

Militarism and U.S. Trade Policy

By David Ranney | December 15, 2006

It is rare to think about the links between militarism and U.S. “trade” policy. But in recent decades, U.S. global economic policies have increasingly driven U.S. military policy. And under the Presidency of George W. Bush and the “war on terrorism” the trend has rapidly and dangerously accelerated. The results have generated a militarism that is beyond the reach of democratic processes both in the United States and abroad. For this reason, activists who oppose the Iraq War and U.S. militarism generally and those promoting global economic and environmental justice must develop a common agenda.

Introduction

Though often unseen, U.S. military policy has frequently been influenced by the economic needs of national elites and major corporations. But the role of economic and trade policy on military action and strategy today is occurring in a new context. The large transnational corporations that have successfully pushed the “free trade” regime on much of the world are in need of new forms of military support in order to maintain and enlarge their sphere of influence. As a result, U.S. military strategy has shifted to focus on areas of the world that resist the dominant “free trade” doctrine. U.S. military planners and policymakers are in the process of phasing out the Cold War era strategy that made use of large standing armed forces in strategically located military bases around the world combined with a balance of nuclear terror and the selective clandestine overthrow of “unfriendly” governments.

In place of these Cold War era strategies, U.S. policymakers have defined a new military strategy based upon the notion of regime change through “preventive” warfare. The U.S. military is also moving toward a smaller more mobile strike force in which more and more soldiers are being trained as elite special operations forces (special ops). The

United States government is rapidly eliminating traditional civilian control over intelligence (the traditional command of the CIA and FBI) and centralizing all intelligence under the control of the White House and the Pentagon. Under the Bush administration, the military is rapidly developing security alliances with trading partners such as Canada and Mexico that bring their security and military apparatus under the control of the U.S. military, the U.S. National Security Council and the U.S. centralized intelligence apparatus.

These changes are a response to three kinds of problems generated by policies and programs that the Bush administration calls “free trade.” These programs, however, involve much more than trade. The first President Bush more aptly called them a “new world order.” But instead of order, the policies are resulting in chaos. One problem produced by the new world order is that people in many nations resist the programs because of the pain they inflict. Secondly, some nations have the ability to opt out of new world order programs. They then become part of a “globalization gap” that transnational corporations and the governments that serve them wish to eliminate. Finally the new world order has weakened nation states, that has led to a globalization of resistance both in the form of



peaceful multi-state civil society alliances as well as stateless terrorist organizations and cells.

“Free Trade’s” Evolution into a New World Order

Free trade as an economic theory and policy means simply eliminating barriers to trade among nations. The policies of the new world order are far more than that. The distinction between free trade and a new world order is critical to understanding of why the onset of this new world order has generated a new set of military priorities. An understanding of the distinction is best derived by looking at their evolution.

The era prior to the new world order began at the end of World War II when the economic and military power of the U.S. was challenged only by the Soviet Union. The U.S. and the Soviet Union found themselves in competition for spheres of economic and political influence in the so-called “Third World” of underdeveloped nations that had been colonies of the European powers. Both the U.S. and the Soviets sought the resources of these nations to pursue the economic development goals of their own elites. This was the basis of the Cold War.

The Cold War finally ended with the collapse of the Soviet Union in 1991. But the U.S. loss of the Vietnam War in 1975 and economic crises throughout the 1970’s and 1980’s left open questions about the viability of world capitalism and the U.S. model. Initial inquiries included high-level discussions among industrialized nations between 1972 and 1977. Written reports of these discussions by such organizations as the Organization for Economic Development and Cooperation (OECD) and the Tri-Lateral Commission called for a reorganization of the existing economic order. The strategy that evolved sought to cheapen the costs of labor, but other kinds of production costs were also targeted. These included the cost of raw materials

and other inputs into the production process; the cost of environmental controls and cleanup; and costs associated with the demands for worker and human rights. The second element of the strategy was to increase the mobility of capital, goods, and services. Mobility aimed to produce goods and services in a more flexible way and with greater efficiency (meaning less cost for each item produced). Mobility included both the ability to produce things in different geographical locations and to move from one kind of economic activity into another at low costs.¹

A real life test case for the new model was first implemented in Chile in 1973 in the aftermath of a military coup led by General Augusto Pinochet and aided by the Nixon administration through the CIA. University of Chicago-trained economists, under the tutelage of Nobel-prize winning economist Milton Friedman, developed Pinochet’s post-coup economic program. It included tight money policies to end inflation, drastic reductions in government spending, currency devaluation, privatization of public enterprise, and the opening of markets for goods and capital to foreign investors. But the Chilean experiment caused tremendous human suffering and was only implemented by a brutal dictator literally at gunpoint. Generalizing the Chilean example on a world scale was not feasible. So the new world order evolved in fits and starts—some deliberate and others more random—from a variety of directions.

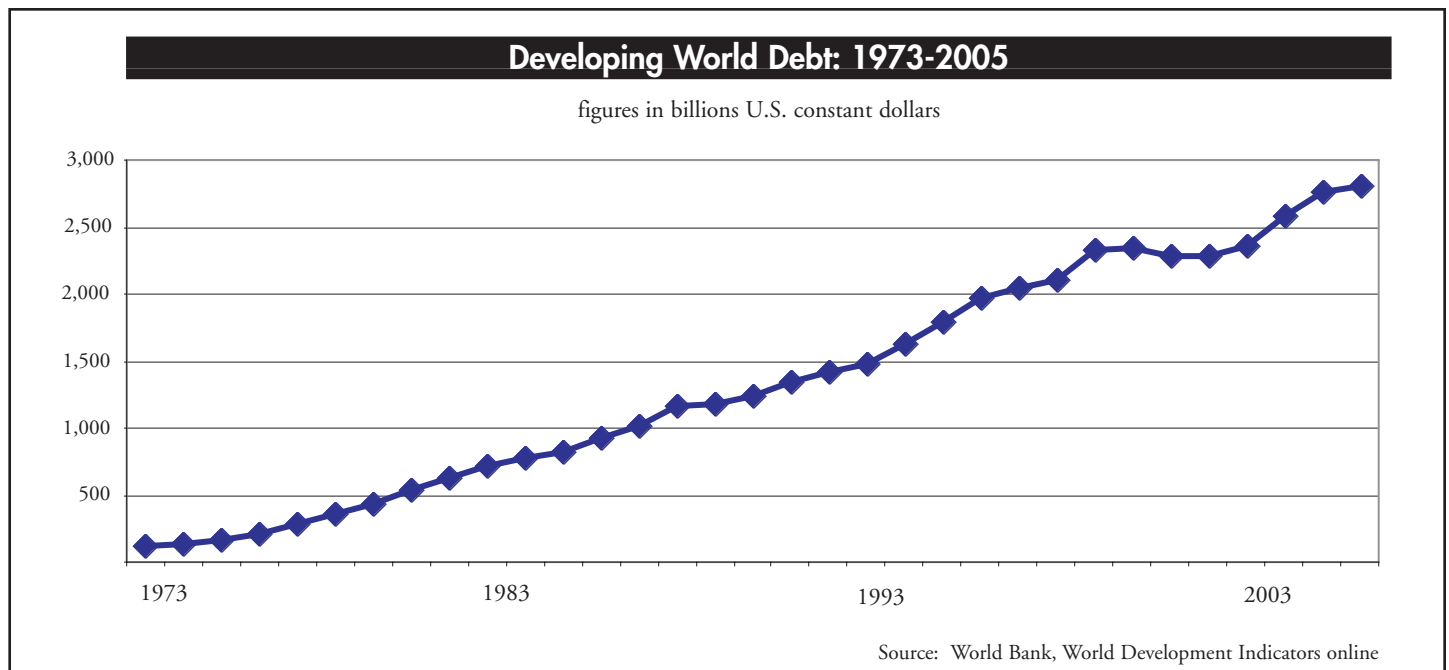
Dramatic changes were seen in industrialized nations as transportation, telecommunication, and process technologies were developed making it possible for the production process of a single product to be broken up into smaller pieces in different locations. This marked a distinct shift from mass production on the assembly lines of single factories to more flexible production techniques in which a number of parts of the production of a single prod-

uct could occur in different locations. This shift included not only technological changes, but also an all-out attack on organized labor and massive deindustrialization in many industrialized nations. The objective of both the attack on labor and deindustrialization was to promote what economists called “flexible labor markets.” The point of flexible labor markets is to gain “efficiency” through cutting labor costs. The combination of the attack on organized labor and deindustrialization enabled industrialized nations as a whole to eliminate many high-wage jobs, reduce costly benefits such as health care and pensions, eliminate many work rules involving safety and health, and remove barriers to the use of part-time and temporary labor.

There was, of course, resistance on the part of organized industrial workers in the industrialized nations. These nations also had in place regulations—won by labor movements in the past—that forced corporations to adhere to basic environmental laws and labor rights. Furthermore, the need for cheap raw materials and expanded markets meant that production costs could not be lowered if production was confined to individual nations. Thus, a globalization of flexible production was needed.

This required new mechanisms to open up all nations to meet the needs of global corporations based in the industrialized world.

A key to meeting this need was the global expansion of credit. There was no grand plan as real time events compelled President Richard Nixon to take steps that made the formation of the new world order that we have today possible. The first step came between 1971 and 1973 when Nixon took the U.S. dollar off the gold standard and instituted flexible exchange rates. With flexible rates, the dollar became a commodity for international commerce, resulting in a world awash with dollars. Using these dollars, international banks went on a lending spree, targeting new loans at the developing world. The U.S. and other industrialized nations accelerated this trend in the private markets as they used government loans to buy political influence in the context of the Cold War. As a result, debt owed by developing nations rose from \$100 billion in 1973 to over \$900 billion by 1984. Beginning in 1982, developing nations showed signs that many of these debts were not sustainable and global financial collapse loomed.



It was at this point that the World Bank and the International Monetary Fund (IMF)—two institutions heavily influenced by the U.S. and set up to aid the European recovery effort and to promote U.S. economic interests after World War II—began to focus increasingly on the developing world. The IMF was key to this shift. It offered “bridge” loans to nations who could not repay their debts. These loans were then used to make payments on the earlier loans. Nations accepting these IMF loans were required to implement economic policies dictated by the IMF. The conditions placed on these loans looked very similar to those in Pinochet’s Chile. Tight money, public spending cuts, and currency devaluation were prescribed to stabilize economies. Once these so-called “shock therapies” were implemented, structural adjustment programs were prescribed. They included a shift from domestic food production to goods that could be exported. In addition economies were opened to unrestricted foreign direct investment that established a manufacturing sector of goods for export. Most structural adjustment programs also opened economies to more speculative financial investment and also included privatization of public services and enterprise. Later the World Bank began to give long-term development loans and began including similar conditions to those of the IMF.

The IMF and World Bank programs were refined, expanded, and institutionalized through a series of bilateral and multilateral “free trade” agreements. Key among these were the U.S.-Canada Free Trade Agreement (FTA) in 1989, the North American Free Trade Agreement (NAFTA) between the U.S., Canada and Mexico in 1994 and the establishment of the World Trade Organization (WTO) in 1995. Other efforts at institutionalization through “free trade” agreements (FTAs) continue to this day including the Central American Free Trade Agreement (CAFTA), the African Growth and Opportunity Act (AGOA) that includes authority

for FTAs with 35 African nations, bilateral FTAs in the Middle East including Israel, Egypt, Tunisia, Jordan, Morocco, Bahrain and Oman. These FTAs form the base of a proposed NAFTA-like agreement with the entire Middle East region known as the U.S.-Middle East Free Trade Area (MEFTA).

While often overlooked in today’s politically charged climate, the U.S. generated global economic policies are not solely the work of the present Bush administration. It was the Clinton administration that mustered up the political muscle to push through both NAFTA and the World Trade Organization. And the U.S. heavily influenced the IMF, World Bank, and other International Financial Institutions (IFIs) to impose structural adjustment programs throughout much of the world. In short, the factors defining today’s new world order and the resulting new militarism were generated by both Republican and Democratic administrations going back to the 1980s.

The New World Order and the New Militarism

There are at least three reasons why the new world order has generated a new kind of militarism. First, the process of stabilizing weak economies and draining the economy for debt service payments is extremely painful to the majority of the population. Thus the IMF “shock therapies” and ongoing subjugation of entire countries to structural adjustment programs and/or “free trade agreements” have generated resistance. In many cases local governments have put down uprisings or political opposition movements with considerable brutality and have needed ongoing military aide to stay in power. U.S. support of dictatorships in Chile, El Salvador and Guatemala in the 1980s and the effort to overthrow the Sandinista government in Nicaragua during the same period are early examples. Ongoing joint security agreements with Mexico are more recent and correspond with popular opposi-

tion to NAFTA including the armed revolt of the Zapatistas that began in 1994. In Venezuela in 1989 there was a major revolt after IMF imposed measures doubled the price of food and transportation.

A second military implication of new world order policies is that some nations, like Venezuela and most of the nations in the Middle East region can use their oil resources to resist “free trade” policies. This removes oil, a key resource that contributes to the cost of production, from the influence of new world order policies. It also offers oil rich nations a way to stay out of IMF clutches and to resist the relentless effort to force them into trade agreements with the U.S. A recent Pentagon study points out that over the past 12 years nearly all military actions have been in nations that are “fighting against or losing to globalization.” It concludes that nations outside the sphere of influence of the new world order economic policies “are likely a problem for the United States.”²

Finally, the new world order tends to weaken nation-states as economic policies are increasingly determined outside of domestic political processes. This has led to a globalization of resistance to new world order programs and policies because people lack access to the political process that formed and implemented them. Resistance has taken several forms. One is the emergence of an international civil society movement that is capable to mobilizing militant multinational demonstrations all over the world, posing alternatives to the new world order, and coordinating a variety of peaceful actions such as legal challenges to particular rules or efforts to elect candidates in different nations who will oppose new world order initiatives.

Another form of the globalization of resistance includes armed groups such as al-Qaida that have no allegiance to any government. In nations that

have embraced new world order programs such as Saudi Arabia and Israel, the U.S. has supported repressive regimes that have helped spawn groups like al-Qaida. Those nations who have resisted such as Iraq and Iran have experienced either overt or covert U.S. efforts to implement regime change. Yet, the destruction of the Taliban in Afghanistan and Saddam Hussein in Iraq have failed to stem the violence. Adding to the instability in the region are the additional factors of: oil, the relative independence of oil rich nations from the new global rules, and the relentless effort of U.S. government policy to bring the region under its control.

The globalization of information and arms dealing combined with weak nation-states and sections of the world ravaged by World Bank and IMF sponsored “shock therapies” have proven to be a deadly stew. Altogether the globalization of violent resistance to the new world order and the U.S. political and military response to it, contributed to the conditions that resulted in the attacks of 9-11.

The Face of the New Militarism

The military and intelligence apparatus that evolved in the context of the Cold War cannot meet the new security challenges created by the new world order. In a world of highly mobile economic activity in a global economy with weakened nation states and a globalized opposition, a new militarism is developing.

The massive U.S. military-industrial complex, as President Dwight Eisenhower called it, was built up during the Cold War. It has been slow to change in response to new conditions. The economic policies that generated the violent side of the globalization of resistance were developed over the last 35 years and are the work of both major U.S. political parties. Presidents Nixon, Ford, Carter, Reagan, George H.W. Bush, and Clinton

all played a role in shaping the policies that constitute a new world order. None of these presidents hesitated to use military force to put down crises that their policies generated. But it was during the Presidency of George W. Bush that the most disastrous blowback from the new world order came on September, 11, 2001. And this enabled the Bush administration to accelerate and expand the military dimensions of the new world order programs. The implication for the future is that changing administrations is not apt to change the directions of the new militarism unless a new administration is also willing to repudiate new world order policies and begin anew.

The 2002 National Security Strategy: The Pentagon Takes on “Trade”

While elements of the new militarism were developed by future Bush administration officials back in 1992, they were publicly presented as a response to the 9-11 attacks on the World Trade Center and the Pentagon a decade later. On September 22, 2002 the White House released its National Security Strategy for the United States. In many ways it was an early effort to justify the Iraq War before it began. But it also telegraphed changes going on within the Department of Defense as well as various intelligence agencies. The 2002 National Security Strategy has nine sections that emphasize the following themes:

- The need for dramatic changes in military strategy and U.S. security strategy generally;
- Replacing the Cold War containment strategy with a doctrine of pre-emptive military action;
- The need to form a variety of alliances to better cover the entire world; and,

- “Free markets and free trade” are key priorities in the U.S. notion of national security.

On the need for changes in strategy, the 2002 National Security Strategy notes:

“In a globalized world, events beyond America’s borders have a greater impact inside them... The major institutions of American national security were designed in a different era to meet different requirements. All of them must be transformed... Innovation within the armed forces will rest on experimentation with new approaches to warfare, strengthening joint operations, exploiting U.S. intelligence advantages, and taking full advantage of science and technology.”

A central premise of the new strategy involves the use of the pre-emptive strike. This was clearly an early effort to begin the justification for what would be done about five months later with the invasion of Iraq. Here, in part is what the strategy laid out:

“In the Cold War, especially following the Cuban missile crisis, we faced a generally status quo, risk-averse adversary. Deterrence was an effective defense. But deterrence based only upon the threat of retaliation is less likely to work against leaders of rogue states more willing to take risks, gambling with the lives of their people and the wealth of their nations... For centuries, international law recognized that nations need not suffer an attack before they can lawfully take action to defend themselves against forces that present an imminent danger of attack. Legal scholars and international jurists often conditioned the legitimacy of preemption on the existence of an imminent threat—most often a visible mobilization of armies, navies and air forces preparing to attack... We must adapt the concept of imminent threat to the capabilities and objectives of today’s adversaries.” (author’s emphasis)

The adaptation of the concept of imminent threat, as the attack on Iraq would show, expanded pre-emption to military action to prevent possible future wars.

It was also recognized that waging war in both Afghanistan and Iraq while searching the world for terrorist cells and networks such as al-Qaida would stretch military and intelligence resources within the U.S. Thus the 2002 document also articulated a policy to draw other nations into our military strategy:

“In building a balance of power that favors freedom, the United States is guided by the conviction that all nations have important responsibilities. Nations that enjoy freedom must actively fight terror.”

This was most clearly developed for the Western Hemisphere:

“In the Western Hemisphere we have formed flexible coalitions with countries that share our priorities, particularly Mexico, Brazil, Canada, Chile, and Colombia. Together we will promote a truly democratic hemisphere where our integration advances security, prosperity, opportunity and hope. We will work with regional institutions, such as the Summit of the Americas process, the Organization of American States (OAS), the Defense Ministerial of the Americas for the benefit of the entire hemisphere.”

Here the strategy links the institutions promoting “free trade” (Summit of the Americas and OAS) with the Defense Ministerial—an association of the military and intelligence apparatus for all of the nations in the hemisphere.

Finally, and perhaps most surprising, the 2002 National Security Strategy links the need for changes in national defense strategy, the doctrine of pre-emptive military strikes, and the need to form new military alliances among “free trade” partners

to the need to expand free trade rules and institutions throughout the world.

“Free markets and free trade are key priorities of our national security strategy... (We will) ignite a new era of global economic growth through free markets and free trade. A strong world economy enhances our national security by advancing prosperity and freedom in the rest of the world... Even if government aid increases, most money for development must come from trade, domestic capital and foreign investment. An effective strategy must try to expand these flows....”

Energy is cited as a key priority for trade and investment throughout the National Security Strategy report. Future energy needs of the U.S. are used as a justification for expanding “free markets and free trade.” Other trade priorities included in the U.S. security strategy were pursuing the Doha Round talks on expanding the scope and membership of the World Trade Organization, completing negotiations and implementing the Free Trade Area of the Americas, moving ahead with more bi-lateral trade agreements including the Central American Free Trade Agreement, gaining “fast track” (trade promotion authority) in Congress for new trade initiatives, and implementing the Africa Growth and Opportunity Act.

The Pentagon and Free Trade

Linking national defense and intelligence approaches to globalization and “free trade” policies was elaborated in considerable detail in a presentation to a forum of the leaders of a number of the largest transnational corporations sponsored by the conservative Washington-based policy institute, the Heritage Foundation, in June, 2003. Illustrating the close ties between conservatives and the Pentagon, Admiral Arthur Cebrowski, who was then the Director of the Department of Defense’s

Office of Defense Transformation, the planning wing of the Pentagon, delivered the remarks.³

Cebrowski argued that the current period of globalization requires military transformation that goes beyond the old concept of “security equals defense” to a concept he terms a “transaction strategy.” A transaction strategy means anticipating security problems and taking actions to prevent these problems from occurring. Prevention, for Cebrowski, includes using all available tools such as foreign policy, economic policy, military strategy and tactics, and weapon sales and military training.

Cebrowski emphasized that “new rules that govern global capitalism” are behind the need for this new military strategy. Quite revealing in this regard is his conception that there has emerged a “functioning core of globalization” in which nations and peoples are connected through a growing and developing set of rules. But there is also what he calls a “non functioning gap of globalization” where

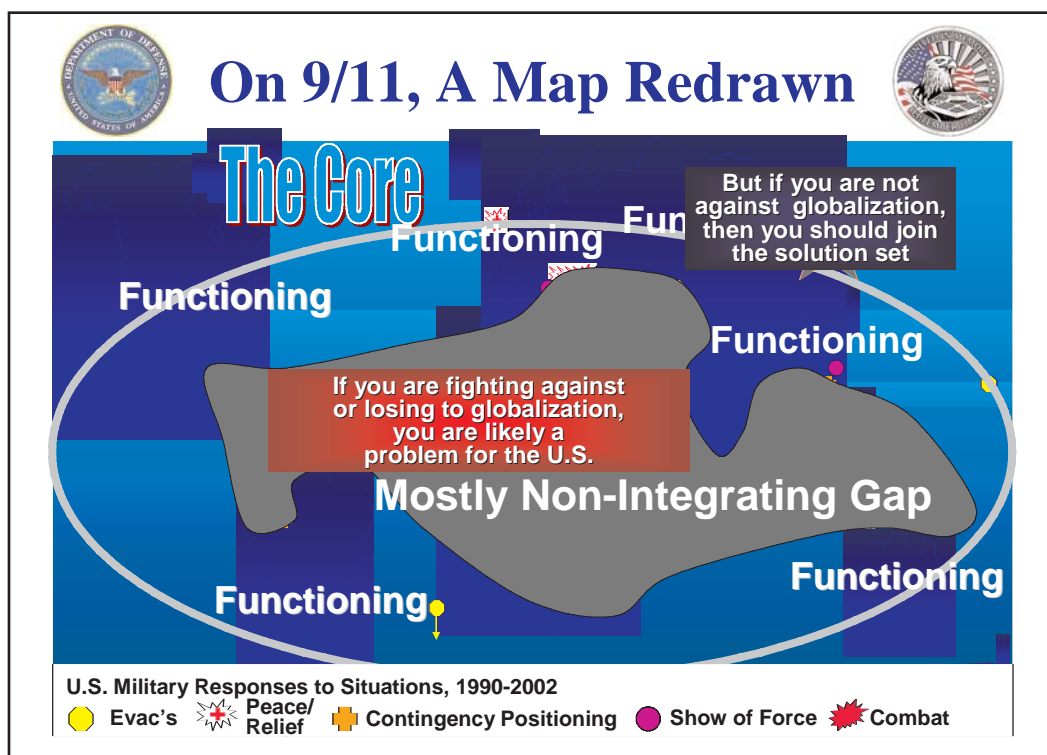
certain nations are disconnected from the rest of the world:

“Disconnectedness is now one of the great danger signals around the world. It is an indicator of where the Department of Defense might be spending more and more of its time.”

To illustrate the point, Cebrowski prepared a map on which he plotted all U.S. military interventions between 1990 and 2002. Nearly all U.S. military responses since 1990 have been in those nations that are part of the globalization gap. He concludes:

“If you are fighting against or losing to globalization, you are likely a problem for the U.S.”

Cebrowski’s presentation at the Heritage Foundation was an early and highly detailed outline of the Bush administration’s view of the military implications of the new world order era.



National Security Strategy Redux

More recent documents, the 2006 National Security Strategy, the 2005 National Defense Strategy and the 2006 Quadrennial Defense Review, reaffirm the direction suggested by Cebrowski and the first National Security Strategy document.

The new documents, however, do offer some reflection on the current state of the Iraq War and offer some slightly different formulations. The highlights include:

- The “war against terrorism” will be a long and protracted struggle;
- The “war against terrorism” can be won by promoting “democracy” throughout the world;
- A central tenet of democracy is free markets and free trade; and,
- The military component of the “war against terrorism” must be shared by democratic nations.

Bush’s cover letter for the 2006 National Security Strategy indicates some of the change in rationale for fighting a “long war” when he outlines the “two pillars” of his current strategy:

“Our national security strategy is founded upon two pillars: The first pillar is promoting freedom, justice and human dignity—working to end tyranny, to promote effective democracies, and to extend prosperity through free and fair trade and wise development policies. . . The second pillar of our strategy is confronting the challenges of our time by leading a growing community of democracies. . . Many of the problems we face. . . reach across borders. Effective multinational efforts are essential to solve these problems.”

The document goes on to state that effective democracies have market economies and that even

if a government is popularly elected, it is not truly democratic unless it has “economic freedom.” It reaffirms a statement made in the 2002 strategy:

“To expand economic liberty and prosperity, the United States promotes free and fair trade, open markets, a stable financial system (and) the integration of the global economy. . . .”

The link is clearly made between “democracy” and new world order rules. Among accomplishments since 2002, the document points to the initiation of the ultimately failed Doha round of negotiations for the expansion of the World Trade Organization and its leadership in bringing in new members including Saudi Arabia. It points to progress with a variety of Free Trade Agreements including CAFTA and the beginning of MEFTA. Bilateral agreements with Bahrain, Jordan, Morocco and Oman are seen as the foundation of expansion of MEFTA. An Asian initiative (ASEAN) is also cited as an accomplishment—one that is grounded in a free trade agreement with Singapore and negotiations with Malaysia. It also cites initiatives in sub-Saharan Africa using the African Growth and Opportunity Act.

The strategy goes on to project a program to bring more nations into the new world order program. These include an effort to:

- Gain market reforms in Russia, Ukraine, Kazakhstan and Vietnam so they can become members of the WTO;
- Advance MEFTA by implementing trade accords with Bahrain, Oman and the United Arab Emirates;
- Pursue trade agreements in Africa focusing on Botswana, Lesotho, Namibia, South Africa and Swaziland as well as in Asia with Thailand, Republic of Korea and Malaysia and continuing to work closely with China;

- Build on NAFTA, CAFTA, and the accord with Chile by concluding agreements with Colombia, Peru, Ecuador, and Panama; and,
- Further reform the IFI's that will encourage (or force) other nations to accept the opening of the world to the free flow of capital and free trade.

The “second pillar” of the National Security Strategy, is called “transformational diplomacy.” This notion of diplomacy means more direct involvement in the internal affairs of other nations. It specifically addresses the need to use U.S. resources to build: “the security and law enforcement structures that are often the prerequisite for restoring order and ensuring success.”

Thus, rather than an agenda to fight and win a “war against terrorism,” these two “pillars” of the National Security Strategy outline a program justifying the use of military force to promote and enforce free trade.

Trade and Integration Penetrates the Quadrennial Defense Review and the National Defense Strategy

The 2006 Quadrennial Defense Review, a Pentagon planning process that addresses the Pentagon's strategy for the next 20 years toward force structure, force modernization, infrastructure, and budget based upon the National Defense Strategy (last updated in May 2005). Both documents—the strategy and defense review—state that they see the mission of the Department of Defense as fulfilling the larger National Security Strategy. Hence the activities of the Department of Defense should not be separated from the “two pillars” of the National Security Strategy.

Both the strategy and review repeat the theme that we are in a long protracted struggle that is scattered

throughout the world, and that defense strategy must include the objective of spreading “democracy” throughout the world and preventing non democratic nations from gaining weapons of mass destruction and harboring terrorists. In addition to these points, they emphasize the need to form military alliances to implement the military strategies they embrace. The 2005 Defense Strategy makes this very clear:

“Our strategic objectives are not attainable without the support and assistance of capable partners at home and abroad. Abroad the United States is transforming its security relationships and we are seeking to improve those of our partners... We want to increase our partners' capabilities and their ability to operate together with U.S. forces.”

The 2006 Quadrennial Defense Review (QDR) goes on to develop the theme of joint security with partners in broader terms and calls on Congress to give them greater authority and flexibility to pursue this objective further:

“Future joint forces will increasingly use host-nation facilities with only a modest supporting U.S. presence, decreasing the need for traditional overseas main operating bases with large infrastructures and reducing exposure to asymmetric threats.”

*“Unity of effort requires that strategies, plans and operations be closely coordinated with partners. Authorities, procedures and practices must permit the seamless integration of Federal, state and local capabilities at home and among allies, partners and non-governmental organizations abroad... The Department (of Defense) recommends that the United States continue to work with its allies to develop approaches, consistent with their domestic laws **and applicable international law** to disrupt and defeat transnational threats before they mature.”* (author's emphasis)

Applicable international law could well include trade agreements and conditions on loans made by the International Financial Institutions.

The QDR goes on to recommend to Congress that the Department of Defense be given “considerably greater flexibility” in the U.S. Government’s ability to partner directly with nations fighting terrorists. This includes “training, equipping and advising their security forces to generate stability and security within their own borders.” The document argues that “greater flexibility [to do the above] is urgently needed.” This includes not only working with the armed forces of other nations but with local law enforcement agencies and doing this in coordination with the U.S. State Department. It concludes this recommendation by linking it back to the theme of protracted war and the need to “expand democracy” that was emphasized in the National Security Strategy. It calls for authority to train foreign military and police in the United States apparently without much Congressional oversight.

The QDR also recommends that the military expand its Special Operations Forces (SOF)—making much of the U.S. military “SOF-like” as suggested in the perspective of Admiral Cebrowski. An SOF military with a perspective of pre-emptive strikes and a long “Global War on Terrorism” means that they foresee an ongoing need to move military operations rapidly from one part of the world to another. To meet that need the U.S. military will be highly mobile, using mobile weapons and logistics systems and Special Operations forces to move quickly in and out of targeted areas while relying on an expanded intelligence capability and joint operations with “partners,” nations who are allied with the U.S. economically through international agreements on trade and investment.

Iraq, Militarism and the Corporate “Free Trade” Agenda

As the military and security strategy documents reviewed in this essay confirm, economic policies of the new world order are generating a transformation of the U.S. military to defeat the growing globalization of resistance and impose the new world order programs and policies everywhere. The most critical testing ground for this transformation today and the place where the military implications of the new world order are most evident is Iraq.

Antonia Juhasz’s book, *The Bush Agenda*, documents how the U.S. military imposed a complete transformation of the Iraqi economy following the U.S. occupation. This transformation included all of the features of new world order programs and policies. Two months prior to the invasion of Iraq, the Bush Administration received a 107-page contract developed by the successor to the disgraced Arthur Anderson Consultants, Bearing Point Corporation. The \$250 million contract, “Stimulating Economic Recovery, Reform, and Sustained Growth in Iraq,” contained a blueprint for the complete reconstruction of the Iraqi economy as well as a program of ongoing technical assistance for its implementation.

Hand in hand with Bearing Point Consultants Paul Bremer who ruled the Coalition Provisional Authority (CPA) for 14 months, dissolved the Iraqi Constitution and virtually all laws that were contrary to the Bearing Point blueprint.

During Bremer’s reign he implemented 100 orders that included the privatization of 192 state owned enterprises (Order #1); complete liberalization of trade (Order 12); changed the progressive tax system to a flat tax (Order #37); and, opened the economy to unrestricted foreign investment and foreign ownership of banks (Orders #39 and 40). The investment order allowed foreign corporations

to take over the privatized services and any other enterprise and repatriate the profits without any restriction by a future Iraqi Government. Such laws are the centerpiece for virtually all new world order bilateral and multilateral agreements (Chapter 11 of NAFTA, for example). They offer a legal framework for the complete domination of the economy, including oil, by foreign corporations.

The laws imposed by Bremer and the CPA to implement the 100 orders were written into the new Iraqi constitution and thus make up the framework within which the current “Iraqi Government” must operate today. Essentially “free trade” and “democracy” have come to Iraq through invasion and military occupation.

Implications and Conclusions

If U.S. militarism and its manifestations in the Iraq War and the “war on terrorism” are being driven by global rules that govern the flow of goods, services and capital around the world, then world peace depends on changing those rules and opposing efforts to expand and extend them. Ending U.S. occupation of Iraq, a key demand of the U.S. peace movement today, is critical to ending the conflict there. But it is not enough if the broader goal is a lasting peace. Here is where the movement opposing new world order programs and policies and promoting a global order that promotes economic and environmental justice comes in. As a start, the more traditional peace movement can join forces with economic and environmental justice forces by demanding that Bremer’s Orders be repealed, extending to the people of Iraq the right to economic self determination. In addition, a broad global peace movement needs to address the programs and policies

that are pushing the world into violent conflict and driving the U.S. military.

While some U.S. activists are involved in peace organizing as well as economic and environmental justice work, these activities remain organizationally and strategically separate. What is needed instead is a unified movement that promotes economic and environmental justice while opposing the use of force to impose the economic and political agenda of the new world order. Because both U.S. economic and military strategies are global, it is also

critical that we build alliances with progressive forces in those nations who are the object of both new world order programs and their military counterpart.

Directions for such a movement lie in the dualities within the new world order itself. The fact that the “free trade” programs of the new world order have created a “blow-

back” that generates a perpetual war of preemptive strikes, an explosion of privacy invasion justified as intelligence gathering, an economy of increasingly shaky debt in which most of its resources go to war and destruction is a place for such a movement to begin. The positive face of the globalization of resistance is a worldwide movement of civil society that has argued for a different type of globalization; one that benefits the majority of citizens rather than a handful of corporate elites.

As more and more nations get drawn into the web of perpetual warfare as a result of the U.S. National Security Strategy and National Defense Strategy, this global movement of civil society is likely to get even larger. And the fact that the new world order itself generates violence and militarism offers an opportunity to unite this global economic/environ-

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mental justice movement with a growing global peace movement.

The emerging global civil society movement includes a number of non-governmental entities such as the World Social Forum, The (Western) Hemispheric Social Alliance, the Fifty Years is Enough Campaign, Jubilee South, and a variety of global associations concerned with human rights, women's rights, indigenous rights, and environmental quality. There is considerable recognition internationally within these international formations that the programs of the new world order are imposing security alliances between the U.S. and governments under the new world order regime. In the Western Hemisphere this is known as "NAFTA Plus" and "Deep Integration." Elsewhere the military implications of economic programs are less developed. But the fact of growing security alliances being linked to economic alliances such as NAFTA and WTO provides a natural point of contact between more traditional peace advocacy and economic justice.

The promotion of economic and environmental justice as part of a global peace initiative thus builds both on contradictions of the new world order initiatives and the ongoing work of organizations focusing on peace and those that prioritize economic and environmental justice. An important contribution of the latter organizations to this effort is the work that has been done on alternatives to the new world order programs and policies. Such alternatives offer a framework for a world free of the economic institutions that promote violence and warfare. A variety of international gatherings since the early 1990's have produced international civil society protocols on the rights of women, indigenous people, human rights generally, and the environment. And these protocols have been adopted by groups with even broader

economic/environmental justice agendas as part of their demands for alternative directions.

An important example in the Western Hemisphere is a program known as "Alternatives for the Americas."⁴ This program started with the opposition to NAFTA in 1991 when Canadian, Mexican and U.S. civil society activists held meetings first in Seattle, U.S.A and later in Zacatecas, Mexico to discuss alternatives to the trade accord.

The original grouping that consisted of civil society networks from three nations has now grown to encompass all of the nations in the Western Hemisphere. And the group has developed a 111-page alternative that includes specific programs on human rights, the environment, sustainability, gender, labor, immigration, the role of government, education, communications, investment, finance, intellectual property rights, agriculture, market access, services, enforcement, and dispute resolution. These programs are all based on common principles agreed upon through ongoing discussion within the civil society networks of all nations. A summary of these principles states:

"Trade and investment should not be ends in themselves, but rather instruments for achieving just and sustainable development. Citizens must have the right to participate in the formulation, implementation, and evaluation of hemispheric social and economic policies. Central goals of these policies should be to promote economic sovereignty, social welfare and reduced inequality at all levels."

In February, 2006, at the World Social Forum meeting in Bamako, Mali, a group based in Africa issued what they called "The Bamako Appeal."⁵ This marks the beginning of a parallel course of action to that of the Hemispheric Social Alliance that has begun a process to develop a similar program of alternatives on a world scale.

The approach taken by Venezuela to Latin American economic cooperation as seen with the Bolivarian Alternative to Free Trade or ALBA is an example of governments (Venezuela, Cuba and Bolivia) attempting to put some of the principles of the Hemispheric Alliance and Bamako into practice. In addition, alternative programs such as these can be the basis for coordinated action among civil society networks throughout the world that can combine forces with the growing global peace movement. In the U.S., for example, the program of the Hemispheric Social Alliance can be the litmus test (rather than party affiliation) for electoral candidates. Support or opposition to candidates can transcend national borders, as well, if this is based on some universal principles of economic, social, and environmental justice combined with world peace. Such an approach can move beyond the electoral arena to create multi-state alliances in opposition to negative actions of governments or transnational corporations or in support of positive programs that address the needs of ordinary people.

To the extent that such programs make any inroads at all, they can go a long way toward undermining the economic basis of the growing global militarism

that new world order programs and policies generate. And they offer a program that can unite movements for peace, economic justice, and environmental quality.

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Endnotes

- ¹ The evolution of the new world order is presented in greater detail and with references in David Ranney, *Global Decisions, Local Collisions: Urban Life in the New World Order* (Temple University Press, 2003).
- ² Arthur Cebrowski, "Planning a Revolution: Mapping the Pentagon's Transformation," Heritage Foundation WebMemo #292, June 12, 2003. See also, Thomas P.M. Barnett, *The Pentagon's New Map* (Putnam, 2004).
- ³ Cebrowski, op. cit.
- ⁴ Available at: <<http://www.asc-hsa.org/>>.
- ⁵ The Bamako Appeal has been reproduced in a number of places including: <<http://www.openspaceforum.net>>.

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