of the International Socialists in 1951 and it represented the title of the economic program of the Spring of Prague of 1968. The big difference, however, is that these third ways were a wide path running between capitalism and communism, whilst today Blair's New Labour Way runs through a very stretched path between Neoliberalism and the post-war Social Democracy of the neo-corporatist State.

French Prime Minister Lionel Jospin provides a clear example of what I believe should be

acknowledged as a diversity of third ways, based on the diversity of historical and cultural national contexts. Jospin contends that a good part of the political identity of Social Democracy was its opposition to both Soviet Communism and U.S. Imperialism, but that this opposition, obviously, has lost its concrete purpose. Thus, now that the Left is redefining its purpose, it must do so taking into account, and with great respect, the national factors that influence the parties, such as the historical roots, the ideological references and the political scenarios. In consequence, Jospin asserts that it is unimportant to argue about which way is the right way because each nation must seek its own way; thus, if the Third Way is a path between Communism and Capitalism, that is just a name to define British Social Democracy; if it is a middle path between Social Democracy and Neoliberalism that is not the Left's way either. Thus, he proposes to broker between the different social strata, so that their respective interests can progress simultaneously. For this reason, Jospin concludes that the Left must not surrender to a supposedly inevitable so-called "natural" capitalist model. Social Democracy must not surrender to the fatalist concept that Neoliberal Capitalism is the only way, he argues, for it must mould the world according to its values.¹⁸ And yet, in the facts, Jospin's opposition to Neoliberalism has been clearly lukewarm and has not advanced a comprehensive French third way.

What we are witnessing inside European Social Democracy is the very conscious betrayal of many of its leaders in favour of economic Neoliberalism. Indeed, due to the pressure by European Civil Society, Tony Blair, Gerhard Schroeder, Massimo d' Alema and other leaders have advanced the idea of the Third Way, a middle ground. But this has been a very hypocritical manipulation to deceive people using a rhetoric that advocates a balanced approach, when, in fact, they have continued to relentlessly advance, the consolidation of untrammelled free marketeering in the European Union. Thus, no real balance is being achieved except as a counterweight to U.S market competitors. Much to the contrary of balance, the structures of Neoliberalism are being reinforced whilst social responsibilities are being abandoned. A clear instance is the relaxation of labour legislation everywhere, especially in Spain and France [the two EU members with the highest

unemployment in 1998], which will have long-lasting consequences on the labour endowments and on the quality of life of Europeans. For, despite the decline in unemployment rates in these countries, the quality of the jobs offered and the security of staying employed that is offered to the workers have been left to the free forces of the market. The cuts in social spending and the reduction of the corporate taxes in Germany are other clear examples of the path that is being followed by the European Union as a whole.¹⁹ Thus, the current trend in Europe is going against the will of the majority of the population and is generating great imbalances that have absolutely no justification except to meet the needs of MNCs, active in Europe, to increase their profitability for their shareholders. In consequence, as is happening worldwide at the present time, the only hope to reverse the growth of social inequality depends on the degree of pressure that European Civil Society will be able to maintain to force the change.

Notwithstanding these facts, I believe that the European Union is a very viable concept, especially considering the inevitability of economic globalization. However, it is a grave mistake that, given the long tradition of combining Capitalism with social responsibility, the European Left, currently in power in many member states, has followed a path towards untrammelled Neoliberalism. What appears to have happened is that the advocacy of Tony Blair to advance a Capitalism that favours the interests of the United States has been relatively successful. This is not unusual at all, given the old "special relationship" that these two nations have historically maintained; a fact that clearly puts in question the allegiance of the British with the Europeans. What has been somewhat surprising is the recantation of the European Social Democracy from its historic principles. Even France, that traditionally has favoured a balanced approach with a very visible hand from the government, is now gradually, albeit somewhat reluctantly, admitting a good degree of neoliberalisation. With Leonel Jospin, despite the conservatism of President Jacques Chirac, the French have tried to cushion the impact with schemes such as the 35-hour labour week, in order to create more jobs; but the scheme appears to benefit the employers far more than the workers, and the gradual deregulation of the

labour market is still advancing.²⁰ Thus, there is no justification for trying to advance one vision of a middle path in a context of historical, political and cultural diversity.

Due to the growing criticism in public opinion, Anthony Giddens wrote an article to respond, especially with respect to claims that Schroeder had lost political capital in regional elections due to his alliance to Blair's Third Way. He rejected the argument and contended that Schroeder's setback was due to a more rigid political structure in Germany and to the battle with Lafontaine [which in my opinion is an admittance of a political backlash]. As to the defence of his concept itself, Giddens agreed that his Third Way is not for all countries, and he argued that it is not an attempt to transfer Blair's view into Germany or other European states; but it is a concept that is gaining ground in different countries under their own versions. Nevertheless, Giddens claimed that the Third Way is increasingly recognized as the only vehicle for Social Democracy to progress, given the challenges posed by globalization. He further argued that regardless of the differences in style between nations, the motive is the same, which is a way to find an efficient and effective way to spend the public money, for it cannot be wasted in this competitive new ethos. Therefore he asserted that investment in welfare must focus on programs that generate jobs, and public funds must also go to education and to stimulate innovation and risk capital through the reduction of fiscal pressures on work and business. He also contends that the fundamentalisms of the free market are as dead as those of the old Welfare State.²¹ In an interview, Giddens responded to the criticism of Dahrendorf about the lack of emphasis on freedom by explaining that, previously, the old left wanted economic regulation with moral libertarianism, whilst the new right wanted economic libertarianism with moral regulation. Thus, Giddens contends that the Third Way intends to seek an equilibrium between both, beginning with liberty, but in the context of a modernized and pluralistic society."²²

Giddens' arguments clearly fail from the start when he asserts that this is the only way for Social Democracy. His obvious absolutism is immediately dogmatic and untruthful. For nobody has the monopoly on ideas or holds the

ultimate truth. There are no absolutes or impossibles. All ideas are relative, depending on the perspective of the observer, and are also fallible due to the reflexivity of our observations, as Soros has argued. Giddens does explain that each country is developing its own version, but his concept is centred on the reduction of the Welfare State and the liberalization of the economy; and this he expects to be applied in all versions. He also calls for learning to adapt to a new cosmopolitan society and, thus, defends the need for people to “modernize” by accepting a new social ethos with increased risk in contraposition with the greater security of the old Welfare State. He admits that this acceptance is more akin to the individualistic culture of Anglo-Saxon societies as opposed to others, such as in Germany with the Renanian model; thus, he contends that gradual approaches that are being carried out in Germany, Holland and Denmark are perfectly all right. Moreover, in his argumentation he points at the efforts in job generation in the U.S. and Britain under this new ethos as an example to be followed. In Giddens’ thesis, the predominant element is his insistence on the need to converge into a new ethos with greater risk and opportunity. But he fails to see that, from the start, the deregulation of the economy opens the opportunity for those who are best prepared while it dooms the less fit to oblivion. I ask, does this not resemble an ethos of the survival of the fittest? He emphasizes the need for education and training, but is this going to be enough to compete individually against multinational corporations that act as a group with private interests? Moreover, since this supposedly “only way” admits from the start to the increase in risk, then how are we going to guarantee that all ranks of society will have equitable access to all the opportunities? Or should we just consider one or more generations as lost generations until education and training are capable of providing equitable access to anyone that seeks a real opportunity? In all objectivity, the acceptance of greater risk with no concrete benefits in return, because there is no other way, is a ridiculous proposition. Another major problem is that, despite the effort in job generation in the U.S. and Britain, the facts show that it is in the Anglo-Saxon countries where the gap between rich and poor is widening faster, as described in earlier essays. Thus, there is no indication whatsoever that those conditions for

the individual are improving; they are worsening for most. Lastly, the practical application of the Third Way has not shown any deviation from the fundamentalisms of untrammelled Neoliberalism. The pressure for the deregulation of all sectors of the economy continues to be advanced with the same energy. It is only the theory of the Third Way itself that rhetorically intends to acknowledge the need to balance social and market demands; but the specific measures are in sync with Neoliberalism. As for its practice, it has shown no differences with untrammelled Neoliberalism. To be sure, Giddens’ Third Way is no balanced approach and its implementation by Blair represents a mere disguise of Neoliberalism.

This is especially troublesome when, as The Economist argued, there is no reason to embrace Neoliberal Globalization if Civil Society so desires; especially when there are many evidences that show that U.S.-based Capitalism is not only not the only way, but it is not even necessarily the most efficient, whilst it is certainly the most unequal. Hence, I can only conclude that the sheer power of those who control the ropes of global Capitalism have profoundly corrupted the democratic structures of Europe. Thus, it is increasingly evident that Blair’s real intentions are to broker U.S.-style Capitalism in alliance with its old colony. There is really no decisive opposition from European governments against Blair’s initiative; on the contrary, most have joined him in advancing it as Giddens asserts. For this reason, a change of fortunes resides entirely on the mobilization of Civil Society to force governments to take on their responsibility to construct a real balancing act between shareholders’ demands and social prerogatives. This is because, as Ignacio Ramonet, a leading anti-Neoliberalism activist asserts that, for European Social Democracy, politics is all about economics, and economics is all about finance, markets and money. This is why they are willing to dismantle the Welfare State, privatize the entire economy, renounce the social compact and abandoned all ideas of full employment and of eradicating the suffering of the EU’s 18 million unemployed and 50 million poor.²³

In sum, the political practice has been deeply corrupted, and only Civil Society can bring about a turn of events. What we need is a truly balanced approach in every aspect of social,

political and economic life. Different regions in the world have tried different approaches with varying results, none of them clearly successful in achieving social justice. I believe, as earlier said, that the major culprit is the lack of true democracy. Hence, in order to achieve social justice we need to create true democracy; that is, a participatory democracy that resolves all issues through public consensus from the bottom up. And to achieve this, too, the true agent of change is Civil Society.

Curving Powers and Revamping Multilateral Institutions

The central obstacle in the achievement of social justice globally and in individual countries is the clout that the leading powers of the world have in setting the rules of the game economically and politically. Despite much boasting about due democratic process and the erection of a number of international institutions around this principle, the most powerful nations manipulate this process and the institutions for their benefit. Despite much talk about democracy and progress in all fronts in this so-called post-modern era, the world today is not very different from the era of the spice merchant companies and the absolutist colonial powers. I can really assert that we are starting the Twenty-First Century right where Capitalism began in the Sixteenth Century. The multinational corporations are the new merchants of today. The only difference is that, while the spice companies of the absolutist era were partners of the despotic monarchies, the MNCs of today are in greater control; for the agendas of today's governments are dictated by the MNCs. There is no formal open relationship, of course, because today's governments are now supposedly democratic and cannot openly work for the new merchant companies; they need to show some accountability to Civil Society. But, democracy notwithstanding, the top-down democracies of today are controlled by very powerful economic interests. This is true both in the arena of international economic relations as well as in the arena of political relations, where the economic interests of the powerful multinational conglomerates set the political agendas of the nation-states.

In consequence, the pervasive influence or outright control that the leading powers, especially the U.S., have on the UN and on many of its agencies and the World Trade Organization

greatly diminishes the democratic process in their operation. The veto power of the U.S., U.K, France, China and Russia at the UN Security Council is an obsolete structure of the Cold War that provides unjustified privileges to these countries to advance their vested interests. Furthermore, when the UN or its agencies do not suit their interests, the U.S. and other powers simply violate international law. This is occurring with increased frequency to the point that the UN has lost much of its credibility. Increasingly, the question for many members is that, if the leading powers do not abide by the UN's resolutions, why should they? A recent case is the violation of the UN Charter by marginalizing the UN Security Council's resolution in the case of Kosovo. The UN never authorized military intervention in Yugoslavia because most countries were reluctant to intervene, but the U.S. and the EU, through NATO, went forward anyway.

This kind of unilateralism, where powers put their interests above international law, can only be stopped if the structure and rules of these institutions are revamped. In the case of the UN, since each country has one vote, revamping the organization to eliminate privileges is a realistic goal. In this way it is possible to eliminate the formal privileges that the U.S. and other powers enjoy. Outside the Security Council, the leading powers have no formal privileges. This is why the U.S. has reacted unilaterally to the resolutions of some UN agencies and boycotted them by refusing to pay its dues. The UN Education, Scientific and Cultural Organization has been one of the earliest cases of U.S. boycott because it disagreed with its resolutions even though they were taken by majority vote of the member-countries. Thus, by 1999, the U.S. owed \$1.5 billion in late dues to the UN.

In order to revamp the UN, it is imperative that the international community overcomes the opposition of those countries that enjoy privileges. In many instances the leverage of the most powerful nations over many of the developing nations has blocked the restructuring of the UN. And so, the UN continues to be manipulated in line with the interest of the most powerful. When the G7 deems it convenient, the UN is used; otherwise it is ignored. As former U.S. Secretary of State Madeleine Albright openly stated in 1995 that the UN is a tool of American

foreign policy.²⁴ Nonetheless, this can change when members unite against manipulation. A very surprising event was the recent expulsion of the U.S. from the UN Human Rights Commission, a result of the rejection of many developing nations that resented the U.S. unilateralism and manipulation. The commission of fifty-three nations (divided by geographical areas) voted the U.S. out. This is the first time since the foundation of the UN in 1947 that the U.S. does not have a seat on the Human Rights Commission.²⁵ As reported in the news, the underlying reasons were the frustration of many countries with the U.S. because it has opposed treaties to abolish land mines, does not support the International Criminal Court and has abstained from a vote to make drugs to combat the AIDS epidemic more widely available. Moreover, adding to this atmosphere were other recent unilateral actions by the Bush government, such as pulling out of the 1997 climate treaty reached at Kyoto, Japan, and the U.S. Administration's insistence on developing a national missile defence system despite widespread opposition from its closest allies as well as other nations.²⁶ A day after its ousting from the Human Rights Commission, the U.S. Congress angrily reacted, threatening to withhold \$650 million in overdue payments that were in the process of being approved. U.S. legislators called this decision ludicrous because two human rights violating nations, Libya and Sudan, were elected to the commission. While it is wrong that these nations were elected to this commission, it is also wrong that the U.S. once again threatened with acting unilaterally. Not abiding by the democratic process, except when it is convenient, is not the right way to conduct international relations. What should be done in the first place is to pass a UN resolution requiring that members observe a due democratic process for the election of their governments and that no human rights violations be allowed or be perpetrated by the national powers. But it is also ludicrous that U.S., the UN's biggest contributor, threatens a boycott because of disagreement with decisions of the UN. This behaviour directly undermines and discredits the UN as the only forum to manage international relations and automatically increases the level of conflict in the world; for, without the UN, there is no proper forum where all countries can commit to abide by a set of rules.

Given the current situation of decay at the UN, an institution that was erected to uphold democracy as the main vehicle to manage international relations, there is an urgent need to reestablish its mandate by restructuring it from its core. What the world needs in order to achieve social justice is to establish a real democratic ethos and not a rhetorical one that in its practice is violated everyday and almost everywhere, in one way or another. The revamping of the UN requires three fundamental actions all aimed at redefining and upholding the democratic principle of its charter. The first is the elimination of veto power at the Security Council as a basic necessity, so that no members enjoy privileges. Maintaining a special status for some nations goes directly against the principle of democracy, and this status cannot be justified by claiming that it is necessary to protect international peace. The second action is to re-enunciate the concept of democracy, demanding from member-states due democratic process, not just at the electoral level but also in the daily conduct of the different branches of national and provincial governments, respect for human rights and respect for the environment. Furthermore, the practice of bottom-up democracy with the full participation of Civil Society needs to be emphasized. Top-down democracy needs to be regarded as a state of democracy that falls below the standards of the new global society. Collective-decision-making, where the ideas, initiatives and resolutions flow in both directions needs to be established as the proper standard of democracy in the sovereign territories of all UN members. Naturally, a new concept of sovereignty needs to be developed so that the same values and principles are upheld everywhere and so that the UN community can lawfully intervene when a breach of its charter occurs in a member-State. The third action is to enforce the new democratic ethos. At the present time, relatively few governments apply some level of participatory democracy. Many practice democracy at the electoral level but they have allowed little participation from Civil Society in the daily matters of government, and many openly oppose it because the concept goes against their interests. This means that if a standard of democracy far higher than the current one is approved, most countries would fail the test initially, but they would be committing to comply with all aspects within a reasonable period of time. To enforce it, individual

timetables for meeting the standard, on a case-by-case basis, would need to be defined. To be sure, in order to have the leverage to really enforce participatory democracy, all members must agree to the risk of being expelled from the UN if they do not comply as agreed and after ample opportunity has been given. A key component in this enforcement is to make the process for compliance a swift procedure that offers ample, but reasonable, opportunity for each member to comply without allowing them to abuse the system and repeatedly get extensions through political manoeuvring. Establishing democracy is a matter of political will. Thus, either each member agrees to comply in a reasonable period of time or they would be expelled; for it would be concluded that those who are in power lack the political will. And expelling them would entail becoming complete outcasts in the UN system, including the WTO and the Bretton Woods Institutions. Situations such as the case of Mexico, which has been regarded as a democracy since the foundation of the UN, would drastically change. Under the new standard, the seventy-one year rule of the PRI would have been deemed as outright authoritarianism. And even now, when that rule has ended, the current democratic ethos would be judged sub-standard and thus, Mexico would need to commit to meet the new standard in a few years. By the same token, Cuba would not comply with any degree of democracy, and it would be offered the choice to comply or be expelled. However, the new standard would also ban the type of aggression that the U.S. has maintained on the island and would also become a reason for removal of the U.S. from the UN. The conflict in Israel and the Palestinian state, where Israel has refused to comply with the UN resolution, is another case in point. There are many conflicts in the world that violate international law and UN resolutions, and many states do not stand the lowest test of democracy; and yet, these nations continue to be regarded as fully-vested members of the international community. There is much cynicism and a great lack of commitment with democracy. In the new global society this cannot be allowed.

It is clearly evident that the need to take the world to a higher level of democracy faces many obstacles. There are extremely powerful vested interests that oppose a "democratic democracy".

But this is a universal value that is absolutely necessary if mankind wants to progress. Today, there is a clear dichotomy between the rhetoric and the political will relative to the upholding of democracy and liberty, which only unmasks the enormous hypocrisy that dominates the true culture of the governments in the international community. Given this situation, the only way to force governments to have the political will to advance democracy, both domestically and internationally, is through the pressure of Civil Society. When Global Civil Society, embodied in a myriad of civil organizations, through constant pressure forces its governmental powers to pass into national law a new framework of democracy, with the full participation of society, it would then reach a turning point in which its governments will have the political will to support participatory democracy in the international sphere at the UN. Hence, the role of Civil Society, as the most fundamental element in transforming top-down democracy into real democracy, is inextricable from the democratic process; for, if Civil Society does not have the political will to improve its lot through full democratization, nobody else will have it. Therefore, as the involvement of Civil Society in the political process continues to increase, the democratization of national governments will also increase. It will take years for some and decades for others, but I believe that Civil Societies will gradually force governments to democratize and to behave with full accountability to their individual citizens and not to the plutocratic oligarchies or the MNCs that currently hold enormous political leverage.

The fundamental argument in support of a democratic global governance is that, without due democratic process, political and economic relations will continue to benefit the most powerful countries and the small portion of people currently benefiting from neoliberal globalization. This is blatant social injustice, and it would keep the world in a growing spiral of belligerence and outright conflict. Thus, the great majority would remain the excluded mass of the destitute. In that instance, the best-case scenario would be a standoff between opposing groups of countries, which will bring to a halt any type of progress. On one side we would have the G7 nations, the rest of the First World and a select group of so-called emerging economies, most of which already belong to the select club of wealthy

nations: the OECD. On the other side we would continue to have the already-segregated countries of the Third World. Moreover, even within the selected few there will remain many millions of people with no access to the opportunities to progress. This people and the more than one hundred nations that are already excluded from the neoliberal ethos will remain outcasts.

In contrast, under a new ethos of global participatory democracy, the outcasts would be those nations that refuse to democratize and, thus, that would be expelled from the new global community. Under this scenario, I believe that the benefits of participating in a new consortium of truly democratic nations would offer such a stark contrast to the conditions prevailing among those that become members of a group of pariah nations that this contrast would prove to be a powerful incentive for the outcasts to democratize. Thus, the reluctance against true democracy, amongst nations of the developing world, seems to me a relatively minor hurdle to overcome given the incentives available.

The much more difficult situation is the reluctance of the most powerful nations to give up their privileges and to stop acting like imperialist bullies. For it is clear that the U.S. and other powerful nations have more to lose than to gain, from their perspective, with the true democratization of the global community. We live in an extremely unjust world indeed. But to have a truly democratic international community is the only way to give the entire world the opportunity to advance and to achieve social justice. Of course, to the leading nations of the world, true democracy and social justice in the world do not belong in their realm of interests. For this reason it will certainly be difficult to succeed. The U.S. and other nations may boycott even further the UN and target individual nations for strong political pressure. The leverage that the U.S. has as the main contributor to the UN and as the host to the seat of the UN's headquarters will be utilized if its privileged position is modified by virtue of democratic process. Thus, the international community needs to be prepared in the event that this is carried out. A UN without the participation of the US is not desirable and is almost unthinkable. But this is a possible scenario if the U.S. opposes the democratization of the UN. The world needs to stop the current U.S.

beggar-thy-neighbour democracy. To be sure, this will be the real test of the U.S. democratic spirit.

An optimistic scenario is that the U.S. Civil Society will demand from its government the support of a truly democratic global community. But I believe that this is highly unlikely for several reasons. The level of politicization among U.S. citizens is low relative to domestic affairs and much lower regarding international affairs. Thus, civic pressure in this direction is very unlikely. A second reason is that many U.S. citizens approve of the U.S. as the leader of the world and even of the idea of the U.S. being a sole global power that enjoys its "rightful privileges." A last reason is that evidence shows that the U.S. government seldom listens to groups of its Civil Society that mobilize to influence its behaviour relative to specific areas of concern. Many U.S. civic organizations oppose the official U.S. stance before the International Court of Justice, where the U.S. refuses to adhere to it; many others have opposed the policies of the Bretton Woods Institutions and have demanded for years a redefinition of their goals; and many more opposed the approval of NAFTA. However, in all cases the U.S. government has ignored the demands of its Civil Society. It continues to ignore, as well, the systematic demonstrations of Civil Society against Neoliberalism during the annual meetings of different international institutions or during the summits of groups of nations that gather to talk about free trade. Thus, it is unlikely that civic pressure will change the policies of the U.S. government. Still, a sustained pressure of the Global Civil Society may force many member-states to push the restructuring of the UN despite the opposition of the nations that most benefit from the present structure. And this may eventually soften the latter's position into the support of a more cooperative and democratic global community.

Indeed, as said earlier, the same pressure of Civil Society to force their governments to accept participatory democracy nationally will cause that they eventually adopt it. When this is achieved, then these same governments will advance the position of their own Civil Society on the international public arena at the UN and with every international organization where they act as member-states and where all have equal votes. Thus, this same move towards equal rights and

responsibilities under a truly democratic ethos would be applied to all other agencies of the United Nations system that function under the principle of one country-one vote. This is the case of the World Trade Organization. For decades, the rich countries had manipulated all trade relations through the GATT and have always failed to improve the terms of trade. But they cannot impose a trade system arbitrarily. So, despite the creation of the WTO to encompass trade relations in every aspect of commerce, the talks to establish a more open global market are stalled. The background in the complete failure of the WTO's Seattle Round, due to the refusal of many Third World nations to accept the attempt of the G7 nations to carry out trade agreements in a concealed way, goes well beyond this sole incident and the demonstrations in the streets of Seattle of the international Civil Society that disrupted the gathering. In this summit, the traditional imbalance in the terms-of-trade between developing and developed nations reached its historical limits; and many of the former united to derail the conference, since they are now tired of the domineering attitude of the rich nations and of their so many failed promises to improve the terms-of-trade. Despite the neo-capitalist assault of the last twenty years, global trade relations that began at the end of WWII have not progressed nearly to the state where the rich countries would like them to be. Thus, the trade agenda is moving slowly of late, because there are no formal privileges where the rich countries can impose the rules.

Neutralizing the BWIs Neoliberal Financial Architecture

In the case of the Bretton Woods Institutions, where the current framework is not based on a democratic process of one country-one vote but on a corporate board system of one dollar - one vote, the prospects for reforming the BWIs in their management and process are currently very low. As I have explained, despite the fact that they are legally part of the UN system, they remain firmly under the control of the G7 nations. Thus, I believe that the prospects for democratizing them are slim, for the G7 firmly opposes this initiative. During much of the 1990s, civil societies worldwide grew highly critical of the BWIs' roles and actions. Beyond the strident criticism of the streets' demonstrations, for many years many non-governmental organizations have devoted

ample resources to their study and monitoring and to the advocacy for the full revamping of these institutions. As part of this effort, the NGOs have established a dialogue with the BWIs, they have held conferences to talk about their roles and objectives and they have called for a new international financial architecture.

Nonetheless, there have been no results of substance whatsoever. The World Bank has considerably changed positions at the rhetorical level, but none of the structures at its core have really changed. Despite the fact that there is a much greater acknowledgement of the widening gap between rich and poor within a country and within rich and poor nations, nothing has really changed. For both the World Bank and the IMF continue to press for market liberalization in every sense of the word. They keep talking about monetary discipline, efficient fiscal management and financial stability. But their prescriptions remain firmly entrenched in a scope conceived to benefit the international financial groups and the MNCs. There is much talk about building human capital by providing education, training and health, but there is no talk whatsoever about the need to eliminate the structures of exploitation that maintain the oligarchies and the blessed few of the global economy taking the greater part of the surplus of the economic activity. There is much talk about programs aimed at poverty reduction, but none aimed at uprooting the problem and at conditioning lending to the development of national policies of wealth redistribution, instead of concentrating wealth in the hands of an increasingly smaller portion of the population. And there is, of course, no talk of the fact that the existing political and economic structures are the direct culprits for the lack of access by billions of people to the so-called "opportunities" of the new global community. What abounds in this community are vast quantities of hypocrisy and cynicism, for there is no congruence between their actions and their most progressive rhetoric.

There are even allegations that the BWIs have neutralized the efforts of the NGOs that the BWIs had established a dialogue with. Scholar Nicolas Guilhot of the European University Institute in Florence, Italy, explains that, as NGOs specialized, those working on development had to hire professionals like some of the institutions

to which they might have been opposed. This not only tempered their critical discourse but also facilitated a de-politicisation that was already well under way.²⁷ Guilhot explains that, since the 1980s, the World Bank took full advantage of this situation. Thus, instead of paying rhetorical recognition to the NGOs' demands, the Bank involved many NGOs in its programs because it understood that their professionalism could be manipulated to serve its own intentions. As a consequence, the World Bank increased the funds to be managed by NGOs, which received generous commissions in the process. In this way, Guilhot explains, the proportion of World Bank projects with NGO participation increased from 5% to 47% between 1988 and 1997. This has caused permeability between NGOs and multilateral institutions, to the point that NGOs may be perceived as an extension of the World Bank, as their consultants, or as a springboard for young professionals to the network of official international organizations. As such, the neoliberal initiatives of the bank get sanitized and gain legitimacy by being perceived as democratized. In this way, by sprinkling a bit of cosmetic democratization in terms of ecology, gender or Civil Society on development of the projects, they do not have to alter their true neoliberal nature, and nothing comes into question.²⁸ Guilhot further asserts that a concept of "good governance" was developed by the bank as a template for development policy in the 1990s, to convey the idea of an alliance with Civil Society, by stressing citizen "participation", institutional "transparency", respect for "the rule of law" and the flourishing of "Civil Society". Nonetheless, the Banks' idea of "good governance" represented the extension of structural adjustments to the developing countries' political systems. Thus, by advocating good governance, the Banks changed its motto and strategy for imposing structural adjustment from "get the prices right", to "get the politics right" before structural adjustment can succeed. This is cynicism at its best. Of course, many NGOs never mingled in the projects of the World Bank and continued to pressure the bank to change its policies and structure. But the crude reality is that the BWIs respond only to the G7 governments. As such, in their praxis, the BWIs continue demanding that countries adhere to the straight jacket of the Washington Consensus: the neoliberal globalization.

The direct control of the BWIs by the G7 governments nonetheless, there is definite hope that the current ethos will change; that is, if participatory democracy is established. If real democracy is achieved, Global Civil Society may still not be able to force the construction of a new financial architecture at the BWIs in the foreseeable future. But there is another alternative. This is to force their governments to reject the current architecture the same way that they can make their governments' vote in one direction or another at the UN. In this latter case, once participatory democracy has been established, national civil societies can make their national governments vote in favour of or against a UN resolution. In the case of the BWIs, where most countries have little say in their policies and behaviour, civil societies can force their governments to reject conditions, partially or all together, that the BWIs pretend to impose. In a truly democratic society, this is of critical importance. The implications of the financial arrangements that governments make with the BWIs are so pervasive, that Civil Society may decide to subject every intended agreement to a referendum. For instance, each agreement may need to be passed by Congress and then presented as an initiative to Civil Society to receive final approval through a referendum. In this way, national civil societies can force their governments to be fully accountable to them and not to the leading powers that manipulate them through the BWIs. Obviously, I am not talking of individual stances. Certainly, the unilateral move of one country would isolate it from the international community. But the consorted effort of many, because a Global Civil Society is working co-ordinately, is a very different situation. This is quite different indeed from the cartels of the past, where many countries tried to work together to protect their commercial interests, at the GATT rounds or other forums, and failed due to their political differences. In this case, it would be Civil Society and not the politicians, with their personal vested interests, who would be determining the countries' positions. To reject the measures of the BWIs is a perfectly legitimate sovereign act when it directly emanates from the exercise of democratic participation. Moreover, because the BWIs are not democratic institutions, the decision to accept or reject bears no commitments from the part of the nations involved. Unlike with the UN, with

the BWIs there are no resolutions that the member-states need to adhere to if they are passed by majority vote of the members. With the BWIs, there are only one-on-one negotiations between lender and borrower. Thus, just like in a corporate board meeting, under participatory democracy with the BWIs, each partner-State decides what is in the best interest of its nation, because it is backed by a truly democratic consensus from its Civil Society. To be sure, much social involvement and mobilization is required, but this is a realistic scenario given the growing involvement of the citizenry in matters of civic duty in the public arena.

Global Civil Society Taking Control

The role that Civil Society must play, relative to the UN and other international organizations, is the same role to be played at the national level. The same way that legitimacy emanates from Civil Society to the traditional governmental powers of democratic systems, it should operate at the international level with international political, financial and social organizations. No supranational institutions should take decisions that affect millions of individual citizens of the global community without direct participation by them. As in the national arena, the Global Civil Society should set the agenda of the public matter. In participatory democracies, legitimate national governments would be responsible for bringing to the national public arena the issues that are being discussed globally and have their civil societies take a position through democratic consensus. Likewise, civil societies will generate their own issues and have their national governments advance these initiatives internationally. In this way, individual member-states will take positions and will try to advance initiatives to the international public arena that are of concern to their nation in particular. But in a global participatory public arena, the same process will occur with all members, which then will be taken to the international forums in order to achieve global consensus. This is what a true participatory democratic process is all about.

On this issue, many governments have criticized the growing involvement of foreign citizens in problems that are considered strictly of national concern and have alleged the violation of national sovereignty. However, it is almost impossible for national governments to question

the activism of foreign citizens in the public denunciation of the violation of basic human rights, or the lack of democracy, or the systematic exploitation of people, when these governments are in power through corrupt means and lack the support of most of their citizens. Their only social base is the tiny oligarchic class that benefits from the lack of democracy. Thus, governments can no longer allege sovereignty when they completely lack the moral capital to reject foreign opinion, and when it is evident that they also lack the political will to make justice because they are the main perpetrators of the situation of injustice. Furthermore, ideas such as democracy, freedom and social justice are now concepts that have become almost universal values and are inherent to the concept of the post-modern state of the Twenty-First Century. Indeed, the aspiration of the common citizen in the new century is to achieve real democracy in order to achieve social justice. Thus, with the globalization of the economic system and the corruption of democratic practice, the problems that are generated by the obstruction of real democracy are now perceived as part of a global problem. To be sure, the neo-capitalist assault designed to globalize the markets has also globalised the perception of the problems and the ideas about the various practical alternatives to stop it. This result, perhaps initially not adverted by the perpetrators of globalization, has helped to unite national civil societies into one global movement of concerned and active civilians who are now giving form to a Global Civil Society. Thus, governments will no longer be able to allege that their national public matter is strictly a national matter. For now it is a fragment of the same ethos generated by the global interaction of all countries under the current structures of global neoliberal Capitalism.

The Path to Social Justice is Wealth Redistribution

Parting from the assumption that social pressure will gradually attain participatory democracy, in both the so-called mature and the fledgling democracies, the goals of social justice and environmental sustainability can then have a realistic opportunity to be achieved. I need to stress that the achievement of equilibrium between social and market prerogatives will dramatically increase the protection of the environment and ensure the sustainability of the

capitalist system. And I must insist that the absolute priority is to achieve wealth redistribution through the protection or improvement of the labour endowments in the First World and through their dramatic increase in the developing world. The application of programs to mitigate poverty is not only a minuscule action, it is an immoral solution if this is what governments and multilateral agencies expect to be their only showing of social responsibility. For mitigating poverty implies that there is no political will to end the current unjust order. The mitigation of poverty is really nothing more than charity, glorified by wrapping up into economic jargon and presenting it as a strategic element to provide subsistence aid to those who are suffering extreme poverty. To be sure, the array of programs that are developed, either nationally or multilaterally, to reduce poverty are necessary and important as long as they are a temporary measure required to mitigate suffering while, concurrently, the structures of exploitation are replaced by an equitable structure of wealth redistribution.

In order to construct an equitable way, it is absolutely necessary that the comparative advantages that MNCs enjoy in labour costs be balanced with comparative gains in social justice. That is, the gains in margins or profitability must be lower. The share of the surplus of the economic activity must be reduced for the owners of capital and increased for labour. In the First World, wages and benefits must be protected and no further erosion should be admitted. In the Third World, wages must be dramatically increased and put at par with those of the First World, albeit through a reasonably gradualist approach through the next decades. To be sure, this is anathema for the owners of capital and, to them, represents a far-fetched idea. However, besides the fact that there are strong rational and moral arguments, there are realistic practical ways in which global civil societies can flex strong leverage to force a gradual process of change.

First, the policy of conditionality in lending, currently requiring the opening of the markets, used by the IMF, the World Bank and regional development financial institutions, must be changed to a conditionality based on the rule of democratic institutions, social development and poverty eradication. The only decisive solution

for sustainable development is wealth redistribution. But we cannot begin to advance in wealth redistribution without securing a democratic environment. That is why, in order to build an equitable way globally, it is extremely important to force the economic powers and their multilateral financial institutions to promote both true democracy and social justice among all their member-states. Civil Societies, through truly democratic governments, can force these institutions to limit membership and borrowing to the prevalence of true democracy and social justice among its members. In this way, substantial gains in social justice and, thus, wealth redistribution can be achieved globally. However, if these institutions still refuse to have the political will to promote democracy and social justice, the national civil societies can then force their truly democratic governments to reject their policies for lending and even to cancel their membership if these societies so decide.

Second, relative to the labour endowments, the gap between the wages that MNCs pay in the First World and in the Third World is so enormous, that raising wages several times will still provide MNCs with a far cheaper cost of labour, in the initial stage, in developing countries than in developed ones. With this objective in mind, Global Civil Society must develop concrete strategies aimed at alluring MNCs to become socially responsible in terms of paying far fairer wages in the Third World and offering working conditions that parallel those offered to their First World workers. In order to create wealth redistribution and build an equitable capitalist paradigm, five concrete objectives must be achieved with the private sector and multilateral financial institutions. [A specific strategy of a program that can be implemented by the Global Civil Society to force wealth redistribution through the MNCs is discussed in the last essay.]

- To achieve wealth redistribution in Third World countries by committing multinational corporations to substantially increase wages and employee benefits and to improve working conditions in all of their operations in these countries.
- to achieve wealth redistribution in Third World countries by committing all MNCs' suppliers of raw materials, intermediate and finished goods, in host countries, to the same objectives;

- to influence multilateral financial institutions to effectively condition lending, among developing countries, to the reign of true democracy and to the support of labour organizations in their pursuit of social justice, through the demand of higher wages as well as of adequate employee benefits and improved working conditions offered by MNCs;
- to influence the UN and the WTO to effectively condition membership, among developed nations, to the reign of true democracy and the support of labour organizations in their pursuit of social justice, in order to stop the erosion of their labour endowments;
- to make a substantial contribution to sustainable and democratic development by achieving the gradual closing of the gap in wages, benefits and working conditions, over a reasonable number of years, between developed and developing countries through the MNCs' acceptance of their social responsibilities.

These objectives are absolutely possible to attain if the MNCs are forced to relinquish the portion of the surplus of the economic activity that should have gone to the labour endowments in the first place, and that they keep as part of their profit margins. Allegations by MNCs that they pay higher salaries than domestic companies in the Third World are not acceptable. MNCs must pay the same wages everywhere as long as the product is sold at generally the same price globally. Their components of profit and loss must be equalized across their world operations instead of using the Third World to boost their consolidated financial performance at the expense of workers.

The main argument for wealth redistribution is that the gap in compensation between most developing countries and the First World is so dramatic that there is enough room for MNCs to pay substantially higher salaries, in the short-term, and still obtain extremely attractive savings in labour costs. If a corporation is paying on the average \$18/hour in the U.S. and \$1 in their plants in developing countries, why can't they pay \$5 or \$6/hour and still have a third of the cost they pay in their domestic operations? Inflation would not be triggered because prices would not be raised. The objective is to transfer the legitimate share of the surplus to the labour

endowments and reduce the MNCs' share. Namely, by increasing salaries and not raising prices, profit margins are reduced and inflation is not fed. That is, for reasons strictly of social responsibility and to stop exploitation, MNCs must reduce their profit margin in order to pay higher wages. In a nutshell, to increase the welfare of workers in Third World countries, the current bar for fair compensation has to be substantially raised. Companies pay diametrically different salaries for the exact same task and same quality to a worker in an emerging market than in developed countries. Thus, through these actions, MNCs heavily influence the distribution of wealth and influence the levels of supply and demand by dictating how they compensate their workers. The fact of the matter is that open markets do not operate in a vacuum isolated from the rest of the social forces because there are political and social reasons that affect the supply and demand for labour. The degree of democracy and the strength of the rule of law are the major determinants. And, thus, it is only in the periphery with mock democracies ruled by exploitative oligarchic elites where corporations have the leverage to depress the cost of labour to its maximum level, and in effect subsidize the much higher costs paid for the workers they elect to maintain employed in developed markets. Thus, the market cannot be the sole distributor of wealth, for the criteria to define the factor endowments is designed to concentrate wealth with the owners of capital by keeping for them most of the share of the surplus that corresponds to labour in the first place, especially in the Third World.

To be sure, several hurdles exist. At the present time, corporations measure their level of success based strictly on the price of the stock. Management objectives, nowadays, are designed to boost the price of the stock in financial markets. Top managers are compensated in direct relationship with the price of the stock, in contrast to previous times where sales growth and profit ratios were the key indicators. Corporate culture has dramatically changed. Laying-off employees has become a measure of first recourse, primarily to boost the price of the stock, because for many companies downsizing has become a strategy in good as well as bad times. In this way, top managers typically take the easiest way to cut costs by laying off people, as a result of pressure

from the shareholders.²⁹ Other obstacles are more ingrained in business culture, such as a traditional refusal of business to acknowledge its part of responsibility in the welfare of society. There is a big dichotomy in this. Business culture refuses to take a role on this issue. Corporations say that this is the government's role, but, increasingly, they want to dismantle the government and reduce it to the minimum in line with neoliberal thinking. Moreover, when it comes to being socially responsible outside their home market, their opposition often becomes extreme, exposing a completely predatory culture. But Civil Society can have the leverage to break this culture and gradually change the current ethos, as I will further explain.

A Realistic Endeavour

This may seem like Utopia to some readers, but there is much evidence showing that Global Civil Society is increasingly successful in changing the path that the world is following. In addition to the gradual change in the rhetoric of the BWIs and other institutions as well as in the case of important bureaucrats in the U.S. and the European Union, there is increasing acknowledgement from mainstream press that a reversal of fortunes for Neoliberalism, due to social mobilization, is realistic. The opinions of three well-known conservative periodicals, as reported in Le Monde Diplomatique, illustrate the increasing influence of civic opposition. The Financial Times argues that anti-business populism will pay political dividends as long as Neoliberalism and social demands are in conflict. Business Week feels that companies are bound to lose their market position in countries weak to social demands unless they are willing to share the cost, because activists will otherwise set the rules for them. And The Economist agrees that activists are right in denouncing the exploitation of the Third World and in claiming that Neoliberalism can be turned back; and the support that they are gathering –because their arguments are true– is what makes them terribly dangerous.³⁰ Another sector where a reconsideration of the current economic ethos is occurring and the arguments that civil societies have voiced are being acknowledged and addressed, in a new rethinking of the capitalist economic system, is the academic arena. Well-known scholars and economists who do their work at the heart of the capitalist establishment,

such as Jeffrey Sachs from Harvard and Joseph Stiglitz, the former chief economist of the World Bank, have openly criticized the current economic ideology and have urged governments to look for new ways. Sachs has called for a rethinking of globalization and of the use of aid and for the need to connect the marginalized regions, and he asserts that the shortcomings of the current strategy of globalization are painfully evident.³¹ This acknowledgement from mainstream media and mainstream economists is of critical importance, because it provides much credibility to the activism of Civil Society. Thus, among conformist, resigned, sceptic or pessimistic citizens, the opposition to Neoliberalism will sound increasingly as a very reasonable, just and realistic view and not as an extreme view. On that issue Bernard Cassen, director of the leading anti-globalization French NGO: Attac, raises an important argument. He ponders that the central element in the increasing influence of the social movement is that the same top-down method used by Neoliberalism to impose its paradigm in the capitalist world is the method successfully used by Civil Society. That is, in the same way in which Neoliberalism has been imposed by taking it from the international to the national sphere, through the instruments of the Washington Consensus and of other institutions, Civil Society is raising the issues internationally and then transferring them to the national arena. The difference is that the Global Civil Society, with the participation of many people from both developed and developing nations, is generating through consensus the pressing issues that it wants to take to the international public arena. All of these issues affect civil societies at the national level, but, through consensus, all are being formulated on a global context. Cassen asserts that, under Neoliberalism, people have been summoned to accept top-down policies designed by technical institutions that supposedly are apolitical and that have deemed their policies as the only way, while governments directly involved in their formulation applied these top-down policies by blaming the BWI's or the European Union for their enforcement. But this same top-down strategy is being used by Civil Society to oppose globalization and take the top-down route from the international to the national level, and apply it with great success.³² Nonetheless, although the postulates of the anti-globalization movement do

go from the international to the national arena, they are born in grass roots movements. Only after global pollination, the issues considered to have global or regional pertinence are selected by consensus. They are refined in their articulation and are advanced to the international public arena, to then flow back to each individual nation in a more articulated and comprehensive conception. In the case of democracies in their infancy, the global social movement has been taking a more active role in the transfer of the global issues to the national level and in the mobilization of the local civil societies.

As a consequence, the mobilization of concerned civilians is growing exponentially on a global basis, and a coherent structure of Civil Society –the concerned and active citizenry– is being built. Moreover, because the idea of Civil Society is anchored on the idea of democracy, there is no formal authority. The global social movement begins with the identification of social problems, their study and coherent articulation and the search for solutions. In this way, millions of people are getting involved, in a free act of choice, in the public matter that is of most concern to them personally. Certainly, the problems of economic Neoliberalism are an important part of the public matter, but the achievement of real democracy is the most pressing issue; for this is the central element *sine qua non* most other problems cannot be solved. Of course, in a global movement there are many levels and styles of activism. Nonetheless, the global social movement of concerned civilians is a coherent movement because its goals are the result of a rationalized concern; but it is a loose movement with no binding regulations. These are the Non-Governmental Organizations that are beginning to provide the balance between the private matter and the public matter. The social movement has grown so much that it now handles billions of dollars in a myriad of programs that fall in the realm of the civil matter. In this way, according to the World Bank, NGOs channel from \$5 to \$10 billion annually just in aid programs against poverty, either in subsidies to their activities or in contracts to implement donor activities,³³ and Third World NGOs now handle budgets of \$1.2 billion annually.³⁴ This very visible path that the global social movement is taking confirms the validity of the argument that Civil Society is the engine of change and the only

political actor capable of curbing the powers at the centres of economic power. It also confirms that Civil Society is the only force capable of establishing a balancing act that allows the development of an equitable alternative of global development under Capitalism.

The most transcendental event so far in social activism is the foundation of the so-called World Social Forum, which held its first summit in Porto Alegre, Brazil in early 2001 at the same time that the powerful were holding their annual meeting in Davos, Switzerland. The hosts of the first forum were the governor of the state of Rio Grande do Sul and the mayor of Porto Alegre. One of the organizers of the forum, Bernard Cassen, said that in contrast with Davos, which acts as the seat of the central committee of Neoliberalism, where MNCs, financiers and politicians decide the future of the world, Porto Alegre intends to become its counterpoint as a permanent forum where Civil Society discusses its proposals to put the economy at the service of people.³⁵ Thus, the global social movement is by no means a peripheral movement on the fringes of Capitalism. It is a mainstream grass roots movement at the core of the social fabric of nations with a capitalist system, where concerned citizens, from all walks of life, are increasingly getting involved.

The goal of the World Social Forum states that the *Social forces from around the world have gathered here at the World Social Forum in Porto Alegre. Unions and NGOs, movements and organizations, intellectuals and artists, together we are building a great alliance to create a new society, different from the dominant logic wherein the free-market and money are considered the only measure of worth. Davos represents the concentration of wealth, the globalization of poverty and the destruction of our earth. Porto Alegre represents the hope that a new world is possible, where human beings and nature are the centre of our concern.* The document adds that *the forum is fighting against the hegemony of finance, the destruction of our cultures, the monopolization of knowledge, mass media, and communication, the degradation of nature, and the destruction of the quality of life by multinational corporations and anti-democratic policies. Participative democratic experiences show us that a concrete alternative is possible.*

*We reaffirm the supremacy of human, ecological and social rights over the demands of finance and investors. And the forum identifies its participants as Global Civil Society: women and men, farmers, workers, unemployed, professionals, students, blacks and indigenous peoples, coming from the South and the North, committed to struggle for peoples' rights, freedom, security, employment and education.*³⁶ Because I believe the forum provides a comprehensive vision of the initiatives of the new Global Civil Society, below is an abbreviated version of its charter of principles:

1. The Forum is a place for reflective and democratic thinking by groups and movements of Civil Society opposing Neoliberalism to build a planetary society centred on human capital.

2. The Forum is a permanent process of seeking and building alternatives, which cannot be reduced to the events supporting it.

3. The World Social Forum is a world process. All the meetings that are held as part of this process have an international dimension.

4. In opposition to capitalist globalization commanded by MNCs, governments and institutions at their service, the alternative is to ensure that globalization in solidarity will prevail as a new stage in world history. This will respect universal human rights, the environment and will rest on democratic international systems and institutions at the service of social justice, equality and the sovereignty of peoples.

5. The Forum brings together and interlinks only organizations and movements of Civil Society from all the world, but intends neither to be a body representing world Civil Society nor to exclude from the debates it promotes those in positions of political responsibility, mandated by their peoples, who decide to enter into the commitments resulting from those debates.

6. The meetings do not deliberate on behalf of the World Social Forum as a body. No one, therefore, will be authorized, on behalf of any of the editions of the Forum, to express positions claiming to be those of all its participants nor the participants in the Forum shall be called on to take decisions or positions as a body.

7. Participants in the Forum's meetings must be assured the right, during such meetings, to deliberate on declarations or actions they may decide on, whether singly or in coordination with other participants, and that such decisions will be circulated without restriction.

8. The Forum is a plural, diversified, non-confessional, non-governmental and non-party context, acting in a decentralized fashion. It does not constitute a locus of power to be disputed, nor does it intend to constitute the only option for interrelation and action.

9. The Forum asserts democracy as the avenue to resolving society's problems politically.

10. The Forum opposes all totalitarian and reductionist views of history and the use of violence as a means of social control by the State. It upholds respect for Human Rights, for peaceful relations, in equality and solidarity, among people, races, genders and peoples, and condemns all forms of domination and all subjection of one person by another.

11. The meetings of the World Social Forum are always open to all those who wish to take part in them, except organizations that seek to take people's lives as a method of political action.

12. The Forum is a movement of ideas that prompts reflection, and the maximum possible transparent circulation of the results of that reflection, on the mechanisms and instruments of domination by capital, on means and actions to resist and overcome that domination, and on the alternatives that can be proposed to solve the problems of exclusion and inequality that the process of capitalist globalization currently prevalent is creating or aggravating locally and globally.

13. As a framework for the exchange of experiences, the World Social Forum encourages understanding and mutual recognition among its participant organizations and movements and places special value on all that society is building to centre economic activity and political action on meeting the needs of people and respecting nature.

14. The Forum seeks to strengthen and create new national and international links among

organizations and movements of Civil Society, that – in both public and private life – will increase the capacity for social resistance to the process of dehumanization the world is undergoing and reinforce the humanizing measures being taken by the action of these movements and organizations.

15. The Forum is a process that encourages its participant organizations and movements to situate their actions as issues of planetary citizenship, and to introduce onto the global agenda the change-inducing practices that they are experimenting in building a new world.³⁷

Today, the World Social Forum and many other grass roots movements have been able to make the concept of a Global Civil Society a reality with true global dimension. The fact that the seat of the World Social Forum is in a developing nation attests to the tremendous growth of social activism in the South. There is now a large network of northern and southern civil organizations covering the entire spectrum of social issues in the planet. Of course, there is the growing danger that governments, multilateral organizations and even private corporations, co-opt them to work in mock alliance without really changing the structures that have made today's globalization a system of exclusion. But many civil movements maintain full independence and focus on the dismantling of the structures of oppression and the achievement of true democracy and social justice.

Naturally, as the global social movement increases its leverage in public opinion, it will also encounter mounting criticism from those who see their interests threatened. Two interesting questions are raised by The Economist magazine. The magazine reckons that the increasing clout of NGOs, respectable and not so respectable, raises the question of who elected Oxfam, or, for that matter, the League for a Revolutionary Communist International? And argues that although entities like these obtain admissions of fault from law-abiding corporations and changes in policy from democratically-elected governments, and although both sides may claim to be acting in the interests of the people, unlike governments, that are accountable to the people, who holds the activists accountable?³⁸ First, the title of the article, "Anti-Capitalist Protests" is

either ignorant about what is really occurring with Global Civil Society or, more likely, it lacks objectivity and it is written with the intention to discredit Global Civil Society regardless of the facts. For most NGOs and other activists in the global social movement do not oppose Capitalism or globalization per se. They believe that, in the new millennium, it would be foolish for countries to isolate themselves from interacting and exchanging goods and services and even benefiting from scientific knowledge developed for the sustaining of the human species and the planet at large. What it is opposed to is the unfair present system of exclusion that Neoliberalism imposes on people, and this, specifically, has been so successfully publicized in mass media that it is at the very least surprising that it is ignored in this critique. To be sure, the term Neoliberalism is now a term recognized by many millions of people as untrammelled free marketeering, thanks to the protests around the world. The magazine does acknowledge that many activists recognize that street protests are only a convenient tactic in a large war. Indeed, winning public opinion is central to the struggle. Nonetheless, while it may be true, as The Economist claims, that many street protesters know little about the organizations they are attacking, it is wrong to put in one "rag-bag," as the article calls it, all the organizations or to focus only in the protests. Certainly, there are groups with extreme views, but the mere fact that Neoliberal globalization has triggered such an enormous social movement that opposes it, reflects the great concern and the awareness of people about the great damage that extreme Capitalism has already inflicted on billions of people across the world, and the immediate danger that it poses to human sustainability. Furthermore, beyond the street protests, at the level of the day-to-day activities of the social movement, the organizations that devote themselves to change the current ethos in a systematic and rational way, are organized and have cohesion with the network of organizations that share the same general ideal. Working together is precisely how they have articulated concrete and achievable objectives. Indeed, in his critique the Economist writer mentions that the social movement has already attained major achievements and has changed concrete things such as the scuttling of the MAI at the OECD and the dislodging of the WTO Trade Round.

As to the questioning about the legitimacy and accountability of the social movement, the main purpose of Civil Society is to create governments that work exclusively for the common good and that accept their responsibility to account for their deeds before Civil Society only, and not before private interests. Civil Society has really no deeds to account for, because it is not in power and it does not seek formal power; but it intends to take democracy to its full dimension and make the people be the one, of the three players, that determines the public agenda. The activities of the social movement are aimed at influencing public opinion and at curbing the behaviour of governments and the private sector by flexing their own powers to demand accountability from their elected governments and obtain it. Civil Society has the inherent prerogative and the power to demand that governments work exclusively for the welfare of the entire citizenry. This is what constitutes the democratic mandate of public servants to work for the common good, for to work for the benefit of private interests is an act of bad governance that excludes the majority of individuals in favour of a few. The democratic mandate is to work to create a balanced economic ethos where the public good provides equitable access to everyone to fulfil its individual interests without harm to others. The intrinsic nature of good governance is to create the conditions to develop an equitable economic ethos. This is the governments' sole responsibility and civil societies must always have the right to demand it. Civil activist, as individuals, and civil organizations are certainly obliged to obey the law as anyone else, but it is their inextricable prerogative to denunciate the misdeeds of governments and private actors. Moreover, the objectives of the social movement are generated by democratic consensus, from the bottom up, and no one is forced to adopt them. Everyone is free to participate to any degree or to disagree and oppose it. Civil Society is a dynamic force and can adopt many forms in an instant as the events unfold and trigger a social reaction. As mentioned earlier, Civil Society represents the public interest but it does not claim to monopolize the ideas nor does it claim to represent the citizenry as a whole. It is a completely free movement. If a portion of the citizenry disagrees with a position taken by another portion, it can certainly organize to

oppose it and win the public opinion. To be sure, so far no social movement has emerged to oppose those who denounce Neoliberalism, but it is certainly a valid possibility. This loose and amorphous identity is what irritates and concerns the supporters of the *status quo*, for there is no well-defined target that can be isolated and controlled. Civil Society is the people that have a social conscious and decide to take control of their future and consider their civic duty to get involved and stop, through public awareness about all issues that belong to the public matter, those who are in power and think they own the world.

a Alvaro J. de Regil is Executive Director of The Jus Semper Global Alliance

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