

The G-8 and the American Empire

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by Murray Dobbin

What should Canadians think of the G-8 meetings coming up in Kananaskis? They could just treat the whole photo-op for the world's "most important" leaders as a relatively ho-hum event livened up by anti-globalization demonstrators. But it might be a good idea to closely examine this self-appointed forum of the powerful. While its legitimacy now seems beyond question, just what gives these powerful politicians any moral authority in world affairs? Simply, power. They declare their legitimacy because there is no one around to challenge it. Here we have eight countries who have arrogated to themselves the lofty role of deciding how the world will be run.

This is not multilateralism or democracy -- that role is supposed to be played by the United Nations. No, this is effectively a dictatorship of some nations over all others. Except members of this exclusive club now prefer to call themselves "economies." That may seem an esoteric point, except that it reveals a lot about our current world, one in which nation states are being systematically weakened in terms of their capacity to act in the interests of their citizens and communities.

But, of course, not all nation states are seeing their sovereignty eroded. Despite all the hype about "leading economies," globalization and the borderless world, the United States has no plans to abandon its status as a nation-state. Indeed, as the only superpower remaining in the world it is becoming increasingly comfortable -- even enthusiastic -- about the idea of being an empire.

Journalist Emily Eakin recently identified this trend for the International Herald Tribune. The American conservative columnist Charles Krauthammer stated: "People are now coming out of the closet on the word 'empire.' The fact is no country has been as dominant culturally, economically, technologically and militarily in the history of the world since the Roman Empire." The Wall Street Journal's Max Boot wrote: "Afghanistan and other troubled lands today cry out for the sort of enlightened foreign administration once provided by self-confident Englishmen in jodphurs and pith helmets." Journalist Robert Kaplan opined: "... future historians will look back on 21st-century United States as an empire as well as a republic... "

This development -- the systematic erosion of nation state sovereignty globally, while the empire-republic enhances its power -- is a formula for disaster. It is particularly dangerous for Canada, which for 15 years has followed a deliberate policy of tying itself more and more to the U.S. under the illusion that this will guarantee its future. It may instead ensure our demise as a distinct nation and community. In fact, what we will witness at Kananaskis is not the meeting of the G-8 but the first unabashed gathering of the G-1. At no time in world history has there been such a disparity of power between a dominant empire and the rest of the world. Of course it could be argued that this American dominance is nothing new -- just the end point of the evolution of the G-7, which was initiated by the U.S. in the first place (and expanded in 1999 to include Russia). It has been, primarily, a tool of U.S. foreign and economic policy since it was founded in 1975 by U.S. President Gerald Ford.

As it turned out, the G-7 was to become the implementation committee of the Washington Consensus, the new elite consensus -- free trade, deregulation, privatization and deep cuts to social spending -- that developed out of institutions like the Trilateral Commission and World Economic Forum. While the TLC and WEF gave broad definition to the new consensus, the G-7 made it operational.

Perhaps the single most important initiative of the G-7 was the creation of the World Trade Organization, the most powerful global institution ever created and one that enjoys world government powers that the UN can only dream of. It is, of course, world government in the narrowest sense: it enforces the property rights of transnational corporations against the sovereign authority of democratic nation states.

At the 1981 summit held in Ottawa, the G-7 leaders formed what would become a key organization in the formation of global trade policy and agencies. It was called the Trade Ministers Quadilateral, now known simply as the Quad. It is the self-appointed executive committee of the WTO and it blithely sets the WTO agenda and imposes it on the other 137 member countries. Canada plays a key role in the Quad bullying and is now seen by developing countries as no different than the U.S.

The agenda pushed by the G-7 has been catastrophic for Third World countries. Between 1960 and 1980 most of the countries in Latin America and Africa were either welfare statist or socialist, pursuing policies of public ownership and import substitution and growing economically. The Washington Consensus policies imposed by the G-7 and its agencies, the IMF, World Bank and WTO, dramatically reversed that record growth.

Between 1960 and 1980 per capita income in Latin America grew 73 per cent, and in Africa, 34 per cent. During the period of economic liberalization, 1980 to 2000, that growth plummeted to 7 per cent in Latin America and in Africa it went into reverse -- minus 23 per cent. These numbers put into perspective Prime Minister Jean Chretien's highly publicized support for a "new" plan for African development. Known as the New Partnership for Africa's Development -- NEPAD-- its lofty aim is "to eradicate poverty and to place African countries on a path of sustainable growth and development." But NEPAD is little more than a joke. The new plan is just more of the same -- more open markets, more privatization, more deregulation and more grand lies about debt forgiveness.

All the pomp and ceremony surrounding the meeting in Kananaskis would suggest serious democratic leaders grappling with intractable problems. The trouble is, the problems were created by this same gang. These are not statesmen. They are more like a political Hells Angels handing out toys to poor kids at Christmas to polish their image -- all the while running a protection racket for the world's most powerful corporations.

Canadians should be outraged at what these so-called "leaders" are up to on Canadian soil with respect to the Third World. And as for our own future as a nation, if Canada does not actively resist American arrogance and unilateralism it will be dragged into supporting whatever new adventures the US is planning. When the U.S. ignores pleas from its G-8 partners to change its behaviour -- as it certainly will -- Canadians should take it as a signal to demand a national debate about our relationship with our imperial neighbour to the south.