Globalisation, Market Civilisation, and Disciplinary Neoliberalism

Stephen Gill

The present world order involves a more 'liberalised' and commodified set of historical structures, driven by the restructuring of capital and a political shift to the right. This process involves the spatial expansion and social deepening of economic liberal definitions of social purpose and possessively individualist patterns of action and politics.[1] Current transformations can be related to Braudel's concept of '*longue durée*', insofar as the structure and language of social relations is now more conditioned by the long-term commodity logic of capital. Capitalist norms and practices pervade the *gestes répétés* of everyday life in a more systematic way than in the era of welfare-nationalism and state capitalism (from the 1930s to the 1960s), so that it may be apposite to speak of the emergence of what I call a 'market civilisation'. In this article, I will sketch some fundamental aspects of neoliberal market civilisation, and show how they constitute a temporary politics of supremacy in the emerging world order.

By market civilisation, I mean a contradictory movement or set of transformative practices. The concept entails, on the one hand, cultural, ideological, and mythic forms understood broadly as an ideology or myth of capitalist progress. These representations are associated with the cumulative aspects of market integration and the increasingly expansive structures of accumulation, legitimation, consumption, and work. They are largely configured by the power of transnational capital. On the other hand, market civilisation involves patterns of social disintegration and exclusionary and hierarchical patterns of social relations. Indeed, whilst the concept of the *longue durée* suggests the lineage and depth of market practices, it can be argued that a disturbing feature of market civilisation is that it tends to generate a perspective on the world that is ahistorical, economistic, materialistic, 'me-oriented', short-termist, and ecologically myopic. Although the governance of this market civilisation is framed by the discourse of globalising neoliberalism and expressed through the interaction of free enterprise and the state, its coordination is achieved through a combination of market discipline and the direct application of political power. In this sense, there has been a 'globalisation of liberalism',

I would like to thank Randy Persaud for valuable comments on a first draft of this essay, and the Canadian SSHRC for research support.

1. Stephen Gill, 'Political Economy and Structural Change: Globalizing Elites in the Emerging World Order', in Yoshikazu Sakamoto (ed.), *Global Transformation: Challenges to the State System* (Tokyo: United Nations University Press, 1994), pp. 169-99.

© Millennium: Journal of International Studies, 1995. ISSN 0305-8298. Vol. 24, No. 3, pp. 399-423

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

involving the emergence of market civilisation: neoliberal globalisation is the latest phase in a process that originated before the dawning of the Enlightenment in Europe, and accelerated in the nineteenth century with the onset of industrial capitalism and the consolidation of the integral nation-state.[2]

The purpose of this essay is to probe aspects of this situation which, following Antonio Gramsci, we call one of 'organic crisis'. This crisis involves a restructuring of prevailing ideas, institutions, and material capacities that constitute historical structures of world order. 'In every country the process is different, although the content is the same. And the content is the crisis of the ruling class's hegemony.... A "crisis of authority" is spoken of...this is precisely...a general crisis of the state'.[3] When we introduce the issues of power and justice into our examination of neoliberal forms of globalisation, what is emerging is a politics of supremacy, rather than a politics of justice or hegemony. For example, a situation of bourgeois hegemony implies the construction of an historical bloc that transcends social classes and channels their direction into an active and largely legitimate system of rule. This implies a fusion of economic, political, and cultural elements of society (state and civil society) into a political alliance or coalition that combines coercion and consent. That is, the creation of such a bloc presupposes opposition and a means for incorporating or defeating it in a process of struggle. Whilst there is no compromise by the leading class fraction on the fundamentals of the mode of production, there is nevertheless an inclusion, politically, of a significant range of interests. Subordinate classes thus carry weight within the formulation of state policy. By a situation of supremacy, I mean rule by a non-hegemonic bloc of forces that exercises dominance for a period over apparently fragmented populations, until a coherent form of opposition emerges.

In the present era, this supremacist bloc can be conceptualised as commensurate with the emergence of a market-based transnational free enterprise system, which is dependent for its conditions of existence on a range of state-civil society complexes. It is both 'outside' and 'inside' the state: it forms part of the 'local' political structures as well as serving to constitute a 'global' political and civil society. Thus, in my sketch of the power structures of contemporary global politics, with significant local variations, a transnational historical bloc is outlined, with its nucleus largely comprising elements of the G-7 state apparatuses and transnational capital (in manufacturing, finance, and services), and associated privileged workers and smaller firms (*e.g.*, small and middle-sized businesses linked as contractors or suppliers, import-export

2. Fernand Braudel, *Civilisation and Capitalism, 15th-18th Centuries, Volume I: The Structures of Everyday Life: The Limits of the Possible*, trans. S. Reynolds (New York, NY: Harper and Row, 1981). Whether this process is associated with a condition of becoming or being civilised is for the reader to decide.

3. Antonio Gramsci, *Selections from the Prison Notebooks of Antonio Gramsci*, ed. and trans. Q. Hoare and G. Nowell Smith (New York, NY: International Publishers, 1971), p. 210.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

businesses, and service companies, such as stockbrokers, accountants, consultancies, lobbyists, educational entrepreneurs, architects, and designers).[4]

One vehicle for the emergence of this situation has been policies that tend to subject the majority to market forces whilst preserving social protection for the strong (*e.g.*, highly skilled workers, corporate capital, or those with inherited wealth). These policies are cast within a neoliberal discourse of governance that stresses the efficiency, welfare, and freedom of the market, and self-actualisation through the process of consumption. However, the effects of these policies are hierarchical and contradictory, so that it is also possible to say that the neoliberal turn can itself be interpreted as partly a manifestation of a crisis of governmental authority and credibility, indeed of governability, within and across a range of societies. It represents what Gramsci called 'a rift between popular masses and ruling ideologies' expressed in widespread 'scepticism with regard to all theories and general formulae...and to a form of politics which is not simply realistic in fact...but which is cynical in its immediate manifestation'.[5]

Indeed, partly because aspects of this political-civilisational pattern provoke resistance and political counter-movements, many associated political forms are 'illiberal', authoritarian, and anti-democratic in nature. Here, prevailing class forces of transnational capital seek to stabilise their dominance in a global situation that approximates 'passive revolution'. Passive revolution refers politically to a situation characterised by 'dominance without leadership', or 'dictatorship without hegemony'.[6] Where necessary, this may entail limited formal democratisation, in a strategy that involves either *transformism* (the 'formation of an ever-more extensive ruling class' through incorporation and absorption of rival elites, often leading to their 'annihilation or decapitation', *e.g.*, Salinas' Mexico), or *Caesarism* (*e.g.*, 'where the forces in conflict balance each other in a catastrophic manner' so that a dictatorial tendency prevails, perhaps as in Yeltsin's Russia).[7]

Thus, the statement that we are in a situation of organic crisis suggests that, whilst there has been a growth in the structural power of capital, its contradictory consequences mean that neoliberalism has failed to gain more than temporary

---

4. For an elaboration of this historical bloc, see Stephen Gill and David Law, 'Global Hegemony and the Structural Power of Capital', *International Studies Quarterly* (Vol. 36, No. 4, 1989), pp. 475-99.

5. Gramsci, *op. cit.*, in note 3, p. 276.

6. *Ibid.*, pp. 105-106, 120, and 114. A situation of passive revolution either involves stalemate between opposed blocs of forces, or occurs when bourgeois class forces have not sufficiently developed or advanced politically for their leadership to take a legitimate, consensual, and hegemonic form. Thus, the power of the state and authoritarian politics prevail in the process of socio-economic restructuring. For an interpretation of the USSR using these concepts, see Kees van der Pijl, 'Soviet Socialism and Passive Revolution', in Stephen Gill (ed.), *Gramsci, Historical Materialism and International Relations* (Cambridge: Cambridge University Press, 1993), pp. 237-58. For an application to India, see Partha Chatterjee, *Nationalist Thought and the Colonial World: A Derivative Discourse* (London: Zed Books, 1986).

7. Gramsci, *op. cit.*, in note 3, pp. 58 and 219. On transformism, see p. 58ff. On progressive and reactionary forms of Caesarism, see pp. 219-23.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

dominance over our societies. To investigate this proposition further, the article begins with a brief methodological statement, and then examines the precise form of the politics of supremacy embodied in contemporary globalisation and disciplinary neoliberalism.

Analysing Power and Knowledge in the Global Political Economy

The dominant forces of contemporary globalisation are constituted by a neoliberal historical bloc that practices a politics of supremacy within and across nations. The idea of an historical bloc—a concept which is one of the most fundamental innovations of Gramsci's political theory—is consistent in some ways with what Michel Foucault called a 'discursive formation': a set of ideas and practices with particular conditions of existence, which are more or less institutionalised, but which may be only partially understood by those that they encompass.[8] Both concepts allow us to make sense of the way that practices and understandings come to pervade many areas of social and political life, in complex, perhaps unpredictable and contested, ways.

Karl Marx' concept of 'commodity fetishism'[9] (the ways in which the exchange of commodities in the money form masks the conditions and struggles associated with the production of commodities) can also be related to the content of the prevailing cultural discourse, insofar as it enables us to identify the basic social form that it presupposes: the way in which capitalist commercialisation shapes outlooks, identities, time-horizons, and conceptions of social space. The increasingly widespread commodification of social relations is partly reflected in the growing cultural preoccupation with surface textures and symbols rather than historical depth, and with architectural collage and immediacy, that characterises some forms of post-modernism.[10] David Harvey notes (perhaps forgetting the potential impact of new technologies) that, for Foucault, the only irreducible element is the human body, which is the particular 'site' at which discursive repression is ultimately experienced and localised.[11] For Foucault, nevertheless, this very individualised and localised 'moment' is also where 'resistance' to repressive discourse can occur.[12]

---

8. Michel Foucault, *The Archaeology of Knowledge*, trans. A.M. Sheridan Smith (London: Tavistock, 1972), pp. 31-40.
9. Karl Marx, *Capital: A Critique of Political Economy, Volume I*, trans. B. Fowkes (Harmondsworth: Penguin, 1976), pp. 163-77.
10. Examples of this tendency include the British 'heritage' industry and theme-parks, theme-park casinos and wax museums in the United States and elsewhere, and architectural forms that create collage fantasies that annihilate any meaningful sense of history. See Umberto Eco, *Travels in Hyperreality* (New York, NY: Harcourt Brace, 1986), pp. 1-58.
11. David Harvey, *The Condition of Postmodernity* (Oxford: Blackwell, 1989), pp. 39-65.
12. Maurice Blanchot gives a good indication of the individualised character of Foucauldian resistance: '[i]t's true that during these extraordinary events [May 1968, at the Sorbonne] I often asked: but why isn't Foucault here? Thus granting him his power of attraction and underscoring the empty place he should have been occupying'. Blanchot, 'Michel Foucault as I Imagine Him', in Michel Foucault and Blanchot, *Foucault/Blanchot*,

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

Foucault's approach is useful in the way that it highlights the constitution and constraints of various discursive forms, and for its emphasis on the way in which certain forms of power and knowledge serve to constitute particular aspects of civilisation. However, despite its preoccupation with localised, capillary forms of power/knowledge, the Foucauldian view often lacks a convincing way of linking these forms of power to macro-structures. Foucault identifies a 'great transformation' at the start of the nineteenth century that produced a new 'historical, comparative grammar'. This was an 'archaeological rupture' in modes of thought so general that it came to bear on 'the general rules of one or several discursive formations', including, as he notes, both Ricardian and Marxian Political Economy.[13] Yet, how does Foucault explain this transformation? He speaks elusively of multiple determinations, but strangely missing from his explanation of this epistemological revolution is any sustained analysis of the rise of capital as a social relation, or indeed any attempt to speak of capital's power, either specifically or in general. A discussion of historical struggle over the modalities of power and knowledge is also missing.

Thus, despite the Foucauldian preoccupation with the problematic of power/knowledge as localised and institutionalised by discourse, with localised resistance through interventions in the systems of power/knowledge, there is little by way of an emancipatory dimension to this perspective and no adequate link between macro and micro-structures of power in the approach. Even in a world where we might accept the postulate of multiple identities and a radical sense of discontinuity in forms of representation and human consciousness, unless our social perspective is one of the ostrich, it seems difficult to ignore the overwhelming evidence of a tremendous growth of inequality over the past two decades: income has been radically redistributed between labour and capital in an era of stagnating growth in most of the OECD nations. Indeed, the concentration of capital has proceeded very much along the lines anticipated by Marx, and thus must be central to any explanation of the present global transformation; just as the incipient forms of capitalist industrialisation were central to the epistemological changes in the nineteenth century, and to the new representations of political economy, that were revealed by Foucault's archaeological excavations.

My approach, then, uses certain Foucauldian ideas, but repositions them within an historical materialist framework to sketch a model of power that is able to account for those who are included and those who are excluded or marginalised in the global political economy. Whereas Foucault tends to depict power relations in an all-encompassing way, perhaps the usefulness of his concepts of discursive formation and panopticism is more specific. They apply to some members of what John Kenneth Galbraith calls the 'culture of contentment': people who are

---

trans. J. Mehlman and B. Massumi (New York, NY: Zone Books, 1990), p. 63.

13. Foucault, *op. cit.*, in note 8, pp. 176-77.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

exemplars of the commodified and normalised society *par excellence*.[14] These people are Foucault's willing victims, who hold credit cards and provide or call for the wider provision of personal information that can be manipulated in data bases.

By contrast, the marginalised are both within the societies of the culture of consumption and elsewhere in the world. They may have forms of knowledge that are not amenable to rationalisation and discipline in the sense implied by Foucault, and they may not necessarily cooperate with normalising practices. They may actively seek to develop counter-hegemonic forms of power/knowledge. South Africa, the archetypal 'panoptic' society is an example of the exercise of this kind of power. Here, state violence and surveillance could not prevent change. Thus, Foucault represents a cry of outrage at the taming of the individual, and he inaugurates a purely defensive strategy of localised resistance. However, historical materialism goes much further in an attempt to theorise and to promote collective action to create an alternative form of society: even from within a prison, as Gramsci's notebooks show so clearly. This is why it is necessary to theorise the problem of change in local and global dimensions, and to look beyond the currently fragmented forms of opposition to neoliberal supremacy.

The Meaning of 'Globalisation'

In this section I ask what is meant by the concept of 'globalisation' as used in conventional political discourse in the OECD countries. In other words, 'globalisation of what, where, and for whom?'

In their post-1945 phase, contemporary processes of globalisation are unparalleled, at least in terms of their scale and extension: there have been massive increases in productive power and compressions of time and space. This has occurred in the context of tremendous and unprecedented population growth which began to rise significantly from the late eighteenth century onwards.[15] Indeed, according to Eric Hobsbawm, globalisation is one counterpart to an unprecedented social and cultural revolution, at least in the OECD nations. Here, the peasantry as a class has been effectively eliminated; thus bringing to an end the seven or eight millennia of human history of the peasantry in a major portion of the world, as well as consolidating the trend towards a more urbanised, rationalised, and marketised form of world economy. For the first time in history there is 'a single, increasingly integrated and universal world economy largely

14. John Kenneth Galbraith, *The Culture of Contentment* (New York, NY: Houghton Mifflin, 1992).
15. Braudel, *op. cit.*, in note 2, pp. 31-101.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

operating across state frontiers ("transnationally") and therefore increasingly across the frontiers of state ideology'.[16]

Thus, globalisation is part of a broad process of restructuring of the state and civil society, and of the political economy and culture. It is also an ideology largely consistent with the world view and political priorities of large-scale, internationally-mobile forms of capital. Politically, it is consistent with the outlook of affluent minorities in the OECD and in the urban elites and new middle classes in the Third World. The current phase of economic globalisation has come to be characterised increasingly not by free competition as idealised in neoclassical theory, but by *oligopolistic neoliberalism*: oligopoly and protection for the strong and a socialisation of their risks, market discipline for the weak.

Of course, 'globalisation' as a process is not amenable to reductionist forms of explanation, because it is many-faceted and multidimensional and involves ideas, images, symbols, music, fashions, and a variety of tastes and representations of identity and community. Nevertheless, in its present mythic and ideological representations, the concept serves to reify a global economic system dominated by large institutional investors and transnational firms which control the bulk of the world's productive assets and are the principal influences in world trade and financial markets. For example, in 1992, the 300 largest transnational firms controlled about 25 per cent of the world's $20 trillion stock of productive assets; the top 600 corporations with annual sales over $1 billion accounted for over 20 per cent of the world's total value-added in manufacturing and agriculture.[17] There were about 37,000 transnational corporations by 1992, with 170,000 affiliates (up from 7,000 in the early 1970s). These firms had cumulative foreign direct investment of about $2 trillion, one-third of which was controlled by the 100 largest corporations. The top 100 had global sales of $5.5 trillion, a sum roughly equal to the GNP of the United States. The 1992 value of world exports of goods and non-factor services was around $4 trillion, of which a third was intra-firm trade between parents and affiliates of transnationals.[18] Transnationals are large capital and knowledge-intensive firms that altogether employ about 72 million people, of whom 15 million are in developing countries. Most workers in transnational corporations are well-paid, and tend to enjoy better working conditions than those in local firms. Directly and indirectly, transnationals account for around five per cent of the global work-force, although they control over 33 per cent of global assets.[19] In the financial markets, by 1994 the daily flow of foreign exchange transactions

16. Hobsbawm also notes, in the OECD, the changing class structures and forms of consciousness (including the feminisation of labour and feminist thought); and worldwide, a massive growth in higher education and the emergence of a global youth culture. Eric Hobsbawm, *The Age of Extremes* (Toronto: Penguin Books, 1994), pp. 287-343.

17. 'A Survey of Multinationals', *The Economist* (27 March 1993).

18. United Nations Conference on Trade and Development, *World Investment Report* (Geneva: United Nations, 1993)

19. United Nations Research Institute for Social Development, *States of Disarray: The Social Effects of Globalization* (Geneva: UNRISD, 1995), p. 154.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

world wide may have exceeded $1 trillion or 'roughly the foreign exchange holdings of all the central banks of the major industrialized nations'.[20] This is despite the fact that perhaps no more than 10 per cent of all financial transactions are related to real economic activity (that is, to finance trade flows or capital movements). Much of the rest is related to speculative activity, money laundering, and tax evasion, as well as the offsetting of risk.

In this context, partly as a consequence of the global decline of the left and the rising power of transnational capital, political life in many parts of the world has come to be configured, to a degree, by 'neoliberal' economic and political principles. This process has been hastened by the collapse of communist rule and has been articulated in different ways mainly by conservative political leaders like Margaret Thatcher, Ronald Reagan, Brian Mulroney, and more recently, by Newt Gingrich and the new cohort of Republicans in the US Congress.[21] What seems to be emerging in present-day globalisation is an intensification of the *longue durée* of commodification (the shaping of social relations by making labour and nature into exchangeable commodities) not only among the new right and neoliberal ideologues, but also among the elites and emerging middle classes in the Third World.

With respect to the dominant discursive formation of our time, the neoliberal concept of 'globalisation' suggests that the privatisation and transnationalisation of capital are either inevitable or desirable from a broad social viewpoint. In this sense, the concept of globalisation exhibits positive and negative forms of ideology. A positive aspect is the equation of free competition and free exchange (global capital mobility) with economic efficiency, welfare, and democracy, and a myth of virtually unlimited social progress, as represented in television advertising and other media, and in World Bank and IMF reports. A negative aspect is how neoliberal market forces are often said to have marginalised non-market alternatives, especially from the political left. Thus, some equate globalisation with the unfolding of a business Hegelian myth of the capitalist market ('the global information standard') as the Absolute Idea: global financial markets are said to be 'civilising', although implacable and gigantic, forces for good government.[22] Some equate neoliberal globalisation with the 'end of history', although, as implied in his invocation of Nietzsche's dispirited and pathetic 'Last Man', for Francis Fukuyama the victory of liberalism is a hollow one, since the post-communist Last Man, for whom liberalism is the only global alternative, is doomed to boredom: a morbid repetitiveness simulates death; a

20. Morris Miller, 'Where is Global Interdependence Taking Us?', *Mimeo*, p. 12, citing Bank of International Settlements statistics. Subsequently published with same title in *Futures* (Vol. 27, No. 2, 1995), pp. 125-44.

21. Neoliberalism is also associated strongly with some neo-classical political economists, especially in traditions established during and after World War II at the LSE (by F.A. von Hayek) and later at the University of Chicago (by Harry Johnson and Milton Friedman), as well as by post-war political scientists at the Virginia public choice school (inspired by James Buchanan and William Niskanen).

22. Walter Wriston, *The Twilight of Sovereignty: How the Information Revolution is Transforming Our World* (New York, NY: Scribner's, 1992).

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

condition that may be palliated by satellite television showing World Cup Soccer.[23]

Nonetheless, as Galbraith has shown, the privileges of the politically powerful and economically strong have been reinforced in the OECD nations since the late 1960s, often to the detriment of the vast majority of the population.[24] The neoliberal shift in government policies has tended to subject the majority of the population to the power of market forces whilst preserving social protection for the strong. In the Third World, the counterpart to Galbraith's 'culture of contentment' are urban elites and ruling and emerging middle classes which benefit from the consumption patterns and incorporation into financial and production circuits of transnational capital.[25] Recent growth in enclave residential development, private provision of security, and private insurance and health care suggests that access to what were often considered to be public goods under socialised provision is now increasingly privatised, individualised, and hierarchical in nature. More broadly, there has been a transformation of the socialisation of risk towards a privatisation and individualisation of risk assessment and insurance provision. Nevertheless, this process is hierarchical: for example, burdens of risk are redistributed, marketised, and individualised (*e.g.*, associated with illness, old age, or pensions) as opposed to being fully socialised through collective and public provision.[26]

Despite enormous increases in global output and population since World War II, a significant polarisation of income and of life chances has been central to the restructuring process of the last twenty years. For the 800 million or so affluent consumers in the OECD, there is a counterpart number starving in the Third World, with one billion more that have no clean drinking water or sufficient food to provide basic nutrition.[27] More than half of Africa's population lives in

---

23. 'For most of post-historical Europe, the World Cup has replaced military competition as the chief outlet for nationalist striving to be number one. As Kojève once said, his goal was to re-establish the Roman Empire, but this time as a multinational soccer team'. Francis Fukuyama, *The End of History and the Last Man* (New York, NY: Avon Books, 1992), p. 319.

24. Galbraith, *op. cit.*, in note 14.

25. On Latin America, see Celso Furtado, 'Transnationalisation and Monetarism', *International Journal of Political Economy* (Vol. 17, No. 1, 1987), pp. 15-44; on Africa see Fantu Cheru, *The Silent Revolution: Debt, Development and Democracy* (London: Zed Books, 1989). On the somewhat different conditions in East Asia, see Frederic C. Deyo, *The Political Economy of the New Asian Industrialism* (Ithaca, NY: Cornell University Press, 1987).

26. The IMF and World Bank have recently pressed for the privatisation of public pension provision, especially in the Third World, to create larger local capital markets. See, for example, Estelle James, 'Averting the Old-Age Crisis', *Finance and Development* (Vol. 32, No. 2, 1995), pp. 4-7, and the rest of the special issue of this World Bank/IMF journal.

27. Of course, there has been substantial improvement in basic living conditions. The UNDP showed that nearly 70 per cent of world population lived in 'abysmal' conditions in 1960; by 1992, only 32 per cent suffered such conditions. Global GNP rose seven-fold since 1945 from $3 trillion to $22 trillion. World population more than doubled from 2.5 billion to 5.5 billion; per capita income more than tripled. See United Nations Development Programme, *Human Development Report, 1994* (New York, NY: Oxford

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

absolute poverty. In the 1980s, the income of two-thirds of African workers fell below the poverty line. A disproportionate burden of adjustment to harsher circumstances has fallen on women and children and weaker members of society, such as the old and the disabled.[28] Many of these people also live in war-torn societies, where huge quantities of cheap mass-produced conventional weapons have accumulated, including over 100 million landmines: 'weapons that never miss'. One million landmines exploded under Third World victims in the last 15 years.[29]

A re-emergence of serious global public health problems may be indicated by the growth in contagious diseases once thought to have been conquered in the march of medical progress (*e.g.*, cholera or anthrax), as well as in diseases associated with environmental degradation and pollution (*e.g.*, asthma and allergies), and new viruses such as AIDS). During the decades since World War II, life expectancy increased steadily throughout the world. This process has now apparently gone into reverse in a number of countries (notably in the former communist-ruled nations of Eastern Europe):

> [t]he resurgence of epidemics is a crucial indicator of the state of our world, not only in terms of human suffering, but also in terms of development more generally. It implies the breakdown of the social controls that usually prevent such diseases—hygiene, nutrition, resistance to infection, immunization programmes, housing.[30]

The prices of many medical products marketed by transnational pharmaceutical firms have risen and the relaxation of trade barriers, and other market forms of restriction and regulation, has made it simpler to dump expired or unsafe medicines in parts of the Third World.[31] Globally, public health and educational provisions have been reduced, partly because of neoliberal structural adjustment pressures on most governments to exercise monetary restraint, cut budgets, repay debts, balance their international trade, devalue their currencies, remove subsidies and trade and investment barriers and, in so doing, restore international credit-worthiness and thereby extend the market civilisation globally. Such pressures emanate from agents in the global financial markets and from international organisations like the World Bank and IMF, as well as from within these societies. Nevertheless, in many parts of the Third World and in the former

---

University Press, 1994). However, in this report, UNDP adds, 'we still live in a world where a fifth of the developing world's population goes hungry every night...and a third lives in abject poverty—at such a margin of human existence that words simply fail to describe it—the richest billion people command 60 times the income of the poorest billion.... Poor nations and rich are afflicted by growing human distress...food production must triple if people are to be adequately fed, but the resource base for sustainable agriculture is eroding' (pp. 1-2).

28. UNRISD, *op. cit.*, in note 19, pp. 110-26.
29. *Ibid.*, pp. 48 and 114.
30. *Ibid.*, p. 26.
31. *Ibid.*, pp. 26-27.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

Soviet Union, economic liberalisation has been welcomed as a means of reforming the old, unaccountable political order.

From a socio-historical perspective a remarkable feature of contemporary world society is how more and more aspects of everyday life in OECD nations have come to be premised upon or pervaded by market values, representations, and symbols, as time and distance are apparently shrunk by scientific-technological innovation, the hyper-mobility of financial capital, and some types of information flows. Commercialisation has configured more aspects of family life, religious practice, leisure pursuits, and aspects of nature. Indeed, processes of commodification have progressively encompassed aspects of life that had been viewed as inalienable.[32] Increasingly, patent rights over human genes and tissue, plants, seeds, and animal hybrids are obtained routinely by pharmaceutical and agricultural corporations, including the DNA of 'endangered peoples' (that is, aboriginal or native peoples). These private 'intellectual' property rights are being internationalised and extended into the legal regimes of the world through the new World Trade Organisation. Such developments are taking place when, in much of the OECD, there has been little political debate over the repercussions of biotechnology and genetic innovation, to say nothing of the privatisation of life-forms.[33] At the same time, large numbers of people are almost totally marginalised from enjoyment of the fruits of global production.

In this sense, the 'social question' is posed anew today, and, as in the nineteenth century, it is posed both locally and globally. Indeed, this question is inherent in the expansion of capital which serves to disintegrate and to transform the existing social order. Capital tends to supplant the old with an order that is radically new and historically unprecedented. Thus, social taboos are overcome and capital exerts growing influence over the most sensitive rituals of different civilisations (provided that they offer opportunities for profit):

> [t]he American way of death has cast its pall over Europe. Service Corporation International, the US's largest burial business, spent £306m on buying 15 per cent of the UK market last year and is now paying FFr2.05bn to take a 30 per cent share of French funerals. But there is sound business strategy behind this apparent megalomania. Funeral parlours offer vast potential economies of scale. Centrally locating hearses, embalmers and attendants...and there are added benefits from bulk buying.... Tax and accounting differentials mean the deal will enhance earnings even before operating improvements.... Competition and monopolies issues have restricted further US acquisitions while a flat death rate has constrained

32. Herbert Gottweis, 'Genetic Engineering, Democracy, and the Politics of Identity', *Social Text* (Vol. 13, 1995), pp. 127-52.

33. John Vidal and John Carver, 'Like Lambs to the Gene Market', *Guardian Weekly* (1 January 1995), p. 17. On the commodification of the human body involving the sale of eggs, sperm, kidneys, and the patenting of genes, see Andrew Kimbrell, 'The Body Enclosed: The Commodification of Human "Parts"', *The Ecologist* (Vol. 25, No. 4, 1995), pp. 134-40. I am grateful to David Law for this reference.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

> organic growth. A fragmented European market provides a vast new customer base. There is the risk that xenophobia might provide the kiss of death for such deals. But its Australian operations have demonstrated few barriers to international undertaking.[34]

In this quintessential representation of the ideology of transnational neoliberalism, even the rites of death and burial are associated with profit. Megalomania is conflated with sound business strategy and equated with the maximisation of efficiency through the exploitation of economies of scale. These have been inhibited in the United States because of the government's anti-monopoly legislation, and, not least, because people are not dying in sufficient numbers. At least in the former Soviet bloc death rates have risen dramatically since the collapse of communist rule. Nevertheless, this author worries at the risk to the venture posed by the cultural particularities of other countries, which are viewed as xenophobic barriers to the expansion of capital.

To recapitulate: the current phase of globalisation is part of a social and cultural transformation in which links between work, effort, savings, and life chances (and death) more generally are reified through ideological representations commensurate with a growth in the power of capital. Social interaction, work patterns, and leisure become increasingly monetised, marketised, and abstracted; often in ways that ordinary people can understand. At the most obvious transactional level, for example, most citizens in Latin America and Asia can calculate complex financial transactions, such as the interplay between commodity prices, inflation rates, exchange rates, and the nominal rate of interest. In principle, such calculations are no more complex than those made in financial dealing rooms in London, Singapore, Tokyo, and New York. However, the calculations of the former are more likely to be matters of immediate survival—indeed of life or death—for the individuals concerned, and are not linked to extravagant bonuses. In this way, the health/sickness/death of the 'market' is globally incorporated, at the micro-level of the individual, as it were, into popular consciousness and action; that is, into 'the structures of everyday life'.[35]

By implication, this situation involves methods by which patterns of privilege can be defended from encroachment and possible expropriation by those who have been subordinated and marginalised. In the terminology of Fred Hirsch, privileged consumption and production patterns of a small section of the world's population are, in effect, the 'positional goods' of the global political economy, which the contemporary systems of policing and military power are increasingly designed to protect.[36]

---

34. 'Fatal Attraction', Lex Column, *Financial Times* (11 July 1995).
35. Braudel, *op. cit.*, in note 2.
36. Fred Hirsch, *The Social Limits to Growth* (Cambridge, MA: Harvard University Press, 1976), pp. 27-54.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

The following section elaborates two other dimensions of power associated with the globalisation of neoliberal politico-economic forms. The first concerns the constitutional restructuring of domestic and international political institutions, and the second concerns the means by which individuals are controlled and disciplined in modern societies.

'Disciplinary' Neoliberalism

In social theory, the term 'discipline' is used in a number of slightly different ways. Max Weber defined the concept of discipline as follows: '[t]hose who obey are not necessarily obedient or an especially large mass, nor are they necessarily united in a specific locality. What is decisive for discipline is that obedience of a plurality of men is rationally uniform'.[37] 'Rational uniformity' can be observed in classes, status groups, and political parties, which are all phenomena of the distribution of power in society: 'discipline' is, therefore, a form of the exercise of power within social organisations. For Emile Durkheim, (self) discipline, or the restraint of one's inclinations, is a means to develop reasoned behaviour and thus foster the moral growth of the healthy personality: unregulated emotions can produce *anomie*.[38] For Foucault, 'discipline' is sometimes used in ways that approximate Weber and Durkheim, but generally the term is used to indicate both a modernist framework of understanding that underpins a terrain of knowledge, and a system of social and individual control: '[t]he Enlightenment, which discovered the liberties, also invented the disciplines'.[39]

The concept of discipline advanced here combines macro- and micro-dimensions of power: the structural power of capital; the ability to promote uniformity and obedience within parties, cadres, organisations, and especially in class formations associated with transnational capital (perhaps involving self-discipline in the Durkheimian sense); and particular instances of disciplinary power in a Foucauldian sense. Thus, 'disciplinary neoliberalism' is a concrete form of structural and behavioural power; it combines the structural power of capital with 'capillary power' and 'panopticism'.[40] In other words, neoliberal forms of discipline are not necessarily universal nor consistent, but they are

37. Max Weber, 'The Meaning of Discipline', in *From Max Weber: Essays in Sociology*, ed. and trans. H.H. Gerth and C. Wright Mills (New York, NY: Oxford University Press, 1946), p. 253.
38. Frank Pearce, *The Radical Durkheim* (London: Unwin Hyman, 1989), pp. 80, 139, and 205.
39. Michel Foucault, *Discipline and Punish*, trans. A. Sheridan (New York, NY: Pantheon Books, 1977), p. 222. 'This is perhaps exaggerated: the disciplines go back to prehistoric times, when, for example, a bear was transformed, through successful training, into what would be later a watchdog or a courageous policeman'. Blanchot, *op. cit.*, in note 12, p. 87.
40. Michel Foucault, *Power/Knowledge: Selected Interviews and Other Writings*, ed. and trans. C. Gordon, *et al.* (New York, NY: Pantheon Books, 1980), and Gill and Law, *op. cit.*, in note 4.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

bureaucratised and institutionalised, and they operate with different degrees of intensity across a range of 'public' and 'private' spheres. In this sense, discipline is both a transnational and a local dimension of power, and these dimensions of discipline are one dimension of the supremacist transnational historical bloc that I have sketched in the previous section of this article.

New Constitutionalism and Global Governance

Disciplinary neoliberalism is institutionalised at the macro-level of power in the quasi-legal restructuring of state and international political forms: the 'new constitutionalism'. This discourse of global economic governance is reflected in the conditionality policies of the Bretton Woods organisations, quasi-constitutional regional arrangements such as NAFTA or Maastricht, and the multilateral regulatory framework of the new World Trade Organisation. It is reflected in the global trend towards independent central banks, with macroeconomic policy prioritising the 'fight against inflation'.[41]

New constitutionalism is a macro-political dimension of the process whereby the nature and purpose of the public sphere in the OECD has been redefined in a more privatised and commodified way, with its economic criteria defined in a more globalised and abstract frame of reference. The accountability of governments to 'markets' is mainly to material forces and the sentiments of investment managers in the bond markets, as well as to the conditionality of the Bretton Woods organisations. It has grown in a period of fiscal crisis and in accordance with the growing salience of 'new constitutionalist' discourses of global governance. The new constitutionalism can be defined as the political project of attempting to make transnational liberalism, and if possible liberal democratic capitalism, the sole model for future development. It is therefore intimately related to the rise of market civilisation.

New constitutionalist proposals are often implicit rather than explicit. Nevertheless, they emphasise market efficiency, discipline, and confidence; economic policy credibility and consistency; and limitations on democratic decision-making processes. Proposals imply or mandate the insulation of key aspects of the economy from the influence of politicians or the mass of citizens by imposing, internally and externally, 'binding constraints' on the conduct of fiscal, monetary, trade, and investment policies.[42] Ideology and market power are not enough to ensure the adequacy of neoliberal restructuring. It is worth noting that the United States is the least likely of any country to submit to such constraints—although its leaders insist that they be applied systematically to other states. Nonetheless, even the autonomy of the United States, Japan, and the

41. Stephen Gill, 'Economic Globalization and the Internationalization of Authority: Limits and Contradictions', *Geoforum* (Vol. 23, No. 3, 1992), pp. 269-84.
42. See Stephen Gill, 'The Emerging World Order and European Change', in Ralph Miliband and Leo Panitch (eds.), *New World Order? Socialist Register 1992* (London: Merlin Press, 1992), especially pp. 167-72.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

European Union is constrained in matters of macroeconomic policy by the globalisation of finance and production. Smaller and less self-sufficient states tend to be correspondingly more sensitive and vulnerable to global financial pressures.

In effect, new constitutionalism confers privileged rights of citizenship and representation on corporate capital, whilst constraining the democratisation process that has involved struggles for representation for hundreds of years. Central, therefore, to new constitutionalism is the imposition of discipline on public institutions, partly to prevent national interference with the property rights and entry and exit options of holders of mobile capital with regard to particular political jurisdictions. These initiatives are also linked to efforts to define appropriate policy, partly by strengthening surveillance mechanisms of international organisations and private agencies, such as the bond raters. Governments in need of external financing are forced to provide data. One reason for this is to make domestic economic and political agents and trends more transparent to global supervisors in the IMF or Bank for International Settlements (BIS), as well as to the increasingly influential private bond-rating agencies such as Moody's and Standards and Poor. Indeed, initiatives based on new constitutionalist surveillance assumptions were launched at the G-7 Summit in Halifax, Nova Scotia, in June 1995.[43] The G-7 leaders opted to strengthen surveillance mechanisms under the *aegis* of the IMF, World Bank, and BIS, after the failure of existing methods of surveillance was revealed by the Mexican financial crisis of 1994-95.

By contrast, traditional notions of constitutionalism are associated with political rights, obligations, and freedoms, and procedures that give institutional form to the state. Constitutions define, describe, and outline the rights and obligations of citizens; common policy-making institutions with authority over the entire polity; the limits to the scope of action of these institutions; and, of course, enforcement mechanisms and ratification and amendment procedures.[44]

Turning to recent examples of neoliberal forms of regionalisation, there is a difference in kind between North America and Western Europe. Here, I represent both examples more as projects rather than as exemplars of the final crystallisation of neoliberal dominance. For example, questions of European unification have been made more complex not only by German unification, but also by the accession of new Nordic members and the prospect of further enlargement to encompass former communist-ruled nations. NAFTA is also undergoing considerable turbulence and contestation, not only within each member nation, but also more broadly in Latin America.

---

43. 'G-7 Proposals to Strengthen Bretton Woods Institutions', *IMF Survey* (Vol. 24, No. 13, 1995), pp. 201-205.

44. Stephen Clarkson, 'Constitutionalizing the Canadian-American Relationship', in Duncan Cameron and Mel Watkins (eds.), *Canada Under Free Trade* (Toronto: Lorimer, 1993), p. 4.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

The European Union has citizenship for individuals from member countries, and has partly accountable mechanisms for negotiation, ratification, amendment, and enforcement, and for incorporating and weighting the interests of the smaller European nations. However, although social and welfare policy and regulation have been institutionalised in the EU since the Treaty of Rome, for example with respect to migrant workers (Article 51), equal treatment of men and women (Article 119), protection of workers (Article 118), and the health and safety of workers (Article 118 and 118a of the Single European Act), implementation has been patchy despite the influence of trades unions, some political parties, and, in some cases, the European Court for Human Rights. In large part, this inconsistency has been the result of employer opposition. A further reason is the development of unaccountable intergovernmental agencies.[45] Nevertheless, the political centre of gravity of European political economy has recently tilted towards definitions which reflect a financial and free trade conception: that is, a neoliberal view of Europe, as opposed to the more social democratic idea of 'social Europe'.[46] This is reflected in many of the Maastricht provisions, especially the proposals for a largely unaccountable European central banking system, and fiscal/public debt provisions intended to be binding on all future governments in the EU.

North American arrangements are more hierarchical and asymmetrical, understood both in inter-state terms and in terms of the class structures of each nation. NAFTA is premised upon a low level of political institutionalisation and a hub-and-spoke configuration of power, with the United States at the centre of a continentalised political economy. This is even more the case with the Caribbean Basin Initiative, which can be terminated unilaterally by the United States.[47] The United States has negotiated the implicit right to monitor and control large areas of Canadian political life in the US-Canada Free Trade

45. On the relevant legislation, see Laura Cram, 'Calling the Piper without Playing the Tune? Social Policy Regulation: The Role of the Commission in European Community Social Policy', *Policy and Politics* (Vol. 21, No. 2, 1993), pp. 85-95. The 1985 Schengen Convention's impact on immigration and the 1976 Trevi Group on terrorism, extremism, and international violence are examples of unaccountable agencies: see Rosemary Sales, 'Race, Gender and European Integration', paper presented at the International Studies Association Conference, Washington, DC, March 1994.

46. On the balance between neoliberal and social Europe, see Martin Rhodes, 'The Social Dimension of the Single European Market: National versus Transnational Regulation', *European Journal of Political Research* (Vol. 19, Nos. 2-3, 1991), pp. 245-80; Martin Rhodes, 'The Future of the "Social Dimension": Labour Market Regulation in Post-1992 Europe', *Journal of Common Market Studies* (Vol. 30, No. 1, 1992), pp. 23-51; Wolfgang Streek and Philippe Schmitter, 'From National Corporatism to Transnational Pluralism: Organised Interests in the Single European Market', *Politics and Society* (Vol. 20, No. 4, 1992), pp. 507-12; Kevin Doogan, 'The Social Charter and the Europeanisation of Employment and Social Policy', *Policy and Politics* (Vol. 20, No. 3, 1992), pp. 167-76; and Allan Cochrane and Doogan, 'Welfare Policy: The Dynamics of European Integration', *Policy and Politics* (Vol. 21, No. 2, 1993), pp. 85-95.

47. Hillbourne A. Watson, 'NAFTA under Global Regionalization and Restructuring: Implications for North America and the Caribbean', discussion paper, Howard University, Washington, DC, 1994, pp. 24-27.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

Agreement. The US-Canada Agreement specifies that each side has to notify the other 'party' by advanced warning, of *intended* federal or provincial government policy that *might* affect the other side's interests, as defined by the agreement.[48] Because of Canada's extensive economic integration with the United States, this situation necessarily affects the vast majority of Canadian economic activity, but not *vice versa*. Thus, Canadian governments no longer can contemplate an independent or interventionist economic strategy. In both NAFTA and the US-Canada Agreement there are no transnational citizenship rights other than those accorded to capital, and these are defined to favour US-registered companies. Finally, NAFTA can only be amended by agreement of all signatories. Whilst these arrangements place binding constraints on the policies of Canada and Mexico, to a certain degree, the United States retains constitutional autonomy and important prerogatives: its trade law is allowed to override treaty provisions, notwithstanding the rights of redress that are available to participants through the dispute settlement mechanisms.[49]

In other words, the US government is using access to its vast market as a lever of power, linked to a reshaping of the international business climate, by subjecting other nations to the disciplines of the new constitutionalism, whilst largely refusing to submit to them itself, partly for strategic reasons. Indeed, one of the arguments expressed by former European Union President Jacques Delors in favour of comprehensive West European economic and monetary union was strategic: to offset economic unilateralism from the United States, in matters of money and trade.

Thus, an American-centred global neoliberalism mandates a separation of politics and economics in ways that may narrow political representation and constrain democratic social choice in many parts of the world. New constitutionalism, which ratifies this separation, may have become the *de facto* discourse of governance for most of the global political economy. This discourse involves a hierarchy of pressures and constraints on government autonomy that vary according to the size, economic strength, form of state and civil society, and prevailing national and regional institutional capabilities, as well as the degree of integration into global capital and money markets.

Panopticism and the Coercive Face of the Neoliberal State

The panopticon is a Greek word for 'sees all', which was coined by Jeremy Bentham and popularised by Foucault.[50] We can define panopticism as 'a dystopia latent in modernity: the possibility of developing a system of control

48. Clarkson, *op. cit.*, in note 44, pp. 13-14.
49. Clarkson notes that the United States 'maintained intact the sovereignty of Congress to pass new trade measures that could supersede the trade agreement'. *Ibid.*, p. 12.
50. See the Preface to Volume 4 of Jeremy Bentham, *The Works of Jeremy Bentham* (Edinburgh: William Tait, 1859), published under the supervision of Bentham's executor, John Bowring. See also Foucault, *op. cit.*, in note 39, pp. 195-228 and 232.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

which reduces the individual to a manipulable and relatively inert commodity'.[51] If it were ever to be achieved, a condition of panopticism would ensure 'a surveillance which would be both global and individualising whilst at the same time keeping the individuals under observation [through the illumination of space]'.[52] Foucault's use of the term suggests that it is possible to render the human condition obedient and acquiescent to the various forms of observation, enquiry, and experimentation that are demanded by scientific progress and social order in what he calls the 'disciplinary society': something which, according to Blanchot, Foucault denounced and ultimately identified with Nazism.[53]

Use of panoptic practices antedates modern bureaucratic systems and technical innovations and goes back at least as far as the administrative, military, and labour control systems of ancient imperial China or, more recently, the Ottoman empire. Clearly, there can be no all-seeing eye of power. There can only be mechanisms of surveillance that are intended to maximise discipline in the Weberian sense noted above. Indeed, these mechanisms of surveillance may be more intensive and important for the reproduction of the neoliberal transnational historic bloc amongst its ruling classes and elites, than among subordinate elements in society.

Some suggest that there is evidence of a recent tendency towards increasing use of technologically sophisticated surveillance capabilities by private firms and the state, whilst not denying that many new technologies are socially empowering, liberating, and decentralising in nature.[54] However, it is crucial to stress, that a technological 'revolution' does not necessarily entail or indeed imply a basic change in social relations, for example in the relations of exploitation and alienation in capitalism.

Contemporary surveillance practices by corporate and governmental bureaucracies are, nevertheless, important. Populations are constructed statistically as manipulable entities in data bases: that is, they are monitored and objectified for purposes of social control or profit, for example in the huge private data corporations that specialise in commercially useful information about individuals and households.[55] Some OECD social security ministries have shifted to more rigorous monitoring of clients, with some introducing 'workfare' programmes (analogous to Bentham's management schemes for paupers and prisoners[56]) and ensuring the 'transparency' and 'inspectability' of claims and activities. More recently, because of restructuring of production, increased

51. Stephen Gill, 'The Global Panopticon?: The Neo-liberal State, Economic Life and Democratic Surveillance', *Alternatives* (Vol. 20, No. 1, 1995), p. 2.
52. Foucault, *op. cit.*, in note 40, p. 6.
53. Blanchot, *op. cit.*, in note 12, p. 86.
54. Abbe Mowshowitz, 'The Emerging Network Marketplace', Strategic Research Workshop on 'New Technology, Surveillance and Social Control', Queen's University, Kingston, Ontario, Canada, 14-16 May 1993.
55. Oscar H. Gandy Jr., *The Panoptic Sort: A Political Economy of Personal Information* (Boulder, CO: Westview Press, 1993).
56. Bentham, *op. cit.*, in note 50, Volume IV, pp. 37-171, and especially pp. 55 and 69ff.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

migration, and the growth of transnational criminal networks, policing changes have involved reorganised surveillance capacities. In this process, it is worth noting that the mobility of capital is not matched by a corresponding mobility or freedom of labour. Indeed, new OECD citizenship rights are increasingly regulated by a commodity logic and sold by governments to raise revenue and attract investment and, if possible, skills.[57] Collection of information about populations may also be used to discipline individuals via sanctions or inducements: such as the denial or provision of private credit, healthcare, and insurance, or genetic testing and biological monitoring of workers to identify and perhaps exclude those who are unfit or potentially costly to corporate health plans.

One possible explanation for these surveillance tendencies is that pressures are placed upon the state by the interaction between fiscal crises in local, regional, and national governments (especially since the mid-1970s), the globalisation of financial markets, and the mobility of transnational corporations. Driven to raise operating finance on the more globalised financial markets, governments are pressured into providing a business climate judged attractive by global standards in order to win and retain foreign direct investment.

Such developments have also accompanied major restructurings of tax systems in the OECD and elsewhere: these have reduced marginal tax rates on capital and high-income earners and have attempted to broaden the tax base, in order to create a more 'activist tax state' with increasingly regressive taxes. Traditional forms of state intervention in the economy to promote redistribution have declined, and the socialisation of risk for the majority of the population has been eroding. Indeed, on the basis of a comprehensive global survey, Sven Steinmo suggests that the Swedish case is most striking, since it signals a massive shift away from the redistributive welfare-nationalist form of the state in a neoliberal direction.[58] As noted above, in the 1980s this has accompanied an emphasis on the restructuring of the state through the tactics of marketisation and privatisation. Governments have had to pay increased attention to collecting tax revenues, and raising cash through privatisation, in an age where the ideology (but not the reality) of the balanced budget has come to prevail in economic rhetoric. According to an OECD study, these developments have allowed companies to allocate debt and investment strategies according to varying state policies.[59]

In sum, governments in the OECD and elsewhere have invested heavily in new technologies to create and manipulate data bases for tax collection, social

57. For example, Canadian citizenship can be obtained by those who bring $200,000 in investment funds into the country.

58. Sven Steinmo, 'The End of Redistribution? International Pressures and Domestic Tax Policy Choices', *Challenge: The Journal of Economic Affairs* (Vol. 37, No. 6, 1994), pp. 9-17.

59. Organisation for Economic Cooperation and Development, *Economies in Transition* (Paris: OECD, no date given), cited in Steinmo, *op. cit.*, in note 58, p. 14.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

security, immigration, social control, and criminal enforcement.[60] Thus, disciplinary neoliberalism, under conditions of increasing fiscal crisis, may tend to make aspects of civil society and the state form more panoptic, and indeed coercive, in nature.

Indeed, neoliberal forms of discipline are hierarchical both in the sense of social classes and in terms of inter-state politics. At the heart of the global economy there is an internationalisation of authority and governance that not only involves international organisations (such as the BIS, IMF, and World Bank) and transnational firms, but also private consultancies and private bond-rating agencies which act, as it were, as arbiters of the supply of capital for public finance and corporate investment, and as 'private makers of global public policy'.[61] I call this politico-economic structure and the internationalisation of authority that it entails, the 'G-7 nexus'. It tends to be represented in everyday political discourse and the mass media as an abstract, hyper-rational, and largely uncontested set of social forces and processes. A technocratic representation of IMF surveillance and conditionality reinforces this, epistemologically and ideologically.

Discussing the bond-raters and allocation mechanisms in the capital markets, Timothy Sinclair notes that, 'more abstract investment standards will establish greater potential for ties between domestic and foreign interests...[perhaps] reinforcing the impression that investment is a neutral technical activity, rather than a struggle for resources between competing societal interests'.[62] Indeed, in 1995, following the Mexican financial crisis, a draconian economic adjustment, in fact a 'shock therapy' programme, was undertaken under US, IMF, and World Bank supervision. It provoked the worst Mexican recession since the 1930s and a massive rise in unemployment and social misery. The United States, the IMF, and a less-than-unanimous G-7 tended to represent the package as the only way in which Mexico could repair its tattered credit-rating and restore its credibility with foreign investors. This representation was also used later to justify the attempt by the G-7 states to increase the surveillance and economic veto power of the IMF with respect to its indebted Third World membership.[63]

Neoliberal Contradictions and the Movement of History

Neoliberal forms of rationality are largely instrumental and are concerned with finding the best means to achieve calculated ends. For neoliberals, primary

60. On the privatisation of crime control and incarceration, see Nils Christie, *Crime Control as Industry: Towards Gulag Western Style?* (London: Routledge, 1993).
61. Timothy J. Sinclair, 'Between State and Market: Hegemony and Institutions of Collective Action under Conditions of International Capital Mobility', *Policy Sciences* (Vol. 27, No. 4, 1994), pp. 447-66.
62. *Ibid.*, p. 461.
63. This representation was made throughout various articles in the *IMF Survey*. For example, see 'Camdessus Discusses Global Risks, Lessons from Mexico' (Vol. 24, No. 11, 1995), p. 177, or 'Managing Risk in a New Financial Environment' (Vol. 24, No. 17, 1995), p. 267.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

motivations are understood in a possessively individualistic framework. Motivation is provided by fear and greed, and is reflected in the drive to acquire more security and more goods. Yet, any significant attempt to widen this pattern of motivation would entail an intensification of existing accumulation and consumption patterns, tending to deplete or to destroy the eco-structures of the planet, making everyone less secure and perhaps more vulnerable to disease (even the powerful). Thus, if North American patterns of accumulation and consumption were to be significantly extended, for example to China, the despoliation of the global eco-structure would be virtually assured. Even so, the central ideological message and social myth of neoliberalism is that such a possibility is both desirable and attainable for all: insofar as limitations are recognised, this is at best through a redefinition of the concept of 'sustainable development' so as to make it consistent with the continuation of existing patterns of accumulation and consumption.[64]

Whilst existing patterns of consumption have a more-or-less exclusive quality, depending on the form and place of consumption, their very existence requires that public goods be provided locally and globally so as to underpin production, consumption, and exchange processes. Governments throughout the world are required to regulate and to compensate for the social, economic, and ecological problems attendant upon existing patterns of consumption and production. This means that the state must find ways to sustain the tax base and to police and regulate the market society. This may prove difficult when prevailing economic ideology and the organisation of the world economy validate, on the one hand, cuts in public expenditure and reducing the scope of state action, and, on the other, a burgeoning black or informal economy and a tendency for organised criminal syndicates to grow in strength.[65] Nevertheless, as new constitutionalist arrangements suggest, to extract surplus globally, capital depends on national and global public goods provision.

Therefore, the logic of neoliberalism is contradictory: it promotes global economic integration (and hence the need for global public goods), but also generates depletion of resources and the environment, as well as undermining the traditional tax base and the capacity to provide public goods. Indeed, neoclassical economic thinking, which lies at the heart of neoliberal discourse, tends to ignore, with impunity, ecological constraints such as the laws of thermodynamics.[66] Moreover, neoliberal macroeconomic policies, aligned to the

64. See the World Commission on Environment and Development, *Our Common Future*, otherwise known as 'The Brundtland Report' (Oxford: Oxford University Press, 1987), especially p. 51, and the Commission on Global Governance, *Our Global Neighbourhood* (Oxford: Oxford University Press, 1995), pp. 208-16.

65. The tax-evading 'informal sector' might be redefined to include all agents who evade taxes, such as transnational firms through transfer pricing and those that place funds in offshore tax havens.

66. Elmar Altvater, *The Future of the Market: An Essay on the Regulation of Money and Nature after the Collapse of 'Actually Existing Socialism'*, trans. P. Camiler (New York, NY: Verso, 1993), and Martin O'Connor (ed.), *Is Capitalism Sustainable? Political Economy and the Politics of Ecology* (New York, NY: Guildford Press, 1994).

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

ideology of the competition state, may generate a more conflictual inter-state dynamic that may prolong economic stagnation for the vast majority of the world's population, through, for example, competitive austerity and beggar-thy-neighbour currency depreciation.[67]

According to Walter Benjamin, within myth the passage of time takes the form of predestination, such that human control is denied.[68] Thus, the operation of the neoliberal myth of progress in market civilisation is intended implicitly to engender a fatalism that denies the construction of alternatives to the prevailing order, and thus, negates the idea that history is made by collective human action. Whilst it might be argued that the generation of such a myth is central to the hegemony of capital, we might recast it in Polanyian terms: neoliberalism holds out the reified prospect of a 'stark utopia'.[69] As Adam Smith intimated in *The Theory of Moral Sentiments*, and as Polanyi pointed out, a pure market system is a utopian abstraction and any attempt to construct it fully would require an immensely authoritarian application of political power through the state.[70] One reason for this is the recent tendency for exploitation to intensify, in part because of the apparent domination of production and the state by finance. This would raise doubts about the viability of a minimal or 'night-watchman' state, as portrayed in liberal ideology.[71] Indeed, it can be shown that many of the neoliberal forms of state have been authoritarian. In some cases, this has involved considerable coercive power to destroy opposition or eliminate the possibility of a third way: such as in Chile in 1973, or in post-communist Eastern Europe.

Restructuring along market-driven lines tends to generate a deepening of social inequality, a rise in the rate and intensity of the exploitation of labour, growth in social polarisation, gender inequality, a widespread sense of social and economic insecurity, and, not least, pervasive disenchantment with conventional political practice. Such a situation may also open the door to the appeals of extremist political movements, whilst more broadly giving rise to resistance and counter-mobilisation. Indeed, in the context of the growing salience of biological discourses concerning social life, one might suggest that there may be a social

---

67. Gill, *op. cit.*, in note 42, and Gregory Albo, '"Competitive Austerity" and the Impasse of Capitalist Employment Policy', in Ralph Miliband and Leo Panitch (eds.), *Between Globalism and Nationalism* (London: Merlin Press, 1994), pp. 144-70.

68. S. Buck-Morss, *The Dialectics of Seeing: Walter Benjamin and the Arcades Project* (Cambridge, MA: MIT Press, 1989), pp. 78-82.

69. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston, MA: Beacon, 1957), p. 3.

70. On the view that Smith's economics is a form of utopianism, see A. Skinner, 'Introduction', in Adam Smith, *The Wealth of Nations* (Harmondsworth: Penguin, 1967), pp. 29-97. Polanyi noted that, for Smith, '[n]o hidden hand tries to impose the rites of cannibalism in the name of self-interest'. *Op. cit.*, in note 69, p. 112.

71. See, for example, Friedrich A. von Hayek, *The Road to Serfdom* (London: Routledge and Kegan Paul, 1944), and Milton Friedman, *Capitalism and Freedom* (Chicago, IL: University of Chicago Press, 1962).

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

Darwinist dimension to the neoliberal world order.[72] This proposition is supported by evidence of the renaissance of fascism and atavistic forms of nationalism.

Thus, whilst the restructuring of forms of state along neoliberal lines has apparently accelerated in recent years there are indications that remaking state and society along these lines lacks moral credibility, authority, and legitimacy. This is partly because the rule and the burdens of market forces are most frequently imposed hierarchically on the weaker states and social actors, whilst the more powerful receive tax write-offs, state subsidies, and other prerogatives. However, one should be careful not to overstate the degree to which this represents the universalisation of a new form of world order. In fact, the very existence of the neoliberal structural adjustment programmes of the World Bank, and of IMF stabilisation measures, shows that economic liberalisation has a very long way to go before it can be considered the new development paradigm for the majority of the world's population.

Indeed, such policies are contested even within the ranks of the G-7, and the conflicts between the different models of capitalist development this entails can be expected to continue. One reason for G-7 conflicts is that the socio-economic systems of Germany and Japan are less attuned to pure market forces. For example, in Japan, important political forces seem to have adopted the Hirschian view that the very operation of capitalist market forces depends upon their restraint, and on the maintenance of traditional systems of obligations and institutions that cause people to behave *as if* they respect the law, and accept not only the contractual but also the customary nature of market transactions.[73]

Thus, we should not conflate propaganda with history. History has not 'ended' and alternatives are created politically. In *The Great Transformation*, Polanyi argued that a 'double movement' of free economic and self-protecting social and political forces operated to configure global politics in the 1930s.[74] The New Deal, fascism, Nazism, and populist movements of left and right reflected opposition to global *laissez faire* and the power of financial capital. For Gramsci, the 1930s involved the death throes of the old order, and the struggle of a new order to be born.[75] By analogy, one can suggest that today we may be in, or entering into, a period of a new 'double movement': one that certainly manifests many morbid symptoms. The coming years will probably involve a substantial intensification of political conflict. It seems likely that this will incorporate the contradictory political tendencies associated with, on the one hand, democratic and progressive forces, and, on the other, the growing forces of reaction, such as the resurgence of fascism and certain forms of fundamentalist politics or criminal elements in world politics. Indeed, a new double movement would be

72. Elaine Draper, *Risky Business: Genetic Testing and Exclusionary Practices in the Hazardous Workplace* (Cambridge: Cambridge University Press, 1991).
73. Hirsch, *op. cit.*, in note 36, pp. 117-58.
74. Polanyi, *op. cit.*, in note 69, pp. 130-34.
75. Gramsci, *op. cit.*, in note 3, p. 276.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

different in character from that of the 1930s, not least because its concerns would be more global and wide-ranging in nature, and might include nuclearism, the proliferation of conventional weapons, ecology, gender questions, the globalisation of organised crime, and the re-regulation of new global information and financial grids.

Put differently, there is a growing contradiction between the tendency towards the globality and universality of capital in the neoliberal form and the particularity of the legitimation and enforcement of its key exploitative relations by the state. Whereas capital tends towards universality, it cannot operate outside of or beyond the political context, and involves planning, legitimation, and the use of coercive capacities by the state. This forms the key substantive problem for a theory of international relations, at least as seen from an historical materialist perspective. In this context, one of the main tasks of political economy today is to understand and theorise the possibilities for the transformation of these dimensions of world order, in the context of consciousness, culture, and material life.

This article has highlighted part of the terrain of struggle that will configure the politics of the emerging world order, which it has defined as a politics of *supremacy* rather than hegemony. It can also be read as part of a research agenda on the material and mental limits, contradictions, and political opportunities for counter-supremacist forces. These seek to redefine questions of international relations by drawing on critical perspectives on epistemology, ontology, theory, and practice, by highlighting the contestability of, and contradictions in, the practice of neoliberal discourse.[76] The article may contribute to a wider emancipatory project that seeks to use new forms and modes of knowledge to transcend the dominant economism and reductionism of our time, and to contribute to the possibility for new intersubjectivities and intellectual and material networks. A motivation for this is that a critical and historicist reading of present trends suggests that, in the absence of major changes in lifestyle, consumption patterns, and public goods provisions, the current configuration of world order and neoliberal forms of global governance is unsustainable.

Finally, this article has posed the implicit question whether the phrase 'neoliberal market civilisation' is an oxymoron, insofar as the concept of civilisation implies not only a pattern of society, but also an active historical process that fosters a more humanised, literate, and civil way of life, involving social well-being on a broad and inclusive basis. Looking beyond the confines of this short article, which can only scratch at the surface of a huge and complex set of questions and problems, the key world order problem for the future might be said to involve the creation of a peaceful and tolerant co-existence between

76. Other attempts to develop such a research agenda can be found in Stephen Gill and David Law, *The Global Political Economy* (Baltimore, MD: Johns Hopkins University Press 1988), and Gill (ed.), *op. cit.*, in note 6.

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015

differentiated civilisational forms, in ways that provide material and political conditions of high quality. This requires effort to redress the vast inequalities of the present age and a double democratisation of forms of state and civil society in both global and local dimensions of political life.

Stephen Gill is Professor in the Department of Political Science, York University, North York, Ontario, Canada, M3J 1P3

Downloaded from mil.sagepub.com at SIMON FRASER LIBRARY on June 16, 2015