

BOOK REVIEW

The Lugano Report: On Preserving Capitalism in the Twenty-first Century, with an Appendix and Afterword by Susan George, Pluto Press, London, Sterling (Virginia), 1999. Paperback, 213 pp.

The powers that be of Capitalism 2000 are worried. They commission a group of eminent thinkers (the "Working Party") to dispassionately tell them what is in for the "System" if left to run its current course. They sequester them in Lugano, in the Swiss Alps, to produce this Report, which is to contain their warnings and recommendations.

The "Commissioning Party" of the Report sees Capitalism as a social construct of cumulative human ingenuity: "the most brilliant collective invention of history". It must therefore be preserved. The task of the 21st century will, in their eyes, thus be to create the legitimate, universally recognized global political structure to support it. This, because the Market, at its broadest and most inclusive, is "the closest we are likely to come to the wisdom of the Almighty".

In its Report, the Working Party shows displeasure with some of the trends they find in their analysis. They ring some apocalyptic bells of alarm and sound some matching warnings. Among them, they feel that several signs indicate that the Competitive Market is already crossing certain natural thresholds, a fact that is not being recognized - even when for some of them it is already too late. Beyond such thresholds, for example, the one in the distribution of wealth, disparities are dangerous for the System's very survival and must thus be monitored. "You simply can't have a global economy which enriches the few beyond any historical parallel and creates losers by the tens of millions".

The resulting losers are invariably destabilizing for the System. Fortunately, these losers are, so far, failing to take responsibility for (and action from) their 'loserhood'. The occasional popular protests we see are more "last gasps rather than a true second wind", and NGOs have by now become less radical, challenging and unruly. The era of strong political opposition and broad solidarity fronts is over. But this will not last.

Because short-term interests are paramount, the System now simply welcomes growth for growth's sake, without calculating total end- costs, including growth's ecological and social costs, now being externalized with impunity by those who benefit from it.

Employment and satisfaction of human needs - as opposed to the needs of the Market itself - are incidental to the Global System which obeys the logic of supply and demand, NOT of want (need) and fulfillment.

In the financial sphere, the same short-term mentality works against long-term benefits; the immediate rights of each operator are superseding the very maintenance of the System. Our few existing international regulatory institutions are all 'regulating' in the dangerous direction of even greater freedom for the Market, for it to continue to operate without constraints of any kind. Without rules and constraints, the Market can (and will) cause its own downfall, the Report warns. Left to itself, it will create too few winners and too many losers; it will lead to overproduction and under-consumption, to ecological destruction, to ever-increasing concentration of wealth and ever-greater rejection of the unfit. The myth, indeed the cult, of inexorable progress must thus be abandoned. Otherwise, in a race to the bottom, the Outs will sooner or later revolt and bring Liberal capitalism crashing down with them.

In the current uncontrolled market situation, creative destruction is at its highest. The resulting social rubbish and waste endanger liberal ideals and the Market, though few dare to say so in public.

The bottom line, we are told, is that we cannot both sustain the liberal Free Market System and simultaneously continue to tolerate the presence of "superfluous millions".

The only way to guarantee the happiness and well being of the majority is for the total population of the planet to be proportionally smaller. Therefore, a fierce Population Reduction and a Reproductive Inhibition strategy are an economic, a social, and an ecological imperative - AND they are perfectly defensible from an ethical point of view at this historical conjuncture. The question for us is thus not whether, but HOW to achieve the goal of such a drastic population reduction, because in the end, reproductive power will become the real threatening power. In that light, 21st century politics should not be about pie-sharing anymore - or about who gets what resources, when and how. Politics, for the System's movers, will hinge on the deadly serious business of staying alive. The Ethics of Solidarity needs to be replaced by an Ethics of Emergency.

But contemporary world political authorities are not coming up with adequate rules to solve the most obvious and striking problem of today; current rules are grossly inadequate if indispensable population pruning strategies are to become operational tomorrow. Leaders who persist in strategies of solidarity and universality and who try to practice citizen-based approaches should be personally discredited, so they will be mistrusted.

The corporate world also needs to create its own, more effective, internal policing and enforcing authority. TNCs need to practice a more truly, de-facto Alliance Capitalism.

The name of the game now is for Politics to focus not on Vitality, but on Mortality, to promote Reduction, not Reproduction. For a price (that we have to be willing to pay), and with sufficient political power brought to bear, this can be done.

So much on the Report's warning side (which often reads like a modern day social satire).

The Report further points to hidden bare truths that "few dare to speak about". For instance, in foreign aid, few people in the North realize that their taxes serve to bail out not the governments in need, so much as the big private players in the world Market. Or, even fewer see that the UN is ultimately useful to the System, because it is the one international forum which gives small, weaker members of the international community the illusion that they have something to say about running global affairs. (Speeches at the UN or UN conferences are cheap; binding contracts are never proposed nor are real sustainable incentives offered).

The Working Party then makes some radical recommendations in its Report. You have to read them for yourself, lest I give you the chance of missing out on drawing your own conclusions, issue by issue. You need to read, for example, about their views on full privatization of public services; on the Bank's market approach to health care: should it finish the job of privatizing medicine wherever the process is not yet completed? You should also read about how organizations promoting vitality, reproduction, equity, and people's solidarity should be attacked, and how Population Reduction and Reproductive Inhibition programs should become part of SAPs conditionality. Find out for yourself what the Report says about hard drugs: should they be legalized after all? You should read about why risky genetically engineered crops, if cultivated at all, should be confined to poor and populous countries only. Should democracy be kept under control (or phased out) for the globalized market to keep its dominant role? (Elections and mass participation, by definition favor the masses that are by definition losers?). Find out if the population factor is to be considered only in relation to the needs of the neo-liberal scheme of things thus pursuing drastic reductions in the supply of workers so as to retain all the features and privileges of the prevailing system - whatever the human costs. (We are reminded here that the original meaning of a proletarian is "one who serves the state not with property but with offspring").

Regardless of what the Report ends up recommending, one has to admit that they sell their Final Solution in a cleverly woven (and awfully teleological) manner. Uncritical, quickly impressionable readers, beware!

Susan George is not happy with the recommendations of the Lugano Report. In an incisive Annex - and fighting both against modern Machiavellism and against naiveté - she makes her ultimate call to arms. She tells us that at this time, declarations on what should and must be done will not do; they all pathetically neglect the crucial dimensions of Power; they leave out the shady politics of well- entrenched interests.

Assuming that any proposal for change towards more people-centered and equitable development needs only to be explained convincingly to be adopted, is the saddest and most irritating kind of naiveté, she posits. She declares herself unwilling to continue to play stupid games. To her, the problem is not to persuade those who are responsible of these outcomes that their policies are mistaken, but rather to get power to overrule them. She calls for finding ways to stop people who will stop at nothing, adding that codes of conduct and voluntary restraints are laughably (or weepingly) inadequate to protect people and nature from exploitation and destruction. To her, the choice is between THEIR rules and OURS: putting down the transnational tyranny before it puts us down is a must. And to shift the balance of power requires assessing one's numbers, forces and capacity of making alliances. The time is now (if not yesterday). But the author unfortunately does not further elaborate on needed avenues of action. We indeed need more and heavier ammunition to denounce and fight the Report's conclusions inch by inch, measure by measure.

In an afterword, the author makes some confessions, key among which is her own philosophy of always asking herself: Who is in control and how are they using their power? Which groups get the benefit and which pay the costs? She intends to convert us to the same philosophy since these are not pretty times and the stakes are high. Susan George retains her well-known (and appreciated) sarcasm and wittiness in this book. For a sampler, here are a few of my favorites: "Unstable financial markets do not behave rationally; they can also create losers on a scale which would today make the 1930s look like a bad day at the races". "For the poor, children are like lottery tickets: one may succeed in life and change the status of the whole family." "The Invisible Hand is thwarted by the Invisible Womb." "The doctrine of Liberalism is akin to that of the Gospel: many are called, only a few are chosen." "Markets discipline instantly; they hold, as it were, permanent elections". "Happily, few politicians are heroes". "The war on drugs may be a crowd pleaser politically, but were it a real war, it would be considered a defeat worse than Vietnam". "After the world's McDonaldization what will it be: It will soon be McSchools, McHealth and McTransport". "Big money is nomadic and travels at the speed of bytes". "While ignorance and stupidity must be given their due, most things come out the way they do, because the powerful want them to come out that way".

In Susan George's own words, the book is intended to afflict our comfort without, alas (yet), providing much comfort to and ways out for the afflicted. That highest of challenges is left to the readers. Be prepared for this year's foreseeable discussions of this Report. If you have not read it you cannot talk about it.

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A Note to the unconvinced: For those of you misled by the Bretton Woods institutions to believe that the neoliberal order will eventually generate far more winners than losers, Susan George is prepared to give a CASH award if you come up with any proof remotely showing a misgiving or scruples emerging from any of the IMF pronouncements (see the announcement of her Qualm Prize on page 201).