

The Multi-Layered Crisis - Impacts on People's Rights in Asia and Europe

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The Investor's Prayer

My father, CAPITAL, who are on earth, Almighty God, who changest the course of rivers, tunnelest mountains, separatest contiguous shores, and meltest into one distant nations. Creator of Merchandise, and Source of Life, oh, Thou, who rulest Kings and subjects, laborers and employers, may Thy Kingdom be for evermore on earth. Give us plentiful purchasers to take our goods off our hands, without looking too closely whether these be genuine or shoddy, pure or adulterated. Give us needy working people, who will accept the hardest work and the lowest pay without grumbling. Send us gudgeons who may be allured by the tempting bait of our prospectuses, and ensnared in the network of our fair promises. Cause our debtors to pay us their debts in full. Lead us not into the penitentiary, but deliver us from bankruptcy, and grant us never ceasing dividends. Amen.

Paul Lafargue [[1](#)]

The capitalist world economy is in peril. The promises of neoliberal globalization have failed to materialize. Even adherents of the ideology of utopian “free-markets” seem to fear that it has reached its end-point. The strategy of neoliberalism on the world scale has become synonymous with a dysfunctional calamity of hyper exploitation, growing inequalities, and exclusive imposition of property rights and greed for tiny elite of super nova rich on planet earth. The signs of decline are clear, and since 1995 they have multiplied turning a confused situation into a collapse. “We have

scarcely noticed this collapse, however, because globalization has been asserted by its believers to be inevitable - an all-powerful god; a holy trinity of burgeoning markets, unsleeping technology and borderless managers. Opposition or criticism has been treated as little more than romantic paganism" (Saul 2004; Saul 2005).

With the recent September 2008 Wall Street crash this prediction seems timely although others also have warned that "America has no better than a 10 percent chance of avoiding economic "Armageddon"" (Roach 2004) because of the trade deficit and household debt which was nearing 85 percent of the US economy. It appears that 1929 is repeating itself with a world economy sliding towards recession or even a new Great Depression. A situation which has lead the Chinese state media blame the US for unleashing financial "weapons of mass destruction" and sparking a global market "tsunami".

The main argument of this paper is that we have reached the end of globalization and will probably move into a period of renewed nationalism and protectionism. It seems that energy depletion and climate change are precipitous factors converging with a global economic meltdown, exacerbating it and creating the grim post-neoliberal collapse of the world economy. This scenario will be covered in the first section and the second section of the paper tries to give examples of the current drive towards nationalist measures. The third section devotes space to a discussion of whether there are viable alternatives - called From TINA to TAMA (There are Many Alternatives). The section argues furthermore that those, whether from the right or the left, who have only understood the era of neoliberalism as an ideological discourse - i.e. in terms of a hegemonic ideological allegiance to the liberation of market forces from rules and regulations of states - have had such a weak handle on discerning what really has been going on over the past quarter century. Clinging to this type of framing the problem will also get in the way of the necessary thinking to advance an alternative strategy in the wake of this on-going crisis. It is more important than ever to distinguish between the understandings of neoliberalism as an ideologically-driven strategy to free markets from states on the one hand, and on the other a materially-driven form of social rule which has involved the liberalization of markets through state intervention and management (Panitch and Gindin 2008). The fourth section argues that there are specific and uncovered strengths for mobilizing an alternative in the informal sector. Finally these discussions are put into the greater picture concerning the current debate about rights, democracy and so-called civil society based organizations in Asia and Europe under the cacophony of crises.

Introduction

The damaging results of this period of free-wheeling capitalism have been predictable already from its very beginning. In the 1980s as states collapsed, dictatorships re-installed with the blessings of the United States and the European Union, and the real economy crumbling under the artificial and speculative "casino economy" (Strange 1986), and with labor markets being informalized and the growth of the economy of criminality. The monopoly of the means of organized violence of the state has been cast in jeopardy and in many cases is widely disappearing. "The world is littered with collapsed states. In these parts of the third world, wars are fought by irregular armies commanded by political and religious organizations, often clan-based, and prone to savage internecine conflicts" (Gray 2001). In other conflicts, the wars are fought by private Western companies who are involved in illegal wars - in many cases as proxies for US and European government.

One of the results of the chaos which many regions of the Third World are experiencing is a growing flow of migrants, asylum seekers and refugees trying to cross the borders of Europe, the US and Asia. More than 100 million international migrants are without basic human rights, vulnerable and

marginalized – they are the ones who built the so-called “Asian miracle”, who comprise the bonded labor substitute for the non-redistributive economic policies of the region, and who bear the costs of the non-existing East Asian welfare state on their shoulders. They have built the skyscrapers of Asian metropolises and they live and work together with the internal migrants and slum dwellers in the informalized sectors of Bangkok, Singapore, and Shanghai.

On a global scale, privatization, trade liberalization and market deregulation not only created massive financial turmoil, and a real social crisis of global, regional and national inequality, poverty and a growing gap between the developed and developing nations, but have also sparked an alarming food crisis. The World Bank, prime promoter of the “free trade and export or die” model, now warns that food riots might take place in 33 countries. And the WTO fears a resurgence of protectionism: some food-exporting countries – India, Vietnam, Egypt, and Kazakhstan – have decided to reduce exports in order to protect their own societies from food shortages. World prices for commodities have risen dramatically (over 35% in the past year alone), and millions of people are surviving below the UN-established minimum food intake. The UN Special Rapporteur for the Right to Food, Jean Ziegler, says that the production of biofuels is “a crime against humanity” because of its impact on global food prices. He also accuses the EU of undermining production in Africa by subsidizing its agriculture. “The EU finances the exports of European agricultural surpluses to Africa ... where they are offered at one half or one third of their (production) price.” “That completely ruins African agriculture,” and “creates hunger refugees”. In recent months, rising food costs have sparked violent protests in Cameroon, Egypt, Ethiopia, Haiti, Indonesia, Ivory Coast, Madagascar, Mauritania, the Philippines and other countries. In Pakistan and Thailand, troops have been deployed to avoid the seizure of food from fields and warehouses, while price increases fuelled a general strike in Burkina Faso. Jean Ziegler furthermore refers to the “schizophrenia in the UN system and in states’ policies” as one of the key obstacles to the promotion and protection of the right to adequate food. He condemns the World Bank and IMF for their refusal to recognise the existence of the right to food and finds that their insistence on the privatisation of institutions and public utilities, the liberalisation of agricultural trade, and market-assisted models of land-reform “create catastrophic consequences” (<http://www.brettonwoodsproject.org>).

Together with the climate threat and the almost complete disruption of the global governance system by the neoconservative fundamentalists in Washington, the situation of the world has reached a critical point. The international organizations UN, IMF, the World Bank, and the WTO working primarily to the benefit of the US and the EU have been turned into instruments of power politics. In recent years, they have been increasingly sidelined by the re-mergence of double-speak hypocrisy and double-standards in terms of democracy and human rights promotion. If the wrong side wins elections like the Front Islamique du Salut in Algeria or Hamas in the Palestinian occupied territories the democratic process is suspended by the Western democracies. Under the pretext of making the world safe for democracy, Washington follows a self-serving foreign policy of regime change abroad and militarization of the US economy at home. By focusing on the wars in Iraq, Afghanistan, and possibly Iran, whose ultimate purpose is to secure US and European oil interests, encircle Russia and China, and guarantee Israel’s regional interest and territorial expansion, the American executive and legislative branches of government, along with the media, have let slip the last opportunities the US had to put its financial house in order (Roberts 2007). In the last instance, this course threatens to undermine the legitimacy of the two-party political system.

The democracy and human rights discourse is loaded with contradictions and in need of deconstruction. The economists Jean Drèze and Amartya Sen estimate that, departing from a similar base, authoritarian China and democratic India have followed different development paths and that the difference between the social systems of these two countries results in about 3.9 million extra

deaths in India every year. In Latin America 285,000 lives would be saved each year if Cuban health and food policies were applied. As Brickmont notes: "I am not saying that social and economic performance can justify deficiencies in other fields of human rights. But no-one would maintain that the contrary is true: respect for individual and political rights does not justify flouting social and economic rights. Why do the defenders of human rights remain silent on this point? With regard to Cuba: Can the lack of individual freedoms be justified by effective health care?" (Brickmont 2006).

It is seldom realized that the function of those in power and their institutions is to promote the expansion of capital accumulation. International agencies such as the World Bank are often criticized on the ground that their policies do not promote development. But it should be understood that their primary function is, besides preserving the viability of the world capitalist system, to promote capital accumulation, which entails a transfer of wealth from the South to the North. The dominating premise is that the accumulation system is immutable and all countries must conform to its operations (Biel 2000: X). Recently, however, it seems that the Bretton Woods system has become outmoded and lost its relevance as the WTO finds itself in scrambles and the IMF and the World Bank running out of customers such as Venezuela, Ecuador, Bolivia and Argentina. While Latin America is on the verge to establish an alternative to the World Bank - Banco del Sur - East Asia seems ready to implement its own IMF, the Asian Monetary Fund as decided in Chiang Mai in May 2008. The IMF and the World Bank have their headquarters in Washington, home of the world's largest debtor (CIA world factbook 2008), yet "today global development finance is increasingly accessed directly from private sources and emerging economies such as China, the Gulf States, India and Brazil." It seems that the fee-paying clients of the IMF vote with their feet and seek to build up their own reserves to avoid using the institution (Woods 2008).

The process of disintegration started in the United States and seems to end in the North American "free market" laboratory where, confronted with the triple deep scaled crisis of the economy, the environment and political institutions are failing to cope with the situation. Even the IMF sees the continuing corrections in the US housing market and the unresolved financial sector problems as leading the economy to the verge of a downturn: "In fact, we are now anticipating that the United States will indeed slip into recession" (IMF 2008). Connected to that according to NPR's David Kestenbaum, "The U.S. Treasury says America has now agreed to get a stability assessment from the IMF. The announcement didn't get much attention, but officials at the IMF expect to start examining U.S. finances in the next couple [of] months." Australia's Peter Costello noted that lately you've been "exporting instability" in world markets, and Yashwant Sinha, former finance minister of India, concluded, "The time has come. The U.S. should accept some monitoring by the IMF" (Kestenbaum 2008). Interestingly the IMF has applauded the Bush government's response and the critical role played by central banks.

With the nationalisation of the home financing corporations, Fannie and Freddie, and the world's largest insurance company AIG, and the bail-out of the Bear Stearns creditors; "the use of the Fed balance sheet (hundreds of billions of safe US Treasuries swapped for junk, toxic, illiquid private securities); the use of the other GSEs (the Federal Home Loan Bank system) to provide hundreds of billions of dollars of "liquidity" to distressed, illiquid and insolvent mortgage lenders; the use of the SEC to manipulate the stock market (through restrictions on short sales). Then there's the use of the US Treasury to manipulate the mortgage market, the creation of a whole host of new bail-out facilities to prop and rescue banks and, for the first time since the Great Depression, to bail out non-bank financial institutions" (Roubini 2008).

Behind the ongoing financial collapse is the social ruin wrought about by a debt-based monetary system and the solution could be the same as with any other financial crises such as the so-called Asian financial crises in 1997. Profits are privatised and losses are socialised - it means that taxpayers are going to pay the bill for generations to come in both Asia and the United States and

Europe where the recession has hit the real economy as well. The financial collapse is dragging down the producing economy as job losses mount. However, the major difference with the Korean, Thai, Indonesian and Malay financial crisis is that they were told by international institutions to “cut public spending, shut down banks and investment houses and let asset prices – stocks, real estate and currencies – find their market level. In return, East Asian received modest financing from the IMF.... The result: their economies collapsed. Thailand, Indonesia and Korea saw falls in 1998 GDP of 11, 13 and 7 percent respectively” (Linn 2008; Schmidt 2007)..

The contagion effects of the crisis of capitalism represents nothing less than what Paul Baran and Paul Sweezy aptly described as a “gigantic system of speculating, swindling, and cheating.” It has reached the global level and pose tremendous challenges to people’s organizations, solidarity movements and those who fight for increasing social, political and ecological rights of ordinary people- whether at the local, national, regional or even global levels. The dominant response on both left and right is the call for more regulation and government intervention. But this answer “fails to shed light on the convergence of interests of business and political elites as well as the ongoing class war that has eviscerated the ranks of unionized labor, stagnated wages, and casualized workers across all sectors of the economy” (Walker 2008).

The deep systemic causes of the social and environmental dilemmas unfolding around us are a function of the present phase of the capital accumulation process which translated in the growth of endless consumption, increasing levels of inequality, and the unwise institutional pathology which to a very large degree has been induced by US administrations. The neoliberal imperative is depleting the natural life support system of the planet, disrupting hydrology and climate systems, and threatening human survival (Korten 2007). As President Chavez pointed out at the United Nations, quoting Noam Chomsky, “the US rulers show themselves willing to risk even the survival of the species in pursuit of global hegemony” (Estabrook 2007). Climate change which previously was interpreted as a transnational ethical problem, has become a major political issue and coupled with other global, regional and local dramas might increasingly be identified as a security issue. China now has overtaken the US in greenhouse emissions and requires at least 10 times more energy than the more mature industrialized nations to produce one unit GDP (George 2008) which makes China one of the world’s largest energy consuming and polluting countries and a real concern for security through its increasing dependence on oil, gas and coal.

Climate change and the deep systemic environmental failures are linked to the systemic failure of the current mode of production – no matter the type of political and institutional layers in which the market economy is embedded in. There are horizontal links and close connections between the failures of capitalism and the depletion of oil and the tremendous price hike on this source of energy and other natural resources (Crude oil price increased five-fold in five years from \$22 per barrel in 2003 to \$125 in May 2008). Scarcity of water and oil is already a security issue which has led to wars and not least China’s and India’s rise in the world system projects more competition for scarce resources in very near future. Corporate interests claim that water “is the oil of this century.” Cheap, abundant fresh water has largely been taken for granted by developed nations. However, global population growth, pollution, and climate change are shaping the new perception of water as “blue gold” in the capital accumulation process and as a source of resistance. “Global water markets, including drinking water distribution, management, waste treatment, and agriculture are a nearly \$500 billion market and growing fast. But governments pushing to privatize public water systems are colliding with a global “water is a human right” movement. They maintain that water is essential for human life; its distribution is best left to more publicly accountable state authorities to distribute at prices the poorest can afford. Global warming isn’t going to change the amount of water, but some places used to getting it won’t, and others that don’t, will get more,” says Dan Nees, a water-trading analyst with the World Resources Institute. “Water scarcity may be one of the most

under appreciated global political and environmental challenges of our time." Water woes could have an impact on global peace and stability (Clayton 2008).

The depletion of water and oil is closely linked to the food crisis and the speculative increase in the price of food and primary commodities which create social havoc and cause an enormous strain on poor people's time, money and food intake. Seeing this cacophony of crises as a systemic failure in a geo-political and geo-economic perspective makes it imperative to understand the impact of the deregulated financial cum speculative capital bubble which has now reached the real economy. The relationship of the fictive economy to the productive economy has been transformed. Incredibly as it may seem: "40 per cent of total corporate profits in the US in recent years went to the financial sector that in itself does not 'produce' ... but that 'intermediates and organises' the resources that do produce" (Dervish 2008). When the price of crude oil increases so do food prices while the surge to produce gasoline with bioethanol has led to a speculative bubble in primary commodity prices again with catastrophic consequences for the world's poor. It is like a global earthquake driving more than 100 million people into hunger and starvation.

The growing concentration of financial power in a global economy engaged in an ever more intense competition for a declining base of material wealth creation is eroding the social fabric to the point of widespread social breakdown on the world scale. Institutional pathology denotes that "the most powerful institutions on the planet, global financial markets and the transnational corporations that serve them, are dedicated to growing consumption and inequality. They convert real capital into financial capital to increase the relative economic power of those who live by money, while depressing the wages of those who produce real value through their labor. They offer palliatives that leave the deeper cause of our potentially terminal environmental and social crises untouched, because they are the cause" (Korten 2007).

A clear sign of the long-term economic decay of the US global competitive position from 2002-2008 is evidenced by the fact that a 40% depreciation of the dollar has failed to substantially improve the US balance of payments, let alone produce a trade surplus (Petras 2008). Furthermore, Americans have experienced a decline in real income. Some studies find long-term declines in the real median incomes of some US population groups and a decline in upward mobility. Since 2001 the pay of the typical American worker has been stagnating, with real wages growing less than half as fast as productivity. By contrast, the corporate CEOs have enjoyed a Beckhamesque bonanza. The total pay of the typical top American manager has increased from roughly 40 times the average-the level for four decades - to 110 times the average now (The Economist Jan. 18th 2007). 17% of Americans are living below the poverty line. The middle class is rapidly dissolving into the underclass. Taking home pay is falling even as worker productivity continues to rise. Workers are producing more goods and services, but their productivity is rewarded by lower wages and longer hours. Executives of TNCs and financial institutions are having obscene incomes while workers are losing their pensions (Baker 2007) and still the hyper-rich - the top two percent who captures more than half of the world's GDP - will by all means attempt to hide their profits in tax heavens, finding loopholes and protected investments, lobbying fiercely in parliaments and ministries against regulation on banks and financial markets (George 2008).

The reasons why there is an increasing lack of confidence in the market are manifold and related to speculation, US outward investment and overseas relocation of production and because the 'objects' up for sale have become so lacking of value, i.e. so intangible and unrelated to the real economy. "Tax payers are busy bailing out the companies that insisted on less government intervention, acting as a financial safety net for the rich while their own living standards decline" (Petras 2008).

The falling exchange rate of the US dollar has consequences for the new rising powers in Asia where China holds over one trillion dollars, and Japan almost one trillion, in dollar-denominated assets.

Taking into account that the US dollar is the world's reserve currency, the entire world's investment portfolio is over-weighted in dollars. Japan and China have accumulated dollars as the counterpart of their export surpluses to the US market. Nobody seems to realise quite how serious the collapse of the dollar is for the global economy, nor the long-term consequences of this decline for the position of the US in the world.

Seen in this light, there are many enduring signs pointing to the end of the era of neoliberal globalization. The military-industrial complex now has the upper hand in American politics while protectionism and nationalism are growing. Indeed the end of globalization started probably with the enactment of the WTO where any international exchange that involved a trading element would be treated as fundamentally commodified. Culture would be seen as a mere matter of industrial regulation; food, as a secondary outcome of agricultural industries (Saul 2004). Now the Doha Round and the WTO itself has lost any credibility and international trade is relying on the Chinese power engine. The post 9/11 era marked a shift from the configuration of the Clinton period which had seen the ascendancy of economic neoliberalism to the current situation which is characterized by politics in command i.e. the military and political dimensions of coercive and brute force which have replaced soft diplomacy and multilateralism.

In principle this crisis could be resolved by a major systemic shake-up, involving (for example) new economic doctrines and new forms of international relations. But this time it is more unlikely for two reasons: First, non-renewable natural and human resources are being exhausted and no form of capitalism can resolve that (Biel 2000: 288). Second based on historical experience the decline of US hegemony - a declining superpower armed to the teeth - is unlikely to give up power voluntarily. "The US maintains a network of 737 American military bases around the world (according to the Pentagon's own 2005 official inventory). Not including the Iraq and Afghanistan conflicts, there are over half a million US troops, spies, contractors, dependents, and others on military bases located in more than 130 countries, many of them presided over by dictatorial regimes that have given their citizens no say in the decision to let them in" (Johnson 2007).

The current shift of economic gravity from the West to the East can only be resolved through a major war or by the creation of a new multi-polar world order based on several regional centers of power. In Latin America, a new generation of leftist political leaders is responding to a profound disillusion with neoliberal policies. Similar currents are stirring in Africa and especially East Asia (although with a different political and ideological flavour). The common struggle against the entrenchment of property rights in the WTO has forged political and economic links between major regions of the global south. Given the severe imbalance of power between the developed and the developing world, it is difficult to imagine that a new restructured multilateral financial and economic order would not be biased in favour of the rich and the mighty. Regional formations would have to furnish themselves with financial institutions to complement the management of external trade and investment (Schmidt 2008).

Positive or negative nationalism!

The unstoppable sweep of globalization has recently declined into simple assertions that viewing the world through an economic prism is inevitable. At the same time, the growing number of failures and a rising wave of alternate views of the world have reached a critical stage. It seems that if those who oppose globalization do not commit themselves to mainstream politics quickly, the vacuum they have created will be filled by a massive return of nationalism. Whether it is positive or negative nationalism remains to be seen. There are clear signs today of an aggressive rivalry between the two as both gain strength (Saul 2004). Economic nationalism and protectionism is not necessarily the

problem – as a matter of fact Polanyi's concept the double-movement denotes that reimposing effective social control over their economies, societies must ultimately choose between either the fascist, or the socialist, principle for the fundamental and inevitable conflict between an individual's need and desire for freedom, and a modern complex society's need to define the framework and parameters within which economic activity must be embedded and organized. And today, as in the past, the rich and powerful will tend to prefer the fascist solution because it promises to allow them to defend their power and their privileges more effectively. Which means that those who prefer a democratic socialist solution will always face a more difficult struggle" (Bienefeld 2007: 13-14).

There is an observable swing back to nationalism and protectionist measures. In the rich part of the world, labor's share of GDP has fallen to historic lows while profits are soaring. Signs of a backlash abound. Stephen Roach has counted 27 pieces of anti-China legislation in Congress since early 2005. The German Marshall Fund found last year that more than half of Americans want to protect companies from foreign competition even if that means slowing growth. "In a hint of labor's possible resurgence, the House of Representatives have just voted to raise the federal minimum wage for the first time in a decade. Even Japan is alarmed about inequality, stagnant wages and jobs going to China. Europe has tied itself in knots trying to "manage" trade in Chinese textiles" (Economist Jan. 18th 2007). There has also been resistance in Congress to foreign takeovers and the change in visa requirements in the name of homeland security (Mcrae 2007), while investors no longer see the American market as the safe haven for investments. It is also of interest to note that many establishment economists are now in favour of new regulation of the financial sector; a position which was unthinkable just a year ago.

The signs on the wall show that if globalization is considered to depend upon the democratic process, when a constituency, for instance workers, no longer thinks they gain from it, it is only a matter of time before democracies start to put up barriers to trade? "If all the riches go to the summit of society and that summit seems beyond everybody else's reach, are the wealth-creators under threat"? (Economist Jan. 18th 2007) Indeed, it is historically documented that the capitalist class never inherently needed democracy. This point is also illustrated in the contemporary world by the attractiveness of China and Vietnam to foreign capital – these countries are the real darlings of private capital and in this equation, democracy and human rights are regarded as obstacles to high-speed economic profit.

This is also the case in corporate driven EU where the central problem is its undemocratic nature which partly translates into more and more EU scepticism on the part of the European populations. We are witnessing in the European context a swing back to national agendas taking precedence over regional problem-solving; furthermore the general lack of democratic transparency – the so-called democratic deficit – in the commission and the European Council and the lack of real democracy has together with the stalemate surrounding the constitution turned the vulnerable segments of the populations against the EU. Another reason why democracy and human rights are in jeopardy in Europe is the migrant issue and the campaign against terror which has created a draconian climate of fear, extra-judicial detention and expulsion of so-called illegal immigrants leading to serious violation of human rights and a virtual and physical surveillance system of Orwellian scope. Combined anti-terror laws and European foreign policy support for the wars in Palestine, Iraq, Afghanistan and the hostility towards real democratization, secularism and human rights in the region show the hypocrisy involved and create the real paradox – more fear and more terror – thus paving the way for an authoritarian solution to the present financial crisis!

In the context of the mood against economic and political refugees, xenophobia fuels rightwing "identity politics" in Europe. The refugee regime of the rich countries in the EU has been fundamentally transformed. It has shifted from a system designed to welcome Cold War refugees from the East and to resettle them as permanent exiles in their new homes, to a 'non-entrée regime',

designed to exclude and control asylum seekers from the South. This implies that the major burden of caring for refugees falls overwhelmingly on the poorer countries of Asia and Africa (Castles 2003: 181). The progressive civil society organizations in Europe are also facing rightwing social movements who appeal to widespread anxieties, prejudices, and resentments, in order to exploit them for political gain. The real problem is the restrictive notion of citizenship, which holds that genuine democracy is based on a culturally, if not ethnically, homogeneous community; that only long-standing citizens count as full members; and that society's benefits should be restricted to those members of society who, either as citizens or taxpayers, have made a substantial contribution to society (Betz 2003: 194-195).

The inherent contradiction between capitalism and democracy is likewise visible in Europe where negative nationalism in the form of new levels of islamophobia against first and foremost immigrants and refugees with a Muslim background has put the European Left and social movements on the defensive. This is uncharted territory for European socialism. An offensive posture by socialists in defence of bourgeois rights in capitalist society confuses many issues. Under the conditions of real existing capitalism in Europe, socialists should be aware that ghosts from the past still haunt our societies. In disregard of European history, what seems to be ominous is that a substantial segment of the populations is responsive to demagoguery and that a most serious menace taking place is to be found in the apparent change in the political culture of society? European socialists ought to remember the warning by August Bebel that anti-Semitism is "the socialism of idiots." In the present context, catering to a xenophobic discourse and nurturing Islamophobia serves the extreme right. It should be recalled that fascism is not only a structural phenomenon but requires an ideologically motivated mass movement. Seen in this light we can sense danger signals in most of Europe (Brun and Hersh 2008). The double-standards of the European governments and the EU are highly visible when the human rights issue is seen from the Arab and Muslim immigrant and refugee points of view: There is legal prosecution against infamation based on anti-Jewish, anti-Israel, anti-semitic or anti-zionist expressions - ie cartoons, jokes, books, articles, internet comments etc - in the public sphere. This situation is dangerous and cannot be solved in any easy way, but is in actual fact furthering the marginalization of Euro-Muslims towards second-class citizenship. On the other hand, the cultural war that is going on with the building up of an anti-democratic apparatus likewise threatens the democratic foundations of the Western model. Thus we see the introduction of measures limiting civic rights in European and other Western societies. This solution potentially prepares the ground for a proto-type of fascism which can be used against progressives and labor movements in case the economic crisis becomes politically uncontrollable.

From TINA to TAMA (There are Many Alternatives)

Perry Anderson has recently reminded us of Margaret Thatcher's famous dictum that "there is no alternative" to neoliberal globalization and he claims that it runs deep in popular consciousness. "Setting aside normative abstractions (such as Roemer's voucher socialism) or local anaesthetics (such as the Tobin tax or Jubilee movement), what strategic alternatives are currently on offer? The most plausible candidates are proposals like Robin Blackburn's Global Pension or Philippe Schmitter's Eurostipendium, that are designed to twist establishment headaches - pensions crises; cap - in an unexpectedly radical and far-reaching direction. But such ingenious schemes are few and far between. What others are discernible? In more stratospheric mode, Roberto Unger's experimentalism offers a range of ways to increase subjective empowerment, whose explicit premise is the lack of any requirement - and diminishing probability - of objective crises in the system such as gave rise to radical or revolutionary movements in the past" (Anderson 2007. 27-28). He concludes on a very pessimist note that the first years of the 21st century "have seen some spectacular demonstrations of popular will - the WSF in 2001-02, Venezuela in 2002-03, Bolivia in 2004, France

in 2005 - and a patchwork of resistances elsewhere, but the overall drift of the period has been a further shift to the right ... the cry 'Another World Is Possible' risks sounding increasingly desperate..." (Anderson 2007: 27).

In contrast to Anderson's pessimism, finding a way of transgressing the capital-labor nexus, which is the fundament for the accumulation process, can be said to be the precondition for the most radical break with history. The current alternatives that are emerging can indeed be seen as examples of a break with the very holy grail of capitalism namely private property. New Left leaning governments seized the recent momentum of the democratic opening and won elections all over Latin America, except Mexico and Columbia, and in countries like Nepal where the Maoist communist party has come to prominence in Parliament and forced the feudal King to abdicate the throne. The re-nationalization of oil and other natural resources in Venezuela, Ecuador, and Bolivia is a victory for the Left and a major rebellion against the dictatorship of finance and can be interpreted as a way to bring money back under the democratic control of public authorities and an end of the privatization of credit creation (Bienefeld 2007: 28). What is even more intriguing about these examples is the fact that the take-over of state power incidentally grew out of social movements - either through armed struggle or peaceful means and at the same time they all seem to operate with key strategic aspects from the global justice movements; in addition they are taking factors such as nature, environment, land, rights into consideration and questioning the systemic "modus operandi" of capitalism - free trade and the link between labor and capital. What is at stake for anti-systemic forces is first and foremost to acknowledge that what is at issue is not the removal of market failure or governing the market. In the last instance, such an approach re-legitimizes capitalism as a socio-economic system based on class differentiation and competition, thereby representing more of an alternance than an alternative to real existing capitalism (Schmidt and Hersh 2006: 82).

Our future depends on a dramatic cultural and institutional transformation to reduce aggregate consumption and achieve an equitable distribution of economic power. An epic transformational leap will be needed to adjust to the imperatives of the 21st century: Reduction of aggregate human consumption; redistribution of financial power from rich to poor to achieve an equitable distribution of Earth's life-sustaining wealth; Increase economic efficiency by reallocating material resources from harmful to beneficial uses; Investment in the regeneration of the living human, social, and natural capital that is the foundation of all real wealth; Acceleration of social innovation, adaptation, and learning by nurturing cultural diversity and the removing of intellectual property rights as being an impediment to the free and open flow of beneficial knowledge (Korten 2007).

To achieve such a scenario the global justice movements' with some caveats might proceed into a "Fifth International" (Bond 2004: 216-217): "The rise of the global justice movements as the world's first-ever multi-issue political convergence was profoundly important, and South Africa has become a site of crucial, productive conflicts for these movements' developments. The time may well arise for a formalisation of the movement's character in explicitly political terms, such as within the traditions of international socialism - for which the first four 'internationals' provide a host of lessons, largely negative, about world-scale co-ordination."

However, Bond asserts that nation-state priorities will be seen as overriding, because the balance of forces on the international scale simply does not offer progressive social movements any real scope for satisfying reforms, as the burdens of debt, trade, environment, militarism and so many other examples continually prove. However, all optimistic outcomes depend upon an obvious prerequisite: the hard work of local, then national, then regional and finally global-scale organising.

Hence in sum, the approach of the South African social movements - thinking globally and acting locally first, while changing the balance of forces nationally and internationally, so that acting globally might one day generate something meaningful - is a wise route towards a final attack on

global apartheid, and capitalism itself. "No matter the continual reversals, the opportunities to take up these challenges, and link them across countries and sectors of struggle, is now greater than at any time in memory" (Bond 2004: 219)

Another viable path, which does not exclude the important discussion about scaling and organization, is more concerned with strategy related to informalization and the trajectory of a new economy.

Informalization of labor - a new economy

In general capitalism has coped with the parallel informalized economy by denying its existence. New forms of informal economy and its importance has increased to such an extent that which economy is in fact the 'normal' one is not self-evident (Neef and Stanculescu 2002: 1). ILO estimates suggest that informal employment comprises about one-half to three-quarters of non-agricultural employment in developing countries - a staggering one billion workers are either unemployed or underemployed. Moreover, and perhaps even more significantly, these proportions appear to be rising even when economic growth is proceeding in developing countries, contrary to what a previous generation of researchers and policy makers had anticipated (Heinz and Pollin 2003: 1). The rise of this informal sector is a "direct result of liberalization," and under such extreme conditions of competition, the neoliberal prescription of flexibility is simply catastrophic. "De Sotán slogans simply grease the skids to a Hobbesian hell. Those engaged in informal-sector competition under conditions of infinite labor supply usually stop short of a total war of all against all, conflict instead is usually transmuted into ethnoreligious or racial violence" (Davis 2006: 175 and 185).

The informal economy is removed from state regulation and formal institutions. It allows the cheap reproduction of labor and ensures the survival of populations struck by poverty. The absence of taxes and social contributions is paid for with high social risks. It is basically keyed to covering basic needs and everyday consumption, while accumulations requirements are secondary (Neef and Stanculescu 2002: 2). From the standpoint of neoliberal economic policy, informalization is not an unfortunate side-effect of other policy initiatives.

It is rather a conscious policy outcome in itself. In other words, informalization and increased labor market flexibility are simply two aspects of the same phenomenon. The implementation of neoliberal policy can explain the rise of informalization through several mutually reinforcing channels. 1. Decline in public employment. The proportion of state employees will necessarily fall each time governments cut their workforce. Neoliberal policies also encourage a decline in formal employment in the private sector; 2. Promotion of trade and foreign direct investment. The promotion of EOI and the ability to attract FDI is a fundamental element. Maintaining low labor costs is often the single dominant element for successfully promoting export orientation. The ultimate goal is the limitation of workers' benefits resulting from productivity improvements in the form of increases in income, to reduce social and legal protections, and to weaken labor's bargaining power; 3. Macroeconomic policy strategy. Neoliberal prescriptions abandon labor market policies to achieve full employment. The deregulation of labor markets, i.e. increase in the flexibility of labor markets indicate that workers have to accept lower wage jobs and under worse conditions. 4. Increased pressures for engaging in paid employment. When the supply of decent formal jobs declines and economic growth slows, this means that households need more people bringing home income to prevent a decline the household's living standard. Women constitute a majority of workers in the informal economy. 5. The vicious cycle. These factors strengthen the bargaining position of business, enabling them to hire or contract workers at lower wages, benefits and protections virtually across the board - that is, to increasingly transform what had been formal work environments into informal ones. The rise of

informalization will feed upon itself as the bargaining power of workers weakens (Heinz and Pollin 2003: 6-7)

This is clearly the case in East and Southeast Asia where the result of IFIs' push towards greater flexibility of the labor markets has increased the informalization of employment. This is exacerbated by serious increases in inequality. One of the implications is that the days are gone where the Northeast Asian NICs could claim credit for 'equitable' economic growth and egalitarianism. "Many countries in the region have witnessed increases in either/both types of informal employment, making it more difficult to find and even define formal employment. The normal or standard employment is becoming a misnomer" (Schmidt 2007: 39).

One of the main "results" after three decades of neoliberal globalization has been that the prospects for achieving full employment have permanently receded. Unemployment has soared everywhere. It is also evident that it is not possible for all countries to pursue the Scandinavian strategy of flexicurity as the model demands an embedded social compact between labor, employees and the state. The corporatist (without labor) developmental state in East Asia is also gone, perhaps with the exception of China where a communist-led capitalist developmental state with "Chinese characteristics" seems to have emerged. With a greater level of informalization and reliance on casual labor the nature of work has changed drastically. Indeed we can also observe a trend towards Thirdworldization of labor markets in the North, especially in the United States (Schmidt 2006). In this connection it is crucial to understand that the current crisis is a reflection of the transfer of wealth from the middle and lower classes to the ruling elite. Wealth transfers do not just happen, nor are they the products of incompetency. They are intentional and well-planned. Central to wealth transfer is corruption at the highest levels of the economic and political systems. The middle class is being depleted in the US not only because of a lack of financial information, but specifically because debt is "obscenely profitable" for lenders (Baker 2007).

In another more strategic perspective informalization implies that capital has gone global while labor organization remains national. One reason that trade unionism is no longer a struggle with capital but a trench war against the tax-payer is probably related to the fact that the public sector offers a more favorable terrain for trade union recruitment compared to the concomitant difficulties of organizing workers in productive activities exposed to globalization. In Europe, South Africa, India and Brazil, organized trade unionism has with important exception become weaker, divided, and reduced to confrontational politics. Work force growth together with the labor demolition strategies of TNCs in order "to remain internationally competitive," to use their pedestrian refurbished rationalisation, will augment joblessness with further soaring inequalities as their concomitant (Clairmont 1996: 346).

The issue is that there is a historical trend towards forms of production organisation in which capital no longer needs to pay for the reproduction of labor power. At the same time, participation in the global marketplace means that the domestic market is no longer needed to serve the self-expansion of capital. Jobless growth is what the present phase of capitalism is about. "It is this process of globalization rather than any claimed imbalance in the national accounts between public and private sector growth (the fiscal deficit), nor any demographic imbalance (the greying population) that is the main reason for the perceived need to shed and restructure the welfare state which has become the dominant political project in all advanced countries since the 1980s" (Hoogvelt, 1997, 113). Coupled with the fact that there is a 'race to the bottom' in terms of job exports, outsourcing and a competition of lowering standards, regulations and laws it is interesting to note that so far the responses from labor in the North are re-active and in most cases have relied on a defensive and protectionist posture.

The questions that arise concern what types of resistance are reliable and which are unsustainable

in both a short-term and longer term perspective! Are the different types of anti-globalization in reality alter-globalization, in the sense of representing an alternative expression of a different form of globalization as some would accuse the global social justice movement of being.

Ellen Meiksins Wood's criticises the anti-capitalist forces who focus on TNCs and international agencies. She points out that many of the arguments used against these organisations are not anti-capitalist, but anti-global. The real issue is that, globalization is a consequence of capitalism, not a cause of exploitation. Instead, Wood forcefully argues that nation states are still the most reliable guarantors of capital accumulation, and therefore states should remain the focus of opposition political movements. She makes a strong case when she argues that: "While we can imagine capital continuing its daily operations with barely a hiccup if the WTO were destroyed, it is inconceivable that those operations would long survive the destruction of the local state." Furthermore "... capitalism whether national or global, is driven by certain systemic imperatives of competition, profit maximization and accumulation, which inevitably require putting 'exchange values' above 'use values' and profit above people." The point is that, the capitalist state has always performed a very important function: "controlling the mobility of labor, while preserving capital's freedom of movement" (Wood 2003: 134, 131, 133).

Globalization can only create the illusion of prosperity for all. Contra Thomas Friedman globalization has not made the world flat as Friedman claimed recently. Globalization per se is not a new phenomenon but rather a rhetorical discourse invoked by establishments in the North in order to justify their voluntary surrender to the dictate of financial markets. The process leading to the victory of the retrenchment of the state was related to the betrayal of political classes and the balance of forces in the class struggle: "... far from being — as we are constantly told--- the inevitable result of the growth of foreign trade, deindustrialization, growing inequality and the retrenchment of social policies are the result of domestic political decisions that reflect the tipping of the balance of class forces in favour of the owners of capital." (Bourdieu and Wacquant 2001; Hersh 2004). This is the reason for the increasing signs of popular and workers' organised resistance against the impact of globalization and "... a revolt against the idea that labor, rather than investors or management, should pay the cost of corporate globalization" (Pfaff IHT 1997).

The ideas of the free market satisfy the demands for a distortion of reality and the need to conceal the realities of exploitative relationships, in order to defuse the solidarity mechanisms of the disfavored and the oppressed. But it must also create the norms or identities that determine the role of the actors within the new accumulation process (Biel 2000: 170). In this way it incorporates new and old structures of dominance. In "really existing capitalism", monopolies and speculative capital control the economy by undermining solidarity mechanisms. "An apparent culture of opportunity was created which, in exchange for a largely fractious promise of individual betterment, undermined solidarity movements in the third world and elsewhere" (Biel 2000: 171).

Informalization of the economy and the new social movements are a product of two factors: firstly, objective forces of capitalist development and secondly the attack on the organized left (Biel 289). Informalization can lead to an alternative social system. The informal sector is not a *deus ex machina*, but "a soulless wasteland," yet also an economy of resistance that confers honour on the poor "where otherwise the logic of the market leads to total despair" (Davis 2006: 198). Although there are precarious work conditions etc., informalization also contains the seeds of anti-exploitative struggles which can be dangerous to capitalism "for it often means that workers control their own productive activity in a co-operative way, and create local, self-sufficient economic systems. They gain experience which would be highly valuable in the construction of an alternative system (Biel 290). Of course, the informalized populations support contradictory and numerous types of organizations, from faith-based communities, prophetic cults to ethnic militia street gangs, neoliberal NGOs, and revolutionary movements. As Davis mentions, although there are no monolithic

subjects or unilateral trends, there are nonetheless myriad acts of resistance. Indeed, the future of human solidarity depends upon the militant refusal of the urban poor, the slum dwellers and other people in the informalized sectors to accept their terminal marginality within global capitalism (Davis 2006: 202).

Consequently, the question that has to be resolved in order to surmount the dichotomy of welfare and workfare concerns the conflict between the expropriation of people's means of subsistence and the continuous identification of labor power as a market commodity. The commodification of work has been a determinant component of primitive accumulation that made and makes industrial capitalism possible. As noted by Karl Polanyi, following Karl Marx, this relationship puts workers at the mercy of the demands of capital. The human commodity has little control as to where, why and how it will be used or not used, a condition which has been exacerbated under neoliberal globalization, but the position of labor is different in the informal sector.

Although the ideological discourse of modern capitalism has sought to embed work as an individual psychological need, it overlooks the subsistence nexus which forces workers to sell their labor power. It is an irony of history that the 'Right to Work' has been celebrated as a great victory by the labor movement and socialist forces. But it can be argued that after having imposed this right, the working class landed in a 'prisoner's dilemma' situation whereby the essence of capitalist exploitation of labor was cemented politically and ideologically. Thus, the defensive struggle for the protection and betterment of the conditions of the working class could not be anything but a 'guerrilla war', without possible victory as long as the struggle did not raise the battle cry of the abolition of the wage system altogether. Voices like Karl Marx and Paul Lafargue within the socialist movement were aware of this impasse.

The promotion and struggle for participatory democracy would, in the view of Albo, open the way for opposition to neoliberal globalization: Accordingly, the opposite to globalization is democracy, not only in the crucial sense of civil liberties and the right to vote, but also in the no less crucial sense of the capacity to debate collectively as social equals about societal organization and production, and to develop self-management capacities in workplaces and communities (Albo, 1997: 28 cf Schmidt and Hersh 2006: 86) and in the informal sector.

Confronting the logic of the global market's imperatives would demand besides the expansion of democracy a reduction of the scale of production. This would also be a way of alleviating the environmental damages created by unbridled productivism. Most important of the suggestions made by Albo to surmount the destructiveness of the global market and move the political agenda towards socialism beyond capitalism are his reflections on the 'politics of time'. The argument that the conceptualization of labor time should be revised if not abandoned is close to the above argumentation concerning the abolition of wage labor and the fact that no such wage labor exists in the informal economy. In the optic of Albo, the notion of 'work without end', which has been the history of capitalism, the objective of 'endless consumption' under Fordism, and the Keynesian conviction that expanded output should always have precedence over work-time reduction should all be superseded. The reduction of work-time would contribute to creating the administrative framework for workplace democracy (Albo, 1997: 37 cf Schmidt and Hersh 1997: 86-86).

It would be tempting to elevate and idealise slum-dwellers and 'Lumpenproletariat' in the informalized sectors into a new revolutionary class. It is nonetheless surprising how far they conform to the old Marxist definition of the proletarian revolutionary subject: they are 'free' in the double meaning of the word, even more than the classical proletariat ('free' from all substantial ties; dwelling in a free space, outside the regulation of the state); they are a large collective, forcibly thrown into a situation where they have to invent some mode of being-together, and simultaneously deprived of support for their traditional ways of life (Žižek 2004).

The slum-dwellers in the informalized sectors are the counter-class to the so-called 'symbolic class' (managers, journalists and PR people, academics, artists etc.) which is also uprooted and perceives itself as universal (a New York academic has more in common with a Slovene academic than with blacks in Harlem half a mile from his campus). "Are we seeing the gestation of the new axis of class struggle, or is the 'symbolic class' inherently split, so that one can make a wager on the coalition between the slum-dwellers and the 'progressive' part of the symbolic class? The new forms of social awareness that emerge from slum collectives will be the germs of the future and the best hope for a properly 'free world'" (Žižek 2004).

Concluding remarks: Rights and democracy in Asia and Europe under the cacophony of crises

One of the main contradictions in the global neoliberal orthodoxy is how the same state-driven ideology could promise the "end of history" and an infinite spread of democracy and yet a decline in the power of the nation state? [2] "Democracy exists only inside countries. Weaken the nation state and you weaken democracy! Why did an unprecedented increase in money supply translate into a dearth of money for public services? And why did this growth in new moneys enrich mainly those who already had money? Why did it lead to a growth of the rich-versus-poor dichotomy and a squeezing of the middle class? Why did the many privatisations of public utilities neither improve services nor lower costs for consumers but instead guarantee revenues to the new owners while leading to a collapse in infrastructure investment" (Saul 2004)?

Capitalism, which quite literally means rule by financial capital -by money and those who have it- over all non-financial values such as labor and commodities, has triumphed over democracy, markets, justice, life, and spirit. Human societies require strong, active, democratically accountable governments to set and enforce rules that assure that costs are internalized, equity is maintained, and economic forces are channelled to the service of democracy, justice, life, and spirit. The current situation has exposed the myths that blind us to the irreconcilable conflict between capitalism and democracy and to the potential of community-centered, life-serving market alternatives based on principles of responsible citizenship, community, and equity (Korten 2007).

Existing democracies, and the complex social compromises on which they rest, confront a lingering demise accompanied by growing social polarization and conflict, while new or 'low intensity democracies' are marked by the limited degree of progressive change they allow, rather than by their transformative capacity (Gills 2000: 5). In this context there is a tendency in Europe and Asia and among mainstream observers to bracket civil society, idealize it as the moral conscience of society, and project its development as critical for democratic transition and consolidation. But in reality it tends to be an 'arena for power and struggle' (Alagappa 2004: 6).

Authoritarian regimes like the Soeharto regime in Indonesia collapsed in conjunction with the aftermath of the financial crisis while the situation in Thailand is still fluid where inter-elite struggles somehow still try to split the spoils 10 years after the crisis hit the country. On the other hand it seems that the dictatorship in Myanmar and one-party rule in Vietnam and Laos are experiencing only gradual or virtually no sign of opening up access to other political forces' potential influence on decision-making and the political system in general. The region is composed of a diverse mosaic of various types of regimes and might together with China and North Korea be considered one of the last strongholds of authoritarian political systems although with important variations between what some scholars refer to as soft authoritarianism or illiberal regimes (Singapore, Malaysia and Indonesia) to full-fledged democracies, Westminster style or American style, in India, Nepal, Thailand and the Philippines, respectively. The overall benchmark of the

political evolution of the region in the past two or three decades shows that the situation is fluid and could change on short notice (Schmidt forthcoming)!

Even if societies are legally considered democratic there has not been complete freedom for opposition parties, freedom of speech, a separation of powers, or civil and political rights. In societies like China where the emphasis is upon consensus and harmony, especially as an ideologically legitimising device with reference to economic growth, it has proved possible to treat opposition as subversive. The discourses on cultural values and nationalism have been a tool to control dissent and the role of civil society has been marginalized. It has been widely argued by some Asian leaders that industrialization and growth precedes democracy and civil rights, as indeed it did in Europe and the United States (Schmidt forthcoming).

Nevertheless, there is no doubt that civil society in Asia has emerged as a major force. It is now engaging in regional and national policy-making and in some instances being recognised by multilateral institutions (Guerrero 2001: 24). Democratisation from below is spearheaded by communities who are asserting their own power and self management, preservation and development of the diversity of culture, life forms and knowledge systems, as well as pursuance of alternative development and human scale economies (or economies of communities). Such community initiatives are scattered in Thailand, Sri Lanka, Bangladesh, India, and in the Philippines, for example, the popular education circle is now arguing for the redefinition of "people" towards "actually existing people", "not limiting it to NGOs and other terms of objective categories. People then refer to those who are seeking alternative paradigms as the real actors in the real world" (Guerrero 2001: 24). Whether these NGOs and people's organizations can spearhead revolutionary change remains to be seen, but historically and comparatively speaking there is a potential for radicalization if these organizations are able to create an alternative vision together with other political forces. The project of a "new economy" – an ecological and grounded alternative to the current mode of production – built on non-profit exchanges in the informalized sector has proved to be one viable way out of disaster capitalism.

In this connection it is important to remember that the old Left in Asia did have a relative strong intellectual base among students, and scholars and did receive moral and ideological support, and in many cases they even participated in the armed struggle, but there was a lack of pertinent and critical scholarship on a larger scale. The implication is that "the historical evidence contradicts the assumption that the development of civil society in capitalist societies is a progressive and incremental outcome of economic growth. Rather, civil society has ebbed and flowed in the region throughout this century" (Hewison and Rodan 1996: 236)

Although there are encouraging examples of victories won by people organizations in both Asia and Europe there is also considerable fragmentation of civil society. Encouraged by the global restructuring of production which fragments labor, formerly unified through comprehensive collective bargaining and class consciousness, the new demands of flexible production and the informalization of labor markets have decreased the strength of workers (Schmidt 2007). This has implicitly meant that people's organizations in both regions, in a number of situations, either act on behalf of labor or collaborate with non-unionised workers or more informally with the established trade unions.

Finally, there is a tendency of people's organizations and especially NGOs to either taking over state and public sector responsibilities but always with a significantly lower budget or even acting against the interests of those who support increases in collective goods and social redistribution. As they tend to deflect responsibility away from the state and as long as workers including the masses in the informalized sector don't have any political representation in accordance with their class interests this might not be a sustainable strategy in the long run. The very act of defining themselves as 'non-

governmental' explicitly rejects any ambition for establishing an alternative hegemonic project, which would, by its nature, have to include state capacities and government capability as the means through which political and economic power is articulated in any society.

In Asia and Europe it seems to be taken for granted that the right to property and the freedom to engage in economic activity overrule all other human rights. The Thatcher-von Hayeck dictum still rules that economic freedom and rights is superior to every other kind of freedom, whether political, religious or intellectual (George 2008). This also implies that the capitalist state - whether European or Asian and various regional organizations like the EU - has fundamentally guaranteed property, above all in the form of the promise not to default on its bonds - which are themselves the foundation of financial markets' role in capital accumulation. This situation has led to a human rights conundrum where there seems to be a convergence between business elites on both sides of the equation to downsize labor rights and the rights of ordinary people to decent amenities such as clean drinking water, healthy food, decent jobs and a minimum of social welfare. Profits seem to be the leitmotif of the current phase of recessionary capitalism in both regions. Relatedly it is also long ago since trade talks were linked to human rights on both sides of the Atlantic and in Europe political elites are still paying lip-service to freedom of speech and at the same time almost simultaneously downsizing and privatizing collective entities such as health, education and social services. On the other hand alternative spaces for communicative interaction such as for instance the Asia Europe People's Forum and other more informal networks are emerging as a result of interregional relations that have "been conducive to new, non-governmental stances on human rights. Strengthening these alternative positions on human rights within ASEAN has helped to consolidate its intraregional framework of human rights interactions" (Manea 2008) with the European or so-called universal vision of a compromise between social, ecological, cultural and political rights.

However, there is a danger that NGOs and people's organizations therefore either insert themselves, explicitly or implicitly, within the liberal critique of the state's actions, or else limit their activity to the sphere of civil society which, defined in opposition to the state, also ends at the boundaries of liberal politics. In fact, the very concept of 'civil society' masks the class nature of its components, the multinational corporations, banks and mafia, who together with social movements, trade unions, civic bodies - collectively demonize the state. The leading role of people's organizations in the resistance to neoliberalism is a sign of the movement's defensive character, still unable to formulate an alternative hegemonic strategy. A move that brought together the struggle against US imperial dominance with the anti-capitalist elements of the movements would mark the beginning of an offensive, politicized phase in its development. This is all the more needed. This time though it may be different as we are all facing the prospects of what happens when an ever-growing world economy under the intensity of crises pushes humanity up against the limits of a finite planet?

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Footnotes

[1] Paul Lafargue (16 June 1842 - 26 November 1911), a French Marxist, was Karl Marx's son-in-law. This prayer is excerpted from his satire *The Religion of Capital*.

See: <http://www.marxists.org/archive/laf...>

[2] The following relies heavily on Schmidt (forthcoming)