

The Global Monetocracy

It is clear from *Humanity in a Vicious Spiral* [Chapter 2 of *Gaian Democracies*] that there is indeed a lot wrong with the world. There is every justification for deep concern. In this chapter we will discover that the appalling symptoms we have seen, diverse though they are, are not separate: **they all stem from the purposes, principles and ideologies of a purposeful human system.** If we want to change the system that is responsible for the symptoms, our first task is to define as best we can the system that is responsible for them.

In this chapter we will see that the responsible system is a vast and complex 'Global Monetocracy' that affects the life of every human being and living thing, and all the rest of nature within the Gaian system. It is this Global Monetocracy that is inflicting the increasingly severe and disabling injuries to which we have drawn attention.

Because the Global Monetocracy is so complex, it is important to sketch an outline of its main components and think through how they interact. Once we have a picture of the whole system and its interactions, we have some idea of what it will take to dismantle and replace it with something better. However formidable that task may be, realising what has to be done takes us halfway towards relieving our sense of impotence. We are seeing the world in a different way.

If we are correct in saying that the Global Monetocracy as a whole is responsible for what is happening, it follows that **it is the Global Monetocracy as a whole that must be re-configured.** The next step will be to begin to work out how, and by whom, the system can be reconfigured. That is the task we tackle in GD [Chapter 5 of *Gaian Democracies*, extracts also available from <http://www.gaiandemocracy.net/>].

The Global Monetocracy

Today's government and economic systems have co-evolved over the last four hundred years. They are now so tightly enmeshed as to form a single integrated system, the components of which are shown in **FIGURE 1**. Interlocked and interdependent, each contributes in its own way to a system that is driving the destabilising and destructive trends we have identified.

FIGURE 1. The main components of the Global economic/political Monetocracy



Main components of the Global Monetocracy

Component 1: The purpose of the Global Monetocracy



The defining component of any purposeful human system is its purpose. The purpose of the economic system promoted by all Western governments is never debated. It is nowhere even acknowledged. You will not find it written over the door of any presidential office, state legislature or party political headquarters. Nevertheless, in our judgement, the true purpose of the Global Monetocracy, is that of **money growth in order to maintain the current debt-based money system.**

What is our evidence for this assertion? The debt-money system itself has been described in earlier Schumacher Briefings by James Robertson and Richard Douthwaite. They show that almost all the money we use (i.e. all except the notes and coins, which today are about 3% of the total) came into existence as a result of a bank agreeing to make a loan to a customer, at interest. This is why it is called 'debt-money'.¹

This system has several extremely important consequences. First, it gives the banks a free lunch. They are, in effect, able to print money and lend it out at interest. Bank profits from this source alone in the USA, UK, Eurozone and Japan are about \$140 billion per year.² It is quite outrageous that the banks should have this power. Counted among public figures that have been bold enough to object are three US presidents: Thomas Jefferson, Abraham Lincoln and Franklin Roosevelt. Its many critics amongst economists have even included Milton Friedman, a favourite of Margaret Thatcher and the American Right.³ That the governments of Western 'democracies' permit the banks to continue to enjoy this massive subsidy, and for this extraordinary privilege to be off the agenda of public debate, is a tribute to the power of the 'elite consensus' discussed later in this chapter.

Secondly, the effect of this method of creating money is that the economy has to grow in order to avoid collapsing. In industrial countries, between 18% (Sweden) and 26% (Japan) of each year's total output is ploughed back into investment projects. If in any year this figure falters, the economy risks entering a downward spiral. The fact that the necessary growth can be achieved only by increasing the total level of debt makes the economy heavily dependent on confidence. People borrow when they are optimistic about being able to repay with interest. Businesses borrow when they want to expand. Confidence in the future is self-fulfilling. So is the lack of it. The economy therefore constantly moves between boom and bust; it is systemically unstable.

Consider what happens if growth slows or stops. First of all unemployment appears. Firms that invested in the past in the expectation of increasing sales find themselves with surplus capacity, and consequently cancel further investment projects. This puts the people who would have designed, constructed and equipped them out of work. So for the government, no growth or slow growth means rising unemployment and, as a result, higher social welfare bills. Also, because wages, turnover and business profits fall away, it means lower tax receipts. The public finances go into the red, and the government has to

choose between increasing tax rates or borrowing, thus increasing the National Debt. The policies of the party in office lose all credibility, making it unlikely to be returned at the next election.

The consequences for the business sector are even more serious. Since interest has to be paid on most of the money invested in the failed expansion projects, corporate profits tumble. This cuts share prices, and although the personal wealth of all shareholders is reduced, the fall is particularly painful for company directors with share options or large holdings. Worse, the developing recession cuts the value of their other investments too. All the assets in which they hold their wealth – investment properties, land, antiques, fine art – fall in price. Even the housing market collapses because of the rising unemployment, leaving millions with negative equity.

The worst danger of all is that the economy falls to the sort of level it reached in the 1930s and that high levels of unemployment persist for several years. This would throw the viability of the entire capitalist system into question - a frightening thought for those who owe their power to it. Not surprisingly, the possibility of a downward spiral is a prospect that terrifies governments. That is why - whatever their political colour - governments try to work closely with the business sector. In this way they can ensure that, regardless of any social or environmental damage, the economy continues to grow. The debt-money system thus forces governments to put the imperative for short-term growth above long-term considerations, such as the widening inequalities gap or humanity's relationship with Gaia.

Governments are quite open about the need for economic growth. But what they hardly ever admit is that this need is imposed by the debt-money system, let alone that this method of creating money is quite unnecessary and certainly contrary to the interests of the taxpayer and the public generally.⁴ And they will of course always contend that growth will benefit people directly, even though the opposite has been shown to be the case in many countries over the last few decades.⁵

Nor is it true, as our current leaders invariably assert, that economic growth is necessary for human development in poorer countries. In *Complex Systems Theory and Development Practice*, Samir Rihani has provided compelling evidence that, for nations where the need for human development is most desperate, economic growth is largely irrelevant and possibly wasteful.⁶

Furthermore, it is the banks, rather than governments, who shape the way the economy develops, because a high volume of bank lending – which the banks control - is essential if the present money system is to function. They determine who can borrow and for what purpose, according to criteria which favour those with a strong cash flow or substantial collateral. Justice and sustainability are irrelevant. The system thus favours rich people and multinational companies against smaller firms and poorer individuals. It gives an automatic advantage to the wealthy and thus tends towards ever-greater inequality. It also totally ignores Gaia.

In systems-thinking terms, the growth imperative imposed by the debt-money system is a positive feedback mechanism - a vicious spiral. It is also a classic case of leverage: the leverage that the debt-money system exerts on national economies and on the global economy as a whole leads directly to the effects we outlined in Chapter 2.

Debt-money is also the ideal instrument for imposing a stranglehold of debt on the world's poorest countries.⁷ It forces them to increase their exports, thus drawing down commodity prices for the benefit of wealthier countries. It is the basis of the global financial system in which, year after year, money flows not from rich countries to poor countries but in the opposite direction.⁸ It is the source of the system's instability, the main impact of which always falls on the poorer countries and on the poor in those countries.

Linked to the debt-money system is the use of the currencies of some of the wealthiest countries (US dollars, UK sterling, Euros, Japanese yen and Swiss francs) as 'reserve currencies', so-called because they are held by central banks as reserves. These are national currencies being used as though they were global currencies. Around 70% of all foreign currency reserves held by central banks are US dollars. In effect, the system

enables a wealthy country to import goods from, or acquire assets in, a poorer country, without 'paying' for them. For example, Japan can import goods from an African country and pay for the goods in yen. These cost Japan nothing to print, or more probably, to create with an electronic entry. If those yen remain in the central bank of the exporting country, or if they are kept in a bank in Japan in an account controlled by the African country or a member of its ruling elite, or if they are used to buy investments in Japan, it follows that Japan never has to export anything in return. The effective cost to the Japanese economy is nil.

Between 1992 and 2000, the number of US dollars held as reserves by central banks around the world grew by \$800 billion, an average of \$100 billion a year. This constituted an \$800 billion interest free loan by the rest of the world to the USA. In other words the USA has been able to buy \$800 billion worth of goods and foreign assets in effect without paying for them. It has been described as a tribute, a crippling tax that the rest of the world pays to the USA. For the USA, it is another case of a free lunch.⁹

Even that isn't all, because almost all those dollars were created by US banks as debt. Richard Douthwaite has calculated that the total return to the USA from creating the money is of the order of \$425 billion per annum. This has enabled the USA to run a trade deficit in the order of \$1.2 billion per day. Compare that with the figure of \$343 billion for the US military budget for 2002.¹⁰ It is a country that has been able to build its military strength at the expense of the rest of the world - not so much a free lunch as a free army, navy and airforce.

The figure of \$425 billion per annum can also be compared with the estimate by the United Nations Development Programme that \$40 billion per annum over ten years would solve most of the world's problems of extreme poverty, unsafe drinking water, malnutrition, sanitation and pre- and post-natal care. Yet, while the world was paying the USA a \$425 billion per annum tribute, US aid to 'developing' countries was running at around \$10 billion per annum. The USA, by far the wealthiest country in the world, is the donor country that gives away by far the lowest proportion of its national product¹¹ - over the last half century the proportion has declined from 0.3% to 0.1%.¹² "What a peculiar world," comments Joseph Stiglitz, former Chief Economist of the World Bank and Chair of President Clinton's Advisory Committee on the Economy, "in which the poor countries are in effect subsidising the richest country, which happens at the same time to be amongst the stingiest in giving assistance in the world."¹³

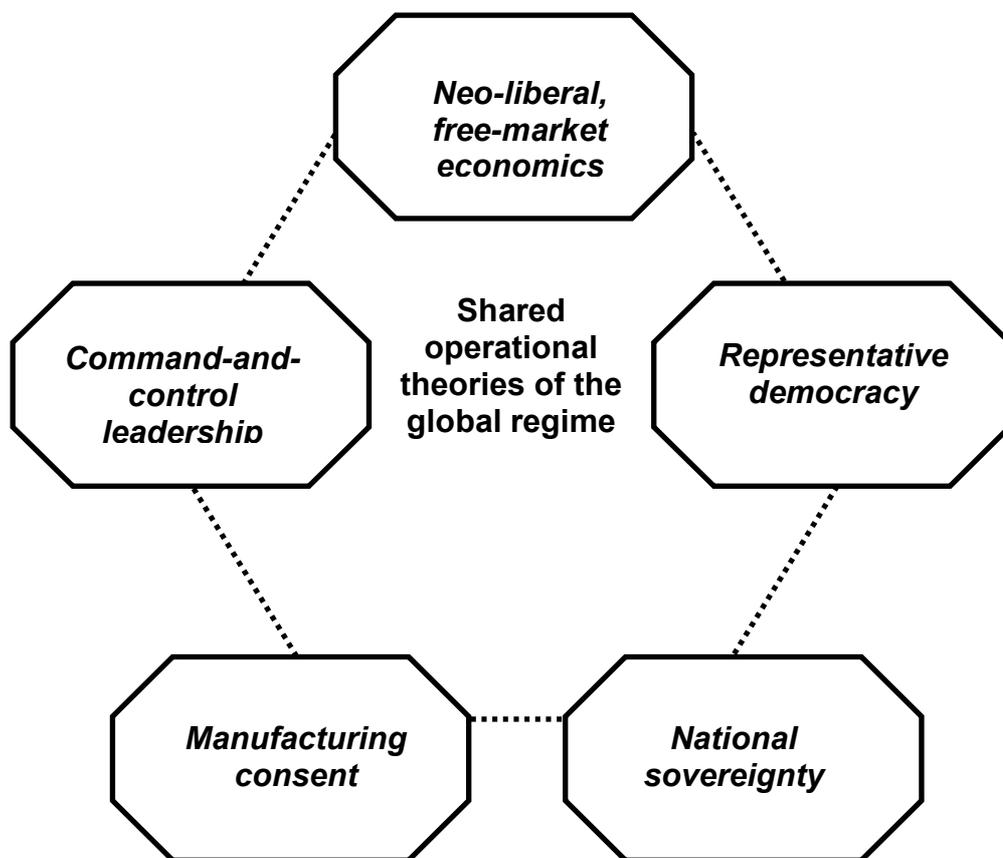
The purpose of the Global Monetocracy explains why, for example:

- Our governments have persistently ignored all the evidence of the adverse effects of economic growth, including the repeated warnings of scientists over the last forty years, for example the scientists warning in 1992 (shown in the box above).
- Our governments continue to claim that economic growth is the only viable strategy for tackling the world's horrific agenda of problems that have - in large part - been caused by the self-same economic growth.

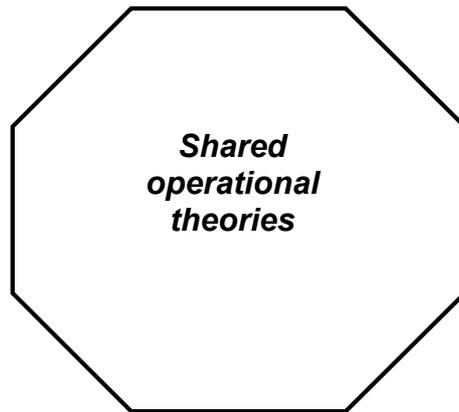
Note that what we have been looking at here is the **purpose** of the Global Monetocracy **as a system**. What we have named as the Global Monetocracy is the aggregate of the components shown in the diagram. The purpose of that aggregate system is not the same thing as the conscious purpose of any player in the system. This is not a conspiracy theory: it is a statement about a system.

The purpose of a system does however have a controlling influence on the way the whole system works, and hence on the behaviour of all players in it. That of course is why we have called the system a 'Global Monetocracy'.

FIGURE 2. Component 2: Shared operational theories



Component 2: Shared operational theories



Underlying the purpose of the Global Monetocracy, and providing the basis for its claim to intellectual respectability, legitimacy and competence, are a number of key operational theories.

It is a striking fact that all of these theories are currently in crisis. Neo-liberal economics is fatally flawed both by its own standards and by the yardsticks of justice and sustainability; nation-states are dominated by multinational corporations and cannot grapple with the regional and global issues confronting the human family; voters are disenchanted with the kind of politics produced by representative democracy; command-and-control leadership methods are increasingly less effective in complex modern societies; and the manufacture of consent no longer provides a reliable basis for social control. The inadequacies of each of these theories will now be spelt out in a little more detail.

Theory 1: Neo-liberal economics.

Since the late 1970s, neo-liberal economic ideology has shaped the policies of almost all Western 'democracies'. Its principles include the primacy of private property, economic growth, the need for free trade to stimulate growth, competition, the unrestricted 'free-market', privatisation and the absence of government regulation. The theory is a highly selective interpretation of the classical, mainstream tradition of economics.

The success of what John Maynard Keynes called "this misleading and disastrous" economic ideology is not an accident.¹⁴ It is the result of a concerted, well financed, utterly determined and increasingly globalised campaign led originally by the Austrian economist Frederick von Hayek, his colleague, Milton Friedman, and other members of the so-called 'Chicago School'. It is a theory of economics deliberately developed to serve the interests of the owners of capital. It serves as a rationale to justify the money growth economy.

As early as 1947, Hayek founded The Mount Pelerin Society, which brought American and European conservatives together in a village near Lausanne, Switzerland. As Susan George has revealed, Americans who attended that first Mount Pelerin Society meeting had their travel and accommodation expenses paid for by the William Volker Fund.¹⁵ Volker money also bailed-out shaky free-market academic magazines, financed the books published by the Chicago School, paid the bills for the influential Foundation for Economic Education and funded meetings of free-market thinkers at US universities.

The Mount Pelerin Society inspired friendships, networks and joint projects, and has remained an international club for free-market thinkers ever since. Membership of the society is by invitation and - significantly - the members' names are not disclosed, though it is known that members have included the Thatcherite Czech ex-Prime Minister, Vaclav

Klaus, the former French finance minister, Alain Madelin, Boris Yeltsin's chief advisers and, of course, Margaret Thatcher.

The opinion-moulding strategy that was launched in the late 1940s is being pursued with undiminished vigour to this day. Hundreds of millions of dollars are spent every year to enable The Mount Pelerin Society and scores of other free-market institutions to maintain their dominance of the field.¹⁶

By the mid-1980s, adherence to free-market neo-liberal economic ideology had become the benchmark for the credibility of finance ministers, treasury mandarins, professional economists and 'expert' economic advisers throughout the industrialised world. This was despite the fact that since the middle of the 19th century the deficiencies of neo-classical economics have been extensively documented. As many eminent economists have shown, the proposition that a market economy necessarily maximises commercial efficiency and social welfare is not true, even in theory.¹⁷ Even international financier George Soros agrees that fundamentalist market ideology - blind faith in free, unfettered markets - is supported by neither modern theory nor historical experience.

Neo-liberalism is a theory of economics that is totally divorced from living systems. Professor John McMurtry has described it as "an economic paradigm that has no life coordinates." For McMurtry, 'life values' include ecology and 'non-profit' work, things that are not monetized and hence not valued by markets.¹⁸ Neo-liberal economics is thus blind to Gaia and to the damage its application does to the moral, social and ecological dimensions of our human and natural worlds. The evidence of the destruction inevitably caused by the application of neo-liberal economic theory, and of the repeated failure to achieve even declared objectives, is overwhelming, yet this paradigm nevertheless sets the parameters of acceptable political and democratic thought. It resembles a religious theology that provides its priesthood with an unchallengeable but entirely metaphysical authority; neo-liberal economists are the priests promoting that religion and not, as they claim, scientists seeking to understand the nature of the world they purport to explain and predict.

Theory 2: Representative democracy.

At the opening of the 21st century, 120 out of the 192 countries of the world, containing some 60% of the world's population, were ruled by representative democracies. This system is generally portrayed as the enlightened alternative to totalitarian dictatorships, theocracies and military governments. It is held up as being the only way people in modern societies can govern themselves, the only practicable form democracy can take in the modern world.

Representative democracies are, however, perfectly suited to the Global Monetocracy, because they are designed to minimise public involvement in government, and to enable the dominant elite to remain continuously in control. The system provides the constitutional framework that has enabled the elite to force neo-liberal economics on a world that naturally resists it. As John Gray, Professor of European Thought at the London School of Economics, has pointed out: "Free markets are creatures of state power, and persist only so long as the state is able to prevent human needs for security and the control of economic risk from finding political expression. Encumbered markets are the norm in every society, whereas free markets are the product of artifice, design and political coercion. Laissez-faire must be centrally planned; regulated markets just happen. The free market is not, as Right-thinkers have claimed, a gift of social evolution. It is an end product of social engineering and unyielding political will. It was feasible in 19th century England only so long as functioning democratic institutions were lacking."¹⁹

The key role of the ordinary citizen in representative democracies is to vote at elections. But while the choice at elections is increasingly meaningless, citizens are still regarded as having had their say as voters. The vast majority of ordinary citizens are still excluded from active participation in governmental decision-making at all levels. Contact with ordinary people is limited to focus groups, opinion polls and consultation. There is no room for citizen initiative. The result, inevitably, is a largely passive and disillusioned citizenry. This has led to mass abstention from the system, with over 50% of voters in

the USA staying away from the polls. Membership of political parties in Europe has plummeted. The picture is similar throughout Latin America and Eastern Europe.²⁰

Amongst politicians, those with the most money and the best connections are especially favoured. Moreover the system provides easy access for big business to government through electoral funding, lobbying and policy-making processes that are specially designed to be business friendly.

Representative democracy thrives on carefully choreographed displays of adversarialism and inter-party competition. It legitimises secrecy and censorship. It facilitates the manipulation of public opinion. Public debate is effectively infantilised.

The critical link between politicians and the people is now the focus group, originally devised for companies to discover how to package products so that they overcome potential customers' resistance to them. Several decades ago political consultants spotted that elections are won and lost by the largely self-interested preferences of the small minority of so-called 'swing voters'. Swing-voters have no party loyalties and it is their votes that 'swing' elections by a few percentage points one way or the other. As Robin Cook, Leader of the House of Commons and a member of the New Labour elite, has said: "The reason why, at election time, we chase those 0.25% of the electors who are the crucial swing voters in the crucial target seats, is that ultimately they are the only ones whose votes matter."²¹ From their studies of voting patterns, electoral strategists have persuaded political leaders that they have to listen to, and rapidly satisfy, the desires and prejudices of swing voters. The consequence is that policy is made on the basis of last month's focus group results, and all parties strive to get closest to the swing voters at whatever cost to their principles, the loyalty of their 'traditional' supporters or the interests of the community as a whole.

Once the focus group strategists have identified the messages that are most likely to appeal to swing voters, huge sums are spent on advertising targeted at them. Candidates in the 2002 congressional and gubernatorial races in the USA spent close to \$1 billion for television commercials alone. In the UK, having won power by using these methods, New Labour leader, Tony Blair, was able to say: "I have taken from my party everything they thought they believed in. What keeps it together is success and power."²²

Representative democracy has many other flaws. Elections, which allegedly protect the people from abuse of power, are frequently manipulated by those in high office in order to prolong their power. And, as we saw in the UK following the Falklands War, and in the 2002 mid-term elections in the USA, wars and threats of war favour the party in office. It pays today's political leaders to pretend there is a crisis, or a threat to the nation's prosperity or pride. Presidents Bush and Mugabe have proved that it pays to manufacture such a crisis. The link here with the 'manufacture of consent' (see below) is obvious.

Regular elections also invariably ensure that elected politicians concentrate on producing a stream of uncoordinated policy initiatives to placate the swing voters, ignore the long-term consequences of their policies and generate ever-greater complexity and confusion.

As we shall see in Chapter 5, the proposition that representative democracy is the only practicable form of democracy in today's world is nonsense. It is one of the many myths promoted by the Global Monocracy for its own protection.

Theory 3: National sovereignty.

Nation-states have co-evolved with representative democracies as the official vehicles and processes whereby our societies are dominated by a wealthy elite. The dominance of today's political, corporate, financial and media elites is in a direct line from the role played by monarchs, courtiers, landowners, bankers and merchants in the 17th, 18th and 19th centuries. The purpose of the nation-state was to enable the elites to sustain their power and privileges through constant territorial and economic expansion.²³

The principle of national sovereignty is inherently conflictual and competitive. It cuts across natural diversities of culture and geography. It fosters nationalism, illusions of moral superiority and dreams of empire. At the same time, under the cloak of national

sovereignty, the nation-state provides the executive and legislative support required for the monetisation and corporate ownership of the entire human and natural worlds.²⁴

As with all the components of the Global Monetocracy, it is the way in which they operate together that matters. As John Gray has pointed out, the global free market works to set sovereign states against one another in a struggle for dwindling natural resources.²⁵ The effect is to impel states to become rivals for the control of resources that no democratic institution has the responsibility for conserving. In this struggle the already wealthier states inevitably win. It is a recipe for ever-greater economic and political instability. Rich countries can afford to mitigate, at least temporarily, the penalties that global free markets impose on their citizens. In poorer countries the global free market produces fundamentalist plutocracies and works as a catalyst for the disintegration of traditional societies.

From a systems perspective, one of the most serious defects of the principle of national sovereignty and the nation-state system is that it has blocked the development of democracy for the human family as a whole. Once the elites had chosen to conceive of the human family as a collection of states, responsibility for organising the interaction between human societies became the preserve of state governments. According Philip Allott, Professor of International Public Law at Cambridge University: “The result was that we came to have an international system which was, and is, post-feudal society set in amber – undemocratised, unsocialised - capable only of generating so-called *international relations*, in which so-called *states* act in the name of so-called *national interests*, through the exercise of so-called *power*, carrying out so-called *foreign policy* conducted by means of so-called *diplomacy*, punctuated by medieval entertainments called *wars* or, in the miserable modern euphemism, *armed conflict*. This is the essence of the social process of the international non-society.”²⁶

In other words, on the global stage there is no democracy at all. Nothing could be better suited to the advancement of the purpose of the Global Monetocracy, led by largely uncontrolled trans-national corporations operating in a largely unregulated global marketplace. The 1992 Earth Summit in Rio de Janeiro highlighted the weakness of state governments faced with strong lobbying by trans-national corporations. Corporations and their lobby groups easily ensured that any consideration of binding regulation of trans-national companies was excluded from the programme endorsed by the so-called, but misnamed, ‘world leaders’.²⁷

In the decade since Rio the absence of any global democracy has allowed corporations the political space to manoeuvre themselves into decision-making positions on vital global issues. The outcome is the current programme for the further commodification and privatisation of nature launched at the 2002 World Summit on Sustainable Development at Johannesburg.²⁸

Theory 4: Manufacturing consent.

During World War One, the British government was desperate for the USA to declare war on Germany. Stories of atrocities by the Germans, or ‘Huns’ as they were called, were fabricated by the British propaganda ministry. Belgian babies with their arms torn off, speared on bayonets, and Belgian and French women raped in their thousands featured prominently in American newspapers. This was part of the British High Command’s highly successful effort “to control the thought of the world”.²⁹

Britain’s aim was to control the thought of the more intelligent members of the community in the US. If they could be persuaded to disseminate British propaganda, they might succeed in converting the pacifist USA to wartime hysteria. The USA entered the war against Germany in 1917. The strategy had worked brilliantly. And it taught every other nation a lesson. The lesson was that when state propaganda is supported by the educated classes, and when no deviation is permitted, it can have a big effect on public opinion.

The success of Britain’s propaganda campaign in WW1 has inspired all the state propagandists down to the present day: from Hitler’s Goebels to Tony Blair’s Alistair

Campbell, although, of course, with the spread of radio, TV and the cinema, the techniques have been constantly refined.

By the early 1920s, propaganda had been re-branded as 'public relations' and the lessons learnt from Britain's success in dragging the USA into the first World War gave rise to something much more powerful than mere imitation: it spawned a theory. In 1922, the young Walter Lippman, later to be the most revered of American political journalists, saw himself as a theorist of modern democracy. In his immensely influential book, *Public Opinion*, he argued that public relations amounted to a "revolution in the art of democracy", and could be used to "manufacture consent".³⁰ In other words, the new techniques of public relations could be used to persuade the voters to agree to policies that they didn't want. The theory of manufacturing consent rested on Lippman's proposition that "in a properly-functioning democracy" there are three distinct classes of citizens.

First of all, there is the specialised class: the citizens who take some active role in running general affairs - what today we would call the ruling elites, or perhaps 'the Establishment'. The second class are the decision-makers: the people who analyse, execute, make decisions and run things in the political, economic, and ideological systems; in other words, the public officials, bureaucrats and apparatchiks. Then there is what Lippman called "the bewildered herd", the vast majority of citizens who have been excluded from playing any meaningful role in the government of their society. By 'manufacturing consent' through public relations (i.e. propaganda) techniques, the specialists and decision-makers could tame the bewildered herd into acquiescence. Today, state and corporate public relations is a huge industry. Billions of dollars a year are spent in trying to control the public mind. And, as Noam Chomsky says, "Propaganda is to democracy what the bludgeon is to a totalitarian state."³¹

Fortunately, however, we - the bewildered herd - are never properly tamed. When large numbers of us can get together - in political campaigns, trade unions, colleges or churches - we sometimes refuse to allow our consent to be manufactured; and then our leaders tell us that we are creating 'a crisis of democracy'.³² In fact, by forcefully - but non-violently - expressing our collective views we are doing what citizens in democracies are supposed to do. But, in the emasculated version of democracy that has co-evolved with the Global Monotocracy over the past four hundred years, by expressing our fundamental disagreement with the actions of the Government, we are being 'anti-democratic'. The sooner we are driven or bamboozled back to the apathy, obedience and passivity of the bewildered herd, the better.

Here is a recent example of how manufacturing consent works. On 6 October 2002, the *Washington Post's* Ombudsman agreed with readers who had complained that the paper had totally failed to cover the huge anti-war rallies in London and Rome, and the doubts expressed by four-star Army and Marine generals as to the wisdom of attacking Iraq. The *Post's* failure to report opposition to the drive to war justified readers' complaints because: "Whatever one thinks about the wisdom of a new war, once it starts it is too late to air arguments that should have been aired before."³³

Identical methods of manufacturing consent are now used by political parties, government bodies and private corporations.³⁴ In the case of business, the purpose is to create the consumer demand that the growth economy craves. In the case of the political parties and public bodies, it is to secure the public's acceptance of their own exclusion. The US media analyst, Ben Bagdikian, sums it all up by saying that the institutional bias of the mass media "does not merely protect the corporate system. It robs the public of a chance to understand the real world".³⁵

The manufacture of consent is in fundamental opposition to the concept of a learning society. Increasingly though, the crisis in the theory of manufacturing consent is deepening. The old maxim that "you can't fool all of the people all of the time" is coming home to roost. The consequence is that the drive to "get across the government's message" and keep the bewildered herd under control, has become increasingly desperate, obvious and counter-productive.³⁶

Theory 5: Command-and-control leadership.

The message that hundreds of millions of voters, otherwise known as the bewildered herd, are given by their political leaders is the same message that generations of employees have been given by their bosses. The message is: “We don’t need you to think! We need you to do what we tell you. If there’s any thinking to be done around here, we’ll do it.” That, in essence, is how command-and-control leadership operates. As consultants Dean Anderson and Linda Ackerman Anderson have written: “Command-and-control is by far the most common leadership style. Most of today’s leaders were mentored themselves by command-and-control managers, and the culture of most organizations is still based on command-and-control norms. It is hard to escape this leadership style’s historic influence and dominance.”³⁷

Command-and-control leadership is based on the assumption that people are basically lazy, unmotivated and in need of constant supervision. They have to be told what to do and how to do it, either by specialists or by people who are smarter and/or more experienced: i.e. the people who have all the answers. Over time, the assumptions of command-and-control leadership become self-fulfilling prophecies. People become what command-and-control leaders expect them to be. The huge reservoir of intelligence, creativity, good will and energy that other kinds of leaders can liberate from people is unrecognised and wasted.

For a very limited period, in some very unambiguous situations, command-and-control leadership is permissible and can work well. But when it is applied in complex, long-term, open-ended situations, the results can be disastrous. In a fascinating study of its application to environmental and socio-economic problems, C. S. Holling and Gary K. Meffe of the Department of Zoology, University of Florida, tell us that: “attempts to control ecosystems and in socio-economic institutions... with more control... usually result in unforeseen consequences for both natural ecosystems and human welfare, in the form of collapsing resources, social and economic strife, and losses of biological diversity... If natural levels of variation in system behaviour are reduced through command-and-control, the system becomes less resilient to external perturbations, resulting in crises and surprises.”³⁸

And in *System Failure*, Jake Chapman reports the consequences of command-and-control leaders applying hard-systems thinking to the complex situations involved in the delivery of the UK’s health services:

1. The interventions have unintended consequences. The assumptions on which they were based were simply not valid.
2. Delivery targets are trumpeted but not met.
3. Key people responsible for the delivery of the system’s outputs (doctors, nurses, technicians, clerks, middle-managers) experience increasing interference and stress. Top managers are increasingly impatient, punitive and frustrated.
4. The system loses flexibility and is increasingly unable to adapt to external changes. Acrimony and blame erode trust, motivation and initiative.³⁹

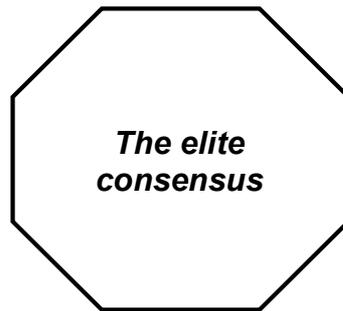
To the people trying to make the system work, and in the world outside, the system is widely - and correctly - perceived to be getting worse, not better. At the same time, the politicians and top-managers responsible for the initiatives are – again correctly - perceived to be incompetent and self-serving.

In spite of being inappropriate for the resolution of the hugely complex and unprecedented problems now facing local communities, nations, regions and the whole human family, with very few exceptions command-and-control leadership is still the basic leadership style of all Western ‘democracies’ and of much of the corporate world.

Command-and-control leadership ensures that the Global Monetocracy continues to respond to the challenges of the 21st century with the same ‘tame’ solutions - more trade, more deregulation, wars to control essential supplies, competition between states to

attract inward investment etc. - that were responsible for creating the situation we are in. It is also fundamentally at odds with the concept of self-organising systems. One of the key innovations in Gaian democracies will be the replacement of command-and-control leaders with liberating leaders, as described in Chapter 5.

Component 3: The 'elite consensus'



It is probably no exaggeration to say that the 'elite consensus' determines how the Monetocracy works. Its influence seems to be even more fundamental than that of the operational theories, because while these have largely been created to justify and legitimate its purpose, the elite consensus is actually the source of that purpose.

The elite consensus sets limits on the behaviour of everyone in the system. These limits cannot be questioned: they define the paradigm. Anyone who seeks to question any of these propositions will be told that they are not living in the real world.

It is the elite consensus that explains why political, media and business leaders fail to respond to the major issues facing Gaia and the human family, why they are deaf to warning signs and suggestions for remedial action. Those things are outside their paradigm, their worldview.

There have been many studies of the components of the worldview that underpins the elite consensus.⁴⁰ Some of the key points are shown in the box.

Once these presuppositions and principles have been internalised, they become an integral part of the worldview of politicians, bankers, corporate executives, academics, editors and journalists. Spirited debate, criticism and learning are allowed only within the boundaries set by the consensus.

The elite consensus

States

- Each country is first and foremost a competitor in the global market and should act according to its own interests.
- All states have a right to use all resources within their reach.

State governments

- Are the ultimate source of civil order.
- Should keep out of the markets.
- Should encourage trans-national companies to play a full part in all national and international decisions affecting global trade and development.

Representative democracy

- Is the nearest approach to an ideal democracy that is practicable in the real world and is the true guardian of a free society.

Science and technology

- We can ignore the 'doom-mongers' because science and technology will always find solutions to the problems that worry them.

The market economy

- All human needs express themselves in the market place in monetary terms and therefore the market will lead to optimal solutions for all problems.
- Permanent economic growth is desirable and necessary, with no inherent environmental or human limits to the conversion of life into saleable commodities.
- Individual consumer desires are permanently increasing, unlimited and good.
- Those who do not or cannot express themselves in the competitive process are a problem, but not one that calls for radical reflection.
- The great majority who have only their labour to sell must do so.
- Ever larger trans-national corporations are perfectly natural.

Market forces

- Competition is the dominant principle governing relationships of all kinds.
- Freedom to buy and sell in money exchanges is the basis of human liberty and justice.
- Profit maximisation is the engine of social well-being and is not to be hedged by public regulation or ownership.

Private property

- Is good in all things.
- Information is a proprietary and marketable good and a legitimate means for acquiring wealth, power and privilege.

Aggressive individualism

- On the part of individuals, companies and states is acceptable.

Component 4: The global leadership cadre



The expenditure of billions of dollars on developing and promoting the theory of neo-liberal economics has been matched by an equally well-funded programme of education and brainwashing to create the elite cadre of Western political leaders. Over the past fifty years, a lavish assortment of study trips, scholarships and ‘fellowships’, paid for by the U.S. Government and free-market foundations, has been used to mould the worldview of thousands of politically ambitious young Europeans, Asians, Africans and Latin Americans.

To get a glimpse of how the global leadership cadre is recruited, log-on to www.cylc.org/alumni/spotlight.html. There you will find the fond reminiscences of a young Englishman who attended a National Young Leaders Conference while still in school. He recalls “the inspiration that NYLC provided”, his “privileged access to Congress and the Supreme Court, as well as many of the people who work inside government”, which had enabled him to “understand and appreciate the value of genuine representative democracy - something we seem to lack in the UK”. He hopes to represent people in his future career.

This ambitious young man is following in some very big footsteps. Bright and politically ambitious young Britons who have benefited from similarly privileged experiences are now leading members of New Labour in the UK, including the Prime Minister, the Chancellor of the Exchequer and their chief advisers. All, together with Tony Blair’s Chief of Staff, Jonathan Powell, are supporters of the British-American Project for the Successor Generation (BAP). The BAP is a little-known but highly influential transatlantic network of ‘chosen’ politicians, journalists and academics. Regular attendees at BAP meetings are defence and security specialists, NATO advisers, Defence Ministry think-tank people and counter-insurgency experts.

The BAP is funded by the Pew Charitable Trusts of Philadelphia (established in 1985 by the billionaire J. Howard Pew, a devoted supporter of the Republican Party), the far-right Heritage Foundation and the Manhattan Institute for Policy Research (founded by former CIA head William Casey). It organises regular meetings of “24 Americans and 24 Britons aged between 28 and 40 who... would be leaders in their country and perhaps internationally”. As Nick Cohen noted in the *Observer* of 31 October 1999: “The Brits are encouraged to help their careers by following the American way.” In its 1997 newsletter, following New Labour’s election victory, BAP warmly welcomed the elevation of its members to the Blair Cabinet: “Congratulations from all of us!”

Apart from politicians and trade unionists, the ranks of the Atlanticist elite include Charles Moore, the editor of the *Daily Telegraph*, James Naughtie, formerly of the *Guardian* and now presenting Radio 4’s *Today* programme, and Trevor Phillips, a former-TV reporter who is now Chair of the Commission for Racial Equality.

The readiness with which ambitious British politicians and journalists embrace the values and policies of their American friends is the fruit of years of relentless conditioning by

the combined forces of the US State Department, the Central Intelligence Agency, right-wing think-tanks, the British Foreign Office and the British intelligence services. After World War II hundreds of millions of dollars were lavished on travel, scholarships, hospitality and propaganda to counter the ideological influence of communism. This strategy, combined with revulsion at the appalling excesses of Soviet and Chinese communism, resulted in generations of Europe's nominally left-wing politicians, trade unionists, journalists, artists and academics becoming fervently anti-communist in public, and, more importantly, enthusiastic devotees of free-market capitalism in private.

The New Labour project is evidence of the triumph of this policy. The slavish adherence to neo-liberal economic theory and the elite consensus on globalisation are only the most visible signs of this triumph. Much less obvious is the way in which every aspect of UK government is now dominated by the interests of big business. For nearly 60 years, US free-market ideologues have financed, educated, employed and smoothed the career-paths of an increasing number of the members of the front bench of the British Labour Party (and Social Democrats from every other major nation), whether in government or in opposition. The consequence is that, in 2003, when Washington says jump, the response from their chosen placemen in our nominally British government is to ask "How high?"

Component 5: The working partnership



A close working partnership between the governments of the Western ‘democracies’ and big business is both a natural consequence of the Global Monetocracy’s purpose and the obvious strategy for implementing it.

As evidence of the nature of the partnership, the membership of President George W. Bush’s cabinet is perhaps the most blatant example.⁴¹ Tony Blair has followed the US model, by including several millionaire businessmen in his New Labour government. He appointed as head of his government’s energy tax review team the former chairman of British Airways, Lord Marshall, who had lobbied against proposals to tax aviation fuel. He persuaded the G8 summit to elect as head of its global task force on renewable energy the Chairman of Shell, a company doing its utmost to increase sales of fossil fuels.⁴² He appointed the chairman of Northern Foods, Lord Haskins, as ‘rural recovery coordinator’.⁴³ And he took with him to the World Summit in Johannesburg the chief executives of three multinationals that had been involved in rows over important wildlife habitats and ignoring human rights.⁴⁴

Less obviously, in the wake of the BSE and foot and mouth crises, the UK Government set up the Curry Commission to advise on the future of farming and food, but the terms of reference, insisting that the Commission’s advice must be “consistent with the Government’s aims... for increased trade liberalisation”, could not be questioned. Even less obvious from the outside is the degree to which big business takes a central role in detailed policy-making and implementation alongside the civil service. The British Government has 320 Task Forces with over 2500 members. Big business takes about 900 of those seats, compared with a mere 70 Trade Union representatives. To see the detailed picture of how the Task Forces work log-on to www.red-star-research.org.uk.

In *Captive State*, George Monbiot has described the government-backed corporate take-over of public services in the UK. In a *Guardian* article he wrote: “State and corporate power are fusing almost everywhere on earth, but in Italy they have condensed into the stocky figure of a single man. Silvio Berlusconi, the prime minister, is worth around \$10 Billion... His control of most of the private media (through his businesses) and most of the public media (through the government) means that he can exercise a dominion unprecedented in a democratic nation over the thoughts and feelings of his people.” After their recent meeting, Berlusconi was reported as telling the press that he and Blair saw eye-to-eye “on all the matters that were raised”.⁴⁵ Elsewhere in the world we can see that in the newly ‘democratised’ republics of the former USSR the line between Government, big business and organised crime is so blurred as to be indistinguishable.

The effect on democratic politics of such cosy unanimity between government and big business is disastrous. As subscriptions from members and trade unions decline, politicians and parties become ever more reliant on donations from wealthy businessmen and large corporations to pay for the elaborate machinery of electoral success - pollsters, focus groups, advertising and so on. The pay-off for the corporate funders is that, in return, taxpayers contribute massively to the little discussed ‘corporate welfare system’.

'Corporate welfare' takes many forms: from tax-breaks, legislation and the provision of infrastructure (roads, schools, local government services etc.) to the pernicious practice of handing over licences for patents arising from Government-financed research. Then there are the straightforward subsidies paid out by governments to businesses, totalling \$1,900 billion per year worldwide, of which \$1,450 billion are reckoned to be perverse subsidies - those that severely distort the global economy and inflict massive injuries on the environment.⁴⁶ The lobbying power of the organisations representing subsidised industries can be gauged from the fact that, while only \$50 billion per annum is spent on aid globally, \$350 billion per annum is spent on agricultural subsidies alone.

The armed forces and other arms of the state are frequently used by governments to serve the interests of big business abroad. There are clear links, for example, between the dependence of big business on fossil fuels and government action abroad, most notably that of the United States. The US produces less than half the petroleum it uses and thus a prime aim of its foreign policy is to secure outside sources. The drive for US military and economic domination, the war on Afghanistan and its aim of controlling Iraq are closely linked to its wish to secure sources of oil in the Middle East and Central Asia.⁴⁷

Another pay-off for political donations is the huge effort governments make to ensure that the regulation of state and international economic activity and laws relating, for example, to patents, are 'business-friendly'. This factor generally trumps environmental or safety considerations. According to Mae-Wan Ho, many of the dangers of genetic engineering have not been taken on board by the regulatory bodies. "On the contrary, safety regulations have been notably relaxed. The public is being used, against their will, as guinea pigs for genetically engineered products."⁴⁸

Governments serve big business in more subtle ways, by standing up for the Global Monotocracy's purpose and not allowing the democratic process to be used to question the elite consensus. Politicians consistently use the authority vested in them as elected representatives, plus all their political skills and the state's communication systems, to assert and confirm the elite's values as being - beyond question - in the public interest, whatever the indications to the contrary. In a recent interview, Kevin Phillips, formerly chief political strategist for President Richard Nixon stated that money has "taken control of both parties [i.e. Republicans and Democrats], pretty much taken control of the culture and controls the whole dynamic of politics". Their own dependence on corporate donations explained why the Democrats had held back from commenting on connections between Enron and the Bush family "partly because they're so interested in raising money that they can't see their soul in the mirror".⁴⁹

*“The Carlyle Group perfectly demonstrates the partnership between big business and government. Established in 1987 and based in Washington D.C., it specialises in buying up companies with government contracts. Its rapid success is based on a “worldwide network of investment professionals who can capitalize on one another’s expertise in specific industries... [which] opens investment opportunities that would otherwise not be available or identifiable...”**

The names of those “investment professionals” include: former US President George Bush Sr.; James Baker, Secretary of State under Bush Sr.; Frank Carlucci, Secretary of Defense under Ronald Reagan; and John Major, former Prime Minister of Great Britain.

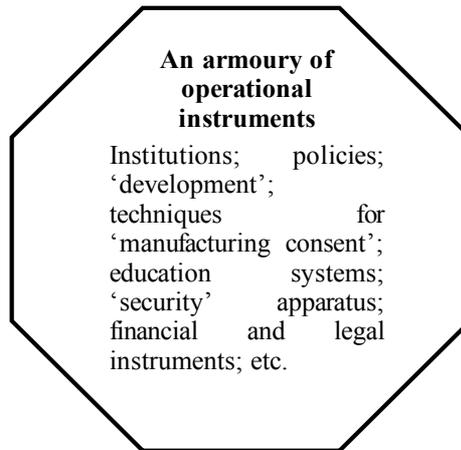
With a roll call like this, it’s not surprising that concerns have been raised about the political influence wielded by the company. For example, Carlyle is the US’s eleventh largest defence contractor: decisions taken by George Bush Jr. could directly influence the size of his father’s pay packet. And questions were asked when Donald Rumsfeld - current US Secretary of Defense, and former college wrestling partner of Carlucci - awarded an \$11 billion contract for the Crusader tank, widely criticised as a Cold War relic, to a company owned by Carlyle. That the Bin Laden family were once investors in the firm has only added to the sense of unease.

Dan Briody, ‘Carlyle’s Way’, *Red Herring*, 8 Jan 2002.

Oliver Burkeman & Julian Borger, ‘The ex-presidents’ club’, *The Guardian*, 31 Oct 2001.

*The Carlyle Group website: www.thecarlylegroup.com

Component 6: The armoury of operational instruments



The Global Monetocracy implements its purpose by means of a huge range of 'operational instruments'. These are the external manifestations of the Global Monetocracy at work in the world, at any one time.

There are five main classes:

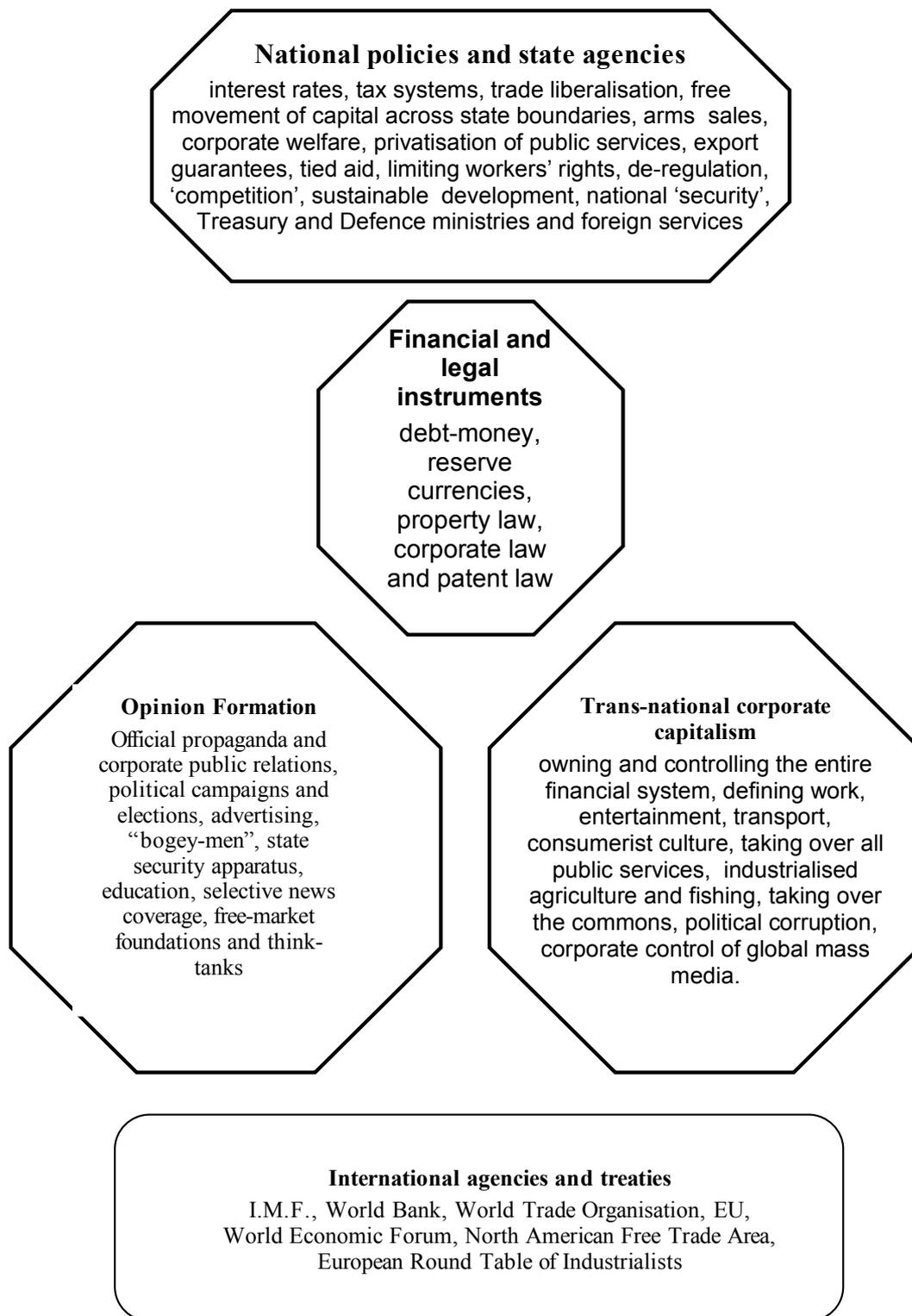
- trans-national corporate capitalism
- financial and legal instruments
- national policies and state agencies
- international institutions
- opinion manipulation

As we saw in Chapter 1, purposeful human systems have the capacity to adapt to changes in their environments. The Global Monetocracy is no exception. Its operational instruments can change without affecting the fundamentals of the system. For example, in the last half-century, trans-national corporate globalisation has replaced imperialism and colonialism as the mechanism for global economic growth. Thus, even if any of these instruments, or several of them, were reformed, the Global Monetocracy would carry on. It would find other ways of implementing its purpose, just as it has substituted globalisation for colonialism.

As these operating instruments are the means for delivering the Global Monetocracy's purpose, it is **their** effects that people - and the environment - immediately experience. As such, it is not surprising that each of these instruments has attracted much analysis, criticism and opprobrium. Environmental, human-rights and community campaigners have succeeded in making some small inroads into particular aspects of their operations. But overall, unless the whole Global Monetocracy system is reconfigured, calls to change, or even to abolish, one or more of these instruments will not have a lasting impact on the Global Monetocracy as a whole. The other side of that coin is that, as the Global Monetocracy is reconfigured, each of these instruments can be modified or scrapped. Nothing is set in stone. They are all man-made, created by governments and parliaments elected through representative democracy. They can all be unmade or fundamentally reconfigured; and, through a global network of Gaian democracies, many of them will be.

It is far beyond the scope of this Briefing to attempt to present a comprehensive account of the Monetocracy's operational instruments

FIGURE 3. Component 6: The armoury of operational instruments



Operational Instruments 1: Trans-national corporate capitalism.

It is frequently pointed out that corporations now dominate governments throughout the world, at the expense of democracy. This misses the real point, which is that ‘ownership’ of the Global Monetocracy rests with an international elite who effectively control both the corporations and the governments. Their purpose is economic growth for their own benefit, and, provided the Global Monetocracy is delivering this - which as we have seen is precisely what it is designed to do - it matters not what the relative position of corporations and governments happens to be.

The text on the web site explains why the corporation is the ideal legal structure for implementing the Global Monetocracy’s purpose. A vast web of financial institutions provides the machinery that enables people to make money out of money and, crucially, enables the global leadership cadre to exercise the power of money over the real economies of the real world.

Looked at from the point of view of Gaian systems, all we see is a string of breaches of the rules for sustainable systems: the disconnection between the investors, market traders and executives and the people who are affected by their decisions and actions. There is no chain of interdependency, no partnership; there are no feedback mechanisms to ensure that they are not destroying the global environment in the process.

Operational Instruments 2: Financial and legal instruments.

We have already discussed debt-money and reserve currencies in the section on the Global Monetocracy’s purpose at the beginning of this chapter. The field of property, corporate and patent laws is vast. The adverse impact of these laws on communities, biodiversity and other natural resources is well documented. The only point we need to highlight here is that this entire world of laws, largely made by parliaments, has been created within the value programme of the elite consensus, and in accordance with the operational theories of the Global Monetocracy. They are all part of the larger picture. As long as that overarching system remains in force there is no chance of serious reform.

Operational Instruments 3: National policies.

Once we see governments as supporting players in the larger project of the Global Monetocracy, it is obvious why policies like privatisation and globalisation are non-negotiable. They enable the money economy to keep expanding. As a result, overwhelming evidence of their inefficiency and adverse social impacts has to be disregarded.

Operational Instruments 4: International agencies and treaties.

Governments and big business work together on the democracy-free international stage through a complex set of agencies and treaties. Some of the most important are shown in FIGURE 3. They are all operated by members of the global leadership cadre, they all operate within the elite consensus and they are all unerringly dedicated to the Global Monetocracy’s purpose and the agenda of economic and corporate growth that serves the purpose.

We have already noted that the monopolistic position now enjoyed by neo-liberal economics is no accident, but the successful outcome of a concerted and well-funded programme; and that the mindset of the global leadership cadre is the product of an equally determined programme of indoctrination. There is a similar story of deliberately organised activity initiated and dominated by the corporate elite, to explain the workings of international corporate capitalism.

Many people are familiar with the appallingly destructive operations of the better-known agencies like the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation (WTO). But these are only the tip of the iceberg. Radical commentators, such as Susan George, Robin Ramsay and Vandana Shiva, and groups such as the London-based World Development Movement, have documented a global network of organisations tailor-made to promote corporate capitalism. The immensely influential World Economic Forum (WEF), for example, brings together two thousand corporate

executives, politicians and academics at its annual meeting, traditionally held in Davos, Switzerland. New Internationalist quotes the WEF veteran Samuel P. Huntington as saying, "Davos people control virtually all international institutions, many of the world's governments and the bulk of the world's economic and military capabilities."

Operational Instruments 5: Opinion moulding

The text on the web site illustrates the unscrupulous use politicians and big business make of all forms of media and advertising to further their ends. Opinion moulding has become the prime skill of both partners in the big business-government coalition.

Conclusion

Now that we can see the whole Global Monetocracy as a single system, as opposed to a number of separate components, we can see that many of the problems we experience are the joint effect of the those components. More accurately, we can recognise some of the system's emergent properties.

We can see how the means used by the elite to maintain their own power has greatly reduced the capacity of the human family to survive. Through representative democracy, corporate capitalism and command-and-control government, the diversity of human societies generally has been reduced. In turn, the capacity of the human family to match the variety we face is reduced. This has greatly lessened our ability to deal with the enormous challenges before us.

We can also see that the Global Monetocracy, when looked at as a whole, is an incompetent system - incompetent to co-exist with Gaia, which is what humans must learn to do if we are to survive. If you have the wrong system, there is no way of doing the right thing with it. However clever the president may be, however expertly advised the chief finance minister or central bank manager - the better they do their jobs, the worse the outcome is bound to be. It is the complete paradigm that is failing us, because it is systemically incompetent to handle the complex needs of human societies in today's world. While we have Global Monetocracy, rather than a global network of Gaian democracies, we are doomed. Nothing short of a remodelling of the entire economic/political system can save us.

Now that we have identified the main components of the Global Monetocracy we can better understand its true nature. We can see how, on the one hand, the Global Monetocracy is a complex, adaptive, self-organising system, simply because that is the nature of any large purposeful human system. Its self-organising character takes the form, for example, of conflict between countries, and competition between corporations and amongst the elite. We have already noted the system's capacity to adapt to changing circumstances. Yet, while it has this complex, adaptive, self-organising character, the Global Monetocracy as a whole is also locked into its purpose of economic growth; and the culture of command-and-control pervades government throughout the system.

Finally, we can see why people have lost faith in democracy. We no longer believe in Athena, the goddess of citizenship. Politicians are held in low esteem. A complete failure of democracy is staring us in the face. The less faith we have in governments, the less responsibility we give them, and a devastating reinforcement feedback process is underway. In the resulting vacuum, the sway of 'market forces' inevitably increases. The sheer incompetence of government by command-and-control has encouraged the idea that government's main job is to reduce the scope of government and increase the freedom of the corporations; and this is now successfully promoted as a vote winner for candidates for high office. We will leave the last words to William E. Rees, of the University of British Columbia:

"In recent years the governing elites of the market democracies have persuaded or cajoled virtually the entire world to adopt a common myth of uncommon power. All major national governments and mainstream international agencies are united in a vision of global development and poverty alleviation centred on unlimited economic expansion fuelled by open markets and more liberalized trade.

“For the first time, the world seems to be converging on a common development ideology, one that promises ever-increasing wealth for everyone, everywhere. The downside is that constant repetition of the myth has so conditioned the population that the majority seems incapable of applying basic rules of evidence to the growing cascade of data that refute it.”⁵⁰

¹ See James Robertson, *Transforming Economic Life*, Schumacher Briefing No. 1; and Richard Douthwaite, *The Ecology of Money*, Schumacher Briefing No. 4. See also Joseph Huber & James Robertson, *Creating New Money: A Monetary Reform for the Information Age*, New Economics Foundation, London, 2000; and Michael Rowbotham, *The Grip of Death*, J. Carpenter Publishing, Oxford, 1998.

² James Robertson, *The Alternative Mansion House Speech*, New Economics Foundation, London, 2000, p.6. See <http://attac.org.uk/attac/html/view-document.vm?documentID=84>

³ John McMurtry, *Value Wars: The Global Market Versus the Life Economy*, Pluto Press, London, 2002, p.129.

⁴ See Joseph Huber & James Robertson, op cit.

⁵ See the Index of Sustainable Economic Welfare (ISEW) website at www.foe.co.uk/campaigns/sustainable_development/progress/

⁶ See Samir Rihani, op cit.

⁷ See Michael Rowbotham, *Goodbye America! Globalisation, Debt and the Dollar Empire*, J. Carpenter Publishing, Oxford, 2000.

⁸ See Joseph Stiglitz reviewing George Soros, *On Globalisation*, PublicAffairs Ltd, NY, 2002, in *The New York Review of Books*, 23 May 2002. Debt payments are not the only reason for the flow: people in poor countries invest in rich countries to get a better return on their money.

⁹ For example, see Hugo Salinas Price, 'What really killed Argentina?' at www.plata.com.mx/plata/comHSP29a.htm

¹⁰ *New Internationalist*, November 2002, p.19.

¹¹ Bob Sutcliffe, *100 Ways of Seeing an Unequal World*, Zed Books, NY, 2001, p.91.

¹² George Soros, *On Globalisation*, PublicAffairs Ltd, NY, 2002. Quoted in review by Joseph Stiglitz in *The New York Review of Books*, 23 May 2002.

¹³ Joseph Stiglitz reviewing George Soros, *ibid*.

¹⁴ John Maynard Keynes, *The General Theory of Employment, Interest and Money*, 1936, p.1.

¹⁵ Susan George, 'Winning the War of Ideas', *Dissent*, Summer 1997.

¹⁶ *Ibid*.

¹⁷ For example, Guy Routh in *The Origins of Economic Ideas*, Macmillan Press, London, 1975; the Australian economist Steve Keen in *Debunking Economics: The Naked Emperor of Social Sciences*, Pluto Press, Sydney, 2001; and The Richard T. Ely Lectures by Professor Kenneth J. Boulding 1965, Prof Joan Robinson 1971, J.K. Galbraith 1972.

¹⁸ John McMurtry, 'What economics hides: the paradigm revolution' article posted 16 Jun 2001 on the MAI-NOT network. See <http://mai.flora.org/forum/27059>.

¹⁹ John Gray, *False Dawn: The Delusions of Global Capitalism*, Granta, London, 1998. p.17.

²⁰ See Richard Swift, *The No-Nonsense Guide to Democracy*, Verso, London, 2002.

²¹ In the course of his 'keynote' speech at a recent Charter 88 conference on 'The Future of Democracy'. See www.privacy-council.org.uk/output/page291.asp

²² Attributed to Tony Blair by Andrew Rawnsley in *Servants of the People*, Penguin, London, 2001, p 195; quoted by Robin Ramsay in *The Rise of New Labour*, Pocket Essentials, Harpenden, 2002. The statement is true whether or not Blair actually said this. For our purposes, it confirms the inability of ordinary people to influence policy through political parties.

²³ See David Held, *Democracy and the Global Order*, Polity Press, Cambridge, 1995; and David Held, Anthony McGrew, David Goldblatt & Jonathon Perraton, *Global Transformations: Politics, Economics and Culture*, Polity Press, Cambridge, 1999.

²⁴ See George Monbiot, *Captive State*, Macmillan, London, 2000; John R. Macarthur, *Selling Free Trade: NAFTA, Washington and the Subversion of American Democracy*, Hill & Wang, NY, 2000;

Vandana Shiva, *Biopiracy: The Plunder of Nature and Knowledge*, South End Press, Cambridge MA, 1997; and Vandana Shiva, *Protect or Plunder*, Zed Books, London, 2001.

²⁵ See John Gray, op cit.

²⁶ Philip Allott, *The Health of Nations: Society and Law Beyond the State*, C.U.P., Cambridge, 2002, p.409.

²⁷ Especially the World Business Council for Sustainable Development.

²⁸ See www.corporateeurope.org or contact ceo@corporateeurope.org

²⁹ Noam Chomsky, 'Media Control', *Alternative Press Review*, Fall 1993 (reprinted from *Open Magazine*).

³⁰ Walter Lippman, *Public Opinion*, 1922.

³¹ Noam Chomsky, *Media Control: The Spectacular Achievements of Propaganda (The Open Media Pamphlet Series, No. 1)*, Seven Stories Press, NY, 1997.

³² As with the protests against the Poll Tax in the UK, the Reclaim the Streets and Anti-WTO Campaigns.

³³ See Fairness and Accuracy in Reporting at <http://www.fair.org/activism/iraq-responses.html>

³⁴ As demonstrated in Adam Curtis's TV series, *The Century of the Self*, shown on BBC 2 in the Spring of 2002.

³⁵ Edward Herman & Noam Chomsky, *Manufacturing Consent: the Political Economy of the Mass Media*, Pantheon Books, NY, 1988, p.303.

³⁶ Numerous independent agencies monitor government, corporate and corporate media attempts to manufacture consent for actions and policies that are scandalous or illegal. In particular, see www.prwatch.org/ and www.medialens.org/

³⁷ Dean Anderson & Linda Ackerman, 'How Command-and-control as a Change Leadership Style Causes Transformational Change Efforts to Fail', *Results From Change*, Issue 7, 1 Jun 2002. See www.beingfirst.com/resultsfromchange/200206.html

³⁸ CS Holling* & Gary Meffe, *Command-and-control and the Pathology of Natural Resource Management*, *Department of Zoology, University of Florida & University of Georgia's Savannah River Ecology Laboratory, SREL reprint 2078.

³⁹ See Jake Chapman, op cit.

⁴⁰ See Helmut Bossel, op cit.; John Gray, op cit.; Christopher Lasch, *The Revolt of the Elites*, Norton & Co, NY, 1995; John McMurtry, *Unequal Freedoms*, op cit.; Robert H. Nelson, *Economics as Religion: From Samuelson to Chicago and Beyond*, Penn State UP, PA, 2001; and John Ralston-Saul, *Voltaire's Bastards: The Dictatorship of Reason in the West*, Penguin, Toronto, 1992.

⁴¹ See www.opensecrets.org/bush/cabinet.asp

⁴² George Monbiot, 'As we know from bombing Serbia: refineries are the key', *The Guardian*, 14 Sep 2000.

⁴³ George Monbiot, 'Rout of the small farm', *The Guardian*, 7 Aug 2001.

⁴⁴ Mark Townsend, 'Top bosses 'hijacking' eco-summit', *The Observer*, 21 Mar 2002.

⁴⁵ Bruce Johnston, 'Berlusconi, Blair and the Italian connection', *The Daily Telegraph*, 16 Feb 2002.

⁴⁶ See Norman Myers & Jennifer Kent, *Perverse Subsidies: How Misused Tax Dollars Harm the Environment and the Economy*, Island Press, Washington DC, 2001.

⁴⁷ George Monbiot, 'Why Blair is an appeaser', *The Guardian*, 5 Nov 2002.

⁴⁸ Mae Wan Ho, op cit., p 10.

⁴⁹ PBS interview with Kevin Phillips on *Now with Bill Moyers*. See www.pbs.org/now/transcript/transcript_phillips.html

⁵⁰ William E. Rees, 'Squeezing the Poor', *Toronto Star*, 22 Apr 2002.