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The New World Order: A Political Economy Perspective

By
M.L. Bello*

Conceptualizing the New World Order

The New World Order has been described as a world situation guiding the relations of states on the basis of equity and social justice. As Bola Akinterinwa rightly noted, the New World Order represents a situation where all nations participate in economic, political and social matters according to their means and on the basis of mutual respect, equality and non-interference in the domestic affairs of another state.

The new world order is in itself, a call for justice, for fairness, for equality and equity, for independence. Thus the (then) American President George Bush (senior) spoke of the new world order as one in which principles of justice and fair play protect the weak against the strong. The Third World nations have just emerged from generations of domination

*M.L. Bello is with the Department of Political Science, Faculty of Business and Social Science, University of Ilorin, Ilorin.

which was marked by high level of humiliation. The new world order will serve to respect. To buttress this further, Lijorge, viewed the new world order as a situation that would:

Place the satisfaction of need beginning with the eradication of poverty as the focal point of the development process, strengthen Third World capacity for self reliant development, transform social, economic and political structures, increase the availability of access to food stuff, re-orient science and technology toward another development (relevant to human need as opposed to weapons of mass destruction); improve public information, re-define the policies on international resources transfer and ensure their authority to manage mankind is common heritage.

As a matter of fact, the new world order is also not expected to be based on or predicted on the main, that is military power. There will be three types of powers: military, economic and demographic. Based on this conceptualization, the shifting of emphasis from the military to new currencies of power, particularly the demographic factor clearly confirms that the new world order may not after all be predicated on unipolarity but on multi-polarity. This in itself represents another problem as it will be more difficult coping with a complex multi-polar environment than a uni-polar environment. And as G. Helleiner postulated, this new world order would mean increased reversibility in the foreign economic relations among nations and increased power in international institutions.

While W. Monroe observed that one of the objectives of the new world order is to obtain a greater transference of income from the developed world to the third world, W. Tyler was more emphatic in his economic analysis of the new world order. He conceptualized the new world order as a situation of just and equitable relations between the prices of raw materials and the prices of manufactured goods. This would mean a revised set of institutional arrangements to improve the returns of developing countries from their export of primary goods. This view was buttressed further by O. Robert in his efforts to show the extent of degradation which third world countries have suffered for long. According to him, political independence rests upon a foundation of economic viability.

The Emergence of the New World Order

There is notably a first class world comprising those states which by the very magnitude of their capabilities and resources and their consistent interest in the full range of international affairs, dominate the political scene and to a great extent determine the structure within which the members of all other classes (i.e. other states) operate. They are also differentiated from the rest, perhaps more importantly, by the fact that while the rules of international politics which obtains today, result from the sum of activities and pressures of all states, their rules are not uniformly applicable to all states. The hierarchical nature of state relations and its accompanying disadvantage, has engendered demands for changes and a re-ordering of the international system by means of other classes who bear the brunt of this situation of first class supremacy.

These demands constitute the agitation for a new world order which more or less sprang up in the early

seventies. The additional concern of foreign relations (bilateral, political and economic relations) began to give way to a wave of global issues such as the problem and consequence of population growth, economic imbalances, poverty, environmental degradation, proliferation of weapons of mass destruction. At the same time, it became apparent that the machinery and institutions of international relations were not designed to cope with generalized problems of such magnitude, nor were most of the leaders equipped with the intellectual concept and moral perceptions needed to cope with them constructively. Thus, the North-South dialogue between the industrialized nations and the developing ones is one of the major efforts to deal with these problems.

In recent world history, there have been two non-violent transitions to a new world order. The first is the transition to a bi-polar world following the loss of European colonies in Africa and in Asia. This development reinforced the positions of the United States and the Soviet Union as the only superpowers from 1960 onwards. The second transition to a new world order, which is not disputable, is the transformation of the world from a bi-polar to a uni-polar world from 1990, confirming the emergence of the United States as the only superpower with military cum economic global capability. And yet, the question still remains relevant: At what point did the United States emerge as the sole global power? By the mid-1960s, it was obvious to at least one Soviet leader, Nikita Khrushchev, that the Soviet economy was, in terms of consumer satisfaction, out of step with domestic expectation, hence his attempt at "goulash socialism" which would have involved some limited restructuring of the Soviet economy. If that experiment had succeeded and if more reforms had followed, may be the decay of the Soviet economy and the consequent collapse of the status of the Soviet Union as a global power might have been avoided.

It is a judgemental position to take to state that the United States had probably been, in fact although not in perception, the only global power from the early 1980s. What happened in 1990 was the decision by Mikhail Gorbachev to acknowledge that the race was over and that there was only one global power to be garlanded. Thus, the collapse of the Soviet Union, the end of the Cold War and the concomitant emergence of American global leadership, as signified by the Gulf war of 1990 and 2003, and the Afghan invasion of 2002 by the United States, are usually used as pointers to the emergence of a New World Order.

The disappearance of the cold war dividing line between Eastern and Western Europe made a comprehensive resolution of many other international problems thinkable. As early as 1989 it was possible to contemplate a different order. For example, President Bush (senior) in a message to the American people, shortly before he was scheduled to meet Soviet President Mikhail Gorbachev in 1990, was moved to say: "We can now dare to imagine a new world."

The onset of the Gulf crisis in August 1990 set back, but also advanced, United States government policy—making with regard to the shape of the post Cold War World Order. On September 11, 1990 the president went before congress and outlined a vision. After restating the four immediate objectives of the United States regarding the Gulf problem (namely: withdrawal of Iraq forces from Kuwait, restoring the legitimate Kuwaiti government, securing and stabilizing the Gulf area and protecting the lives of American citizens he went on to espouse a further, broader, and higher goal:

Out of these troubled times our fifth objective
— a new world order — can emerge ; a new era
— free from the threat of terror, stronger in the
pursuit of justice, and more secure in the quest

for peace , an era in which the nations of the world, east and west, north and south can prosper and live in harmony.

Today the world is struggling to be born, a world quite different from the one we have known, a world where the rule of law supplants the rule of the jungle, a world in which nations recognize the shared responsibility for freedom and justice; a world where the strong respect the rights of the weak.

The Political Economy of the New World Order

The extent to which the new world order represents a new window of opportunity in the relations between states can easily be exaggerated. For example the (then) American President Gorge Bush (1991) spoke of the new world order as one "in which the principle of justice and fair play protect the weak against the strong". However, the actual power realities on the ground run against such a utopian scenario. While the ideological East-West conflict may have ended, the North – South divide appears to have become even wider in the post Cold War era. Prior to the end of the Cold War, the world economy had been predicted on the neo-right monetarist ideas of conservative governments, which had risen to power in the late 1970s and early 1980s. Prominent among these were the government of Margaret Thatcher in Britain Ronald Reagan in the United States and Helmut Khol in Germany. These governments, in varying degrees, shared a common commitment to the fight against inflation, the vigorous promotion of private sector activities, the retrenchment of workers by the curtailment of the power of trade unions (e.g. President Obasanjo's Trade Union Amendment Law of 2004). The encouragement of rugged individuals and the overall

objective of freeing the forces of the market. The new world order is not new in the sense of representing a reversal of neo-colonial relations and an end to the fetish of the market. On the contrary, neo-colonial relations and the primacy of the market are now being pursued and enforced more vigorously than ever before through SAP conditionalities.

The new world order remains deeply rooted in the philosophy of the far right, not only in terms of economic doctrine, but also in terms of its political agenda. In this regard, Ali Mazrui and D. Thomas have captured the essence of the new world order as "global apartheid". According to them, the new world order is:

A system in which a minority of whites occupies the pole of affluence, while the majority composed of other races occupies the pole of poverty. Social integration of these two groups is made extremely difficult by barriers of complexion, economic position, political boundaries and other factors: economic development of the group is interdependent, and the affluent of the white minority possesses a disproportionately larger share of the system's political, economic and military power. Thus like its South African counterpart, global apartheid is a system of extreme inequality in cultural, racial social, political, economic, military and legal terms.

As rightly observed by Morgan in the "New World Order" by Noam Chomsky, the fall of the Soviet bloc has left the IMF and G7 to rule the world and create a new imperial age. Morgan writes that:

The construction of a new global system is orchestrated by the Group of Seven, the IMF, the World Bank and the General Agreement on Tariffs and Trade (GATT). But it works through a system of indirect rule that has involved the integration of leaders of developing countries into the network of the new ruling class who, not surprisingly, also happen to be the "old ruling class".

Morgan notes the hypocrisy of the rich nations in demanding open markets in the Third World while closing their own. He might have added that every successful industrial society achieved that status, and maintains it, by radically violating the neoliberal principles that are grandly proclaimed. As privately understood, these principles are designed for the beasts of burden at home and abroad so that they can be more efficiently exploited, while in the satisfied nations, the government offers ample welfare for the rich, even more so than usual under the rule of "conservatives" of the Reagan-Bush-Thatcher variety. Morgan notes further that the IMF and World Bank, the institutions of "the new ruling class", run large parts of the developing world and Eastern Europe, the traditional Third World. These institutions encourage the South to follow the right kind of reform policy, scrupulously avoiding the policies that have led to successful development from 17th-century England to South Korea today, keeping to policies that have proven uniformly disastrous.

Most of the so-called problems of the under-developed countries like political instability, declining per capita income, etc are mere manifestations of underdevelopment and poverty. Some of the policy suggestions by the North, e.g. trade liberalization, and further integration of the South economic

system are policies that continued to deepen underdevelopment rather than temper same. Interestingly, some of them are not even practicable or practiced in the West itself. Western governments still institute protectionist measures on their own economies, as against trade liberalization being advocated for the South; Western governments subsidize sectors of their economies economies, as against trade liberalization being advocated for the South; Western governments subsidize sectors • their economies massively while recommending subsidy removal from social services for the South. In October, 2004 the World Bank claimed that Nigeria could avoid subsidy on oil. It therefore advised the Obasanjo administration to remove the remaining subsidy on petroleum products which according to the Nigerian National Petroleum Corporation is presently in the region of three hundred and fifty million naira (350,000,000 per day).

The objective fact is that the riches of the North are at the expense of the South. And a critical factor in the continuing underdevelopment of the South is the structure of the international economic system. It is largely the imperialist nature of the international economic system rather than Third World domestic policies that constitutes the causative factor of the South's underdevelopment. However, this is not to suggest that internal economic policies of the South do not share part of the blame. Rather, the contention is that unless and until the international economic system is restructured and made more responsive to Third World needs, the countries of the South will only succeed in struggling along the wrong direction. For instance, a system that facilitates the transference of at least \$140 billion annually from the South to the North within three years under the guise of debt servicing obligations

cannot but produce underdevelopment in a hapless segment of the world economic system.

Conclusion

Starting from the mid eighties till now, the world order has shifted from a bipolar to a unipolar structure. It all started with the then Soviet Union's declaration and preference for a new political philosophy of "perestroika and glasnost" a movement towards democratic reforms, multiparty system of governance and free market economy. This emerged during Michail Gornachev's leadership in the U.S.S.R. This was followed by an upsurge for democratization in Eastern European countries, the traditional areas of the Soviet's sphere of influence. Then came the unification of the two German countries, the Eastern and Western into a United Germany. Talks of constructive cooperation with NATO by the Soviet Union later led to the withdrawal of the Soviet armed forces from Eastern European countries and consequently the dissolution of the Warsaw Pact alliance. There was also the outburst of ethnic nationalism in USSR demanding for self determination and disintegration from the Soviet Republic.

Undoubtedly, cumulative and unprecedented events weakened the bipolar system and subjected the international system to tilt towards unipolar system, thereby justifying the system to be called the New World Order. Under the new world order and with the end of the Cold War, the only surviving superpower, and arguably, the most powerful state, the United States, has now become the chief policeman of the world. The United States has demonstrated that they could now intervene in any part of the world without any fear of being threatened or challenged. In 1990 for instance, she mobilized her allies and invaded Iraq during the Gulf crisis and forced Saddam Hussein to hands off the annexation of

Kuwait. In 1994. Washington threatened the Haitian military dictator, the then President General Raoul Cedras to surrender power to the democratically elected President Jean Bertrand Aristides who was ousted from office by General Cedras in a military coup. In 2002, under the pretext of pursuing Osama Bin Laden, the same United States invaded Afghanistan and forcefully removed the Taliban government from office. In 2003, against world opinion, Washington, hiding under the pretext of searching for "weapons of mass destruction, allegedly amassed by Saddam Hussein invaded Iraq and forcefully removed Saddam Hussein, and his government from power.

With the end of the Cold War, the basis for war or conflict in the world has drastically reduced. However, this situation has posed a threat to the corporate existence of weak or technologically underdeveloped members of the international system. The fusion of the world under a single ideology has hampered the traditional checks and balances of the bipolar system of the old order giving way to a near threat of imperialism. In the present contemporary world order characterized predominantly by a free-market ideology, where survival is based on the fittest, it is therefore likely that the weak nations in the system would be grossly marginalized by the chief policeman of the system and probably by its allies as they deem fit. For the underdeveloped countries, the new world order represents old wine in new bottle. The contradictions which characterized the North-South relationship in the Cold War era have not only failed to disappear, but have become even more antagonistic in character. Thus, the new world order is one in which inequality continues more than ever before to sustain dependency and exploitation.