

13/10/2001

Still awaiting that elusive poetry

Rozi Ali

THESE subjects are as good as dead. The call for the re-writing of the global financial architecture, development economics and even pure Keynesian economics suffer almost the same fate - first reviled, then briefly acknowledged before being ignored and finally, forgotten.

The financial crises, from the Tequila crisis to the Tom Yam effect and now, to the Argentine crisis, spawned revived interest in these subjects. But there does not seem to be collective intellectual stamina and shared focus for them to transcend from the realm of sanitised theory.

Take the new strain of development economics. What is new, as a result of the revived interest, is the much sharper focus on the micro - the miniature being the mirror of the larger picture, the soul of the real thing.

Under it, prices and quantities are governed by a symmetry between supply and demand as well as between factors of production (not ultra-new, is it?); institutional determinants are unwelcome as interferences; the complexity of effects from externalities are downplayed and the list goes on.

But at the end of the day, the result is the same as with economics by any other name: They end up serving as an introduction, a persuasive one at that, of marketist economic policy in developing countries.

And so, the have-nots and have-less are trapped in an economy conditioned by the development and expansion of another larger economy to which the former is subjected to. Theirs are "free" economies (hey, they've been told not to slam the doors on economic and financial liberalisation) but in reality, they are dependent economies because their technological-industrial and financial dependence do not permit them to exploit the benefits of a free-market economy.

Where are, as was raised in Prime Minister Datuk Seri Dr Mahathir Mohamad's A New Deal For Asia, the alternative ways of addressing the issues of structural change, growth, development and inequality within the global economy and the global financial system?

It could be that the initiatives to seek alternatives did not succeed because people are unconsciously clinging to the end of the ideology thesis - that is, the passing of all ideologies and social changes in the face of the power of capital.

Then again, it could be the resignation to the fact that despite the need for new rules, only those who control the world's largest market get to write the rules. And by the look of things, the United States is in no hurry to do that.

Or maybe people are just frightened to leave the familiar for the unfamiliar. Not that there are many options - France with its blend of neoconservative and Anglo-Saxon liberalism as well as its school of regulation; Germany with its social-market economy and the Japanese variant of capitalism.

Entranced with capitalism's triumph (and yes, it looks as though it is the only choice) their minds are governed by the capitalist development theory. But they overlook or ignore the fact that although this theory admits the existence of "external dependence", it does not perceive underdevelopment in the way the Latin America school of development economics does - that it actually comes as a consequence of and part of the process of the world's expansion and, finally, triumph of capitalism.

Those who persist with the call for change are cast as anti-capitalist or remnants of the old Left. Notoriety is all they got. But the truth is, and as revealed in Dr Mahathir's stand that he is not against globalisation, there is no fundamental clash of systems behind the criticisms on neoliberal capitalism. Consider that calls for reforms that strengthen and balance the inequity in the existing set-up far outweigh the calls for reforms that undermine it.

The globalist triumph of capital as seen on the macro level is undeniable and no one wants to change it. But at the micro level, there are resistances to it but only with the aim to reform capitalism, not destroy it.

These resistances seem muted now. But perhaps, not quite dead. They are akin to Antonio Gramsci's molecular movement - they occur underneath the surface but have yet to assume a concentrated form that allows them to change the structure. As Brazilian economist Theotonio dos Santos pointed out, one day the resistance against dependent economies will culminate in a revolutionary movement of the (new) Left or Right.

We have yet to witness it. But only because it is a law of history that every revolution must discover its poetry from its own present. Maybe that poetry is eluding us.

(END)