

The World After the Malta Summit **Political and Economic Implications**

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I. Introduction

The present paper will not venture into a thorough analysis of the historical data. After all, what is the use of venturing to analyse statements of statesmen and government officials made "at times under special circumstances", when a short run consideration is apt to upset any rough conclusion.

It is simply important that one should try and defect the overall outline and trends, the projection of events and consequences on the future - in other words the effect on the world of changes made, and what the new political and economic constellation of the world system actually is. Such a concept of the new status can lead to the confirmation of certain new parameters in the world system or of certain variables determining the margins within which countries and economies will function in the years to come. This system of new parameters and variables may restrict freedom of function, create a more monolithic international system with more sources of antithesis and conflicts than the system prevailing to this date.

A first interpretation could probably be represented by the approach that focuses on the internationalisation of productive forces, consequently a result of the function of modern technology and the main underlying force that has led to the break up of the bi-pole system.

Marx ascertained an undoubtful law , as I believe, in the prologue of his work "Introduction to the Critique of Political Economy", which was currently associated with ethnic societies. Now this law is found to be applicable on a nation-wide level.

The development of production forces (read: technology) has reached a point that cannot be endured by the prevailing organisation of productive relations (read: organisation of the international society in tight ethnic countries). Such a circum-

stance leads to a break up of productive relations and a new formulation which meets the new standard of the productive forces. It seems that we find ourselves at the beginning of this new historic phase that mankind has entered.

The 2nd and 3rd December 1989 summit in Malta between Presidents Bush and Gorbachev initiated the new developments. Despite the fact that there are no official records of the meeting besides the historic common press conference of the two Presidents on December 3rd 1989, it has become known that the meeting revolved around discussions (according to the US Foreign Secretary Mr James Baker) concerning the "peaceful and regulated transition of Eastern Europe from the old to the new political and economic order". Besides the processes of change in eastern Europe, other important discussions involved the relations between USA and the Soviet Union (especially economic relations), the policy on disarmament as well as matters affecting the environment.

In keeping with such a concept, the issues that were later dealt with involved the two Germanies and the mutual confrontation of the Iraq situation. However, it is clear that the Malta Summit marked the (a) establishment of pax americana involving the simultaneous (b) weakening of the Soviet Union and (c) EEC as well as the creation (d) of a unified Germany.

The present paper purports to present some theses for discussion on the formulation of the international political system and international economy subsequent to the Malta summit and the future developments.

II. Formulation of the International Political System Pax Americana

The developments and events that followed the Malta summit seem to have established the monocacy of the United States as well as an excruciating route towards the dissolution of the last, to this date, historic form of "Russian Empire", as the latter had been formed after World War II under the communist regime in the Soviet Union. The end of the war in the Gulf finalises and establishes the US "chairmanship".

1st Thesis: Notwithstanding the establishment of the american monocacy in the new international political system, the political economic and social changes on an international basis shall not be of a single significance at this time would be so opportune. The political and ideological changes are already observed, the effects of which cannot be determined yet. The United States became established as the "international protector" and "god father to the world" without a rival. We may be up against the start of a way toward a unique centre of authority, a form of Universal

Government sought by Bernard Russel in the '50s (fifties), however now implemented in an unorthodox manner: not as a government deriving from the operation of many countries, but as a mono-state government, i.e. a form of "international dictatorship". Parallelism to the "Athenian Alliance" in ancient Greece is striking.

2nd Thesis: In the ideological sub-pedestal of the new system the communist ideology is missing, whereas a big void still remains as regards the social utopia and the social aspirations of the world in the sun-set of the 20th and the dawn of the 21st centuries. The existence of, first, a "social vision" and second, an "ideological enemy", is the historically proven component of social consistency. Islam and the threat in the form of a new "pan-arabic unification", are not sufficient to offset the "communist threat", notwithstanding their particular prospects. The probable ideological content of Islam is of restricted, regional significance. International capitalism, besides the fact that if it comes out a winner in the conflict following World War II, has by now been accepted and cannot continue to be considered as "the enemy". Thus, there are no longer any "ideological enemies" or positive visions.

The 'now system' appears ideologically unfounded. Under the circumstances, there exists a void which history will soon seek to fill in.

3rd Thesis: The collapse of the "russian empire" in the Soviet Union via the Perestroika and the victory of the "allied forces" in the War in the Gulf, enable the american diplomacy to radically change the map of the world by establishing new states in the following area (for the time being): the Soviet Union itself, Eastern Europe, the Balkans-through the minorities issue stirring up the Middle East and the Arab World.

4th Thesis: The dissolution of the Soviet Union gives rise to two (2) principal questions.

First: Why has the dissolution occurred so suddenly and unexpectedly, how has it happened so fast and what is Gorbachev's role? Is he "saviour of his country and democracy" (sic) or "a servant of american interest"? It is an undoubted fact that behind the american campaign in the name of "democratic liberties" and "human rights", there hides sheer logic of political and economic interests. Why and how has Gorbachev played a role in this game? What was the target and what was the interest served, since perestroika itself included, structurally built in, the elements of dissolution of both the eastern european system and the strict soviet one? As time goes on, Gorbachev appears either as "superficial" "naive" and "hasty" or as "a national traitor".

Secondly: What are the "dissolution prospects" of the Soviet Union? It is historically documented that Russia played a historical role whenever its various nations were unified. Ivan the Terrible, Peter the Great, Empress Catherine II, Stalin have been historical figures that united the peoples living in Russia under a despotic regime, each time creating a powerful "russian empire". It was therefore natural that the way opened up by Gorbachev should confront reactions on the part of the military and party establishment. Yeltsin is actually keeping up the Perestroika policy of the initial phase which was leading to dissolution. The way to dissolution will be stopped by either Gorbachev or the military, conservative establishment via another personality. Yelstin is the very person who, voluntarily or involuntarily, eventually plays the american game: dissolution of the Soviet Union into small states, which is an anti-historical movement as well since the forces of globalization of the economic system lead toward elimination of national boundaries and ethnic states and aim at the creation of broader spaces of free traffic of man and goods.

In any case, the Soviet Union will no longer be able to play even a second part on a world-wide basis. The disarmament process, the dissolution of the Warsaw Pact, the ethnic issue which can only be solved either through complete political liberation and consequently, dissolution through dictatorship, and finally, total economic inability, lead the Soviet Union to a point where it will accept any term in order to survive. The United States will not take advantage, economy wise, of the vast Soviet Union market, before the US has been totally exhausted and politically subjected.

5th Thesis: The European Economic Community (EEC) is proceeding toward economic integration at the end of 1992 and, gradually, toward monetary and political integration thus threatening to become a great power in: first, the economic field through the admission of other countries of Central and Eastern Europe as well in several forms of co-operation (association, trade agreements, adhesion, etc) and second, the political field as long as the process of political integration is successful. There are already the third element active aspects of an integrated military or defence form by means of the West-European Union.

This is the target aimed by the economic aid and support programmes developed by the Commission of the European Communities toward Eastern Europe countries. Countries such as Germany, France and Italy have already been activated in this respect.

In such processes, there are certain inherent negative factors, first, the discerned formation in practice of a two-speed Europe; second, the unification of the two Germanies which has been effected unexpectedly though excluded in the Malta summit. This unification was promoted by the United States as a deterrent or

dissolution factor of the integration and strengthening of the European Communities. It is a reasonable and anticipated fact that a unified Germany will soon become the third economic power in the world after Japan. Such power will be expressed in the forms of political influence and is bound to constitute a point of reaction on the part of France and Great Britain. One has to keep in mind that there is a common plan with France as regards to the political integration of Europe, whereas Great Britain's attitude is negative, the United States supports Turkey to seek admission to the Common Market. At this stage, Turkey will be - if it is admitted into EEC - the only muslim member country. Given that Islam is transformed into an Ersatz of Communism (see 2nd Thesis above) and that it constitutes a powerful (not only religion wise but also politically) force in Turkey, the EEC acquires a potentially negative dissolving factor in its bosom.

It is obvious that the United States aims at a subjected regulated, not so powerful European Community, and is therefore doing its best in this respect. With a powerful Germany and Turkey as a member country, the process of monetary and political integration of the EEC grows weaker and is held back; of there are already signs. Undoubtedly, the wild attitude of the EEC with respect to the War in the Gulf has proven that, to this date, it has not been able to play a leading role despite Mr Delors's intentions and wishes.

6th Thesis: The dissolution of the Warsaw Pact exposes the matter of safety and further existence of the North Atlantic Treaty Organisation (NATO). The questions arising are: first, whether NATO will survive and what its objectives will be; second, whether Western Europe will acquire a defensive economy through the further development of the West Europe Union; third, what Germany's role will eventually be in this framework. Exclusion of Germany's armament does not necessarily exclude the possibility of its becoming a military power indirectly, for example through a "new" NATO or through the West-Europe Union.

On the other hand, certain trends towards NATO strengthening in lieu of transformation recently referred to by President Gorbachev as well as the Western accusations that the Soviets are by passing ECF agreement with respect to the decrease of land forces, clearly indicate that the matter of disarmament, European Security and military alliances has not been solved yet. NATO circles have once more been occupied by the matter of a new strategy according to which NATO will be accessible to Eastern Europe countries former members of the Warsaw Pact - this achieving isolation and weakening of the Soviet Union.

The said problem was raised after the Paris summit meeting of the Conference for the Security and Co-operation of Europe in November 1990 which indeed meant to be a step towards preparing a second Helsinki within two years. Two years are,

however, a very long period compared with the speed events take place in this period of mankind's history, so that, most probably, conditions will be much more different from what one can foresee now.

7th Thesis: It is a widely acknowledged fact that the UNO comes out of all these changes weak and incapable of playing a decisive role. The weakness of the Great Powers and the various country blocks are transferred into the very international organisation which is gradually led to the role of "legalizer"! It is quite characteristic that such a part was satisfactorily played by UNO in favour of the United States due to the weakness of the Soviet Union and China. UNO has never been an effective political organisation, yet in the post-war period it has been able to serve as a forum where the acuteness of international conflicts was mitigated. Now, UNO tends to become an instrument in the hands of a single Great Power, the USA, and it is a matter of dispute whether UNO will be able to play this role for long in the framework of Pax Americana. Assurance of world peace and security paces de facto into the hands of USA which will define its own terms in the formation of the "new order". No matter whether it may be an unpleasant prospect, yet it is one that seems to be dictated by reality.

8th Thesis: The way the War in the Gulf was realised and its end, leave no doubts as regards to, either the intentions expressed by certain leaders or the great economic interests involved. Though it may sound repulsive, it is true that the interests of peoples are the last thing heeded in the formulation of international issues. The folly of the 100 day war, the mathematically committed venture of Saddam Hussein, and the outcome of the War leave no query as to the confirmations already publicly made that the Iraqi President was urged to invade Kuwait by the USA so that the latter might be given the opportunity to establish itself in the area and create conditions enabling "settlement" of certain problems. Thus, splitting of the Arab world was first achieved, the Iraqi war machine which had been set up by the Americans was disassembled, the way to Israeli's recognition and a form of settlement of the Palestinian issue opened up, potential role for two regional powers in the area Iran and Turkey were created and the possibility was established of re-determination of "state boundaries" in that area in the form of split, unification, reshuffling or rearrangement. All these possibilities do exist as regards Iraq, Lebanon, Jordan, Syria and the Emirates. Some arab countries call Saddam Hussein a "traitor" and "an american agent". One or another, whether voluntarily or not, the Iraqi President plays a role with specific target: the control over oil and markets by the USA had been made sure of.

It would have been humanly impossible to capture Kuwait just like that and things remain unruffled.

It is difficult to predict developments in the Middle East. It is however clear that there will be radical changes and that the region will remain turbulent for a long time.

9th Thesis: It is premature to discern the changes which will take place in other parts of the world. Trends of reclassification and rearrangements are already observed in Africa whereas no evidence of such possibilities is noticed in Latin America or Asia. In Asia there are still local problems, such as the unification of both Koreas. However, China's future appears to involve greater problems. In this country, development too should be expected, as no regime will be able to survive in isolation.

III. Economic Prospects

In this short passage, I would not like to indulge in the short term movements determined by the effects of the War in the Gulf on the world economy. There are indications that the War revived the war industry at an international level, and consequently national economies, especially those of the United States, as well as the rebuilding of Iraq and Kuwait.

Nor would I like to discuss the oil price issue which, in the short term, is bound to create problems at both economic and political levels. The new order of events has weakened OPEC so much that oil price eventual determination depends on purely political factors and on controlled political decisions.

Particular attention should also be paid to the matter of a new course of re-armaments which will favour the international economic conjuncture, but prevent a peaceful development in favour of social requirements. It is evident that this matter cannot be discussed under the present paper. At this stage it is more important to try and clarify the trends which will formulate the global economic system within the new political constellation. I would like to discuss certain points again in the form of theses subsequent to the enumeration applied in the preceding paragraphs.

10th Thesis: It is a widely acknowledged fact that the trend toward globalization is growing and becoming more intense. The antithesis between development of productive forces, on the one hand, and the global society in ethnic states, on the other - as has already been pointed out in the introduction to this paper - is growing more striking with time. The rapid development of technology, not only of the arms sector, eliminates state boundaries day in day out. This trend, which has been manifested through the establishment of EEC and is expressed in its present form through the target of monetary and political integration, besides economic integration towards the end of 1992; is interesting to notice that it is not repeated. No other regional market or integration has been successful. During the discussions of the

Uruguay Round, and the impasse they reached last December, obviously became the effort to maintain "blocks" in the desired formulation of national economies protection and defence systems. However, the economic war does not neutralise globalization, which continues to develop. It is important to note that the globalization process does not necessarily go through more as a solution to the problem of political and administrative organisation of broader sectors.

One may be able to discern that the political aspect of the globalization process is solved, at this stage, through the primary role of the United States in the framework of Pax Americana. The USA will "ensure" the operation of the elimination of state boundaries effected by subordinate governments. Ethnic states may, at this stage, still remain as subordinate organising units ensuring a necessary organisation consistence, while state economies will come under the global market as provinces and consequently as organic parts rather than foreign bodies. At this stage, it does not seem that the regional organisation of global economy constitutes to the immediate target of political or economic organisation beyond the EEC. The USA target is to keep EEC weak and confront the Japanese potential (see also 12th Thesis below).

11th Thesis: From now on, the development of technology will constitute the decisive factor in the formulation of global economy operation conditions. Production of technology becomes decisive in the capabilities to control the global system. The USA fully controls the said production, so do Japan and some Community countries. These three poles are epicentric of the "global economic authority". The USA dictates the political terms concerning operation of the global economic system. It is worth noticing that, even if Japan and EEC run technology wise ahead of the USA, the political control remains in US hands. Nevertheless, the promotion of military technology in the United States provides the latter with a clear start, the more so subsequent to the Soviet stagnancy in this respect.

Perhaps, it should also be pointed out that while the unification of Germany is a feather in the hat of the United States, first as a power to control the Soviet Union and Eastern Europe, and second, a dissolution element within the EEC, there is an evident fear that Germany may develop into a great power. Germany may be the undoubted focal point of probable anti-thesis within the global system of Pax Americana in the Future under formulation after the termination of the War in the Gulf.

12th Thesis: The EEC and Japan are given the opportunity to promote their economic progress and development unobstructedly in the future and, perhaps, even advance ahead of the USA as far as technology is concerned. After all, it is this factor that primarily, forwards the globalization process. Any antithesis in the US-EEC-

Japan triangle will remain as dominant factors, but the remarks in the 11th Thesis are still applicable.

13th Thesis: So far one can conclude that the dominant issue will concern the control over the new markets of the eastern European countries and the Soviet union. Primarily, then of Middle East countries and finally of China.

As far as the Soviet Union and the Eastern Europe countries are concerned, the process has already been initiated with the intense competition involved. At this stage, European countries move ahead, followed by the United States in timid steps and then by Japan in the systematic manner. The way out sought by the western system since 1970 through Willy Brandt's Ostpolitik and President Nixon's step to China is now realised under different conditions. Through a new Marshal Plan (so requested), economic programmes (EEC) and big investments (Japan) the infrastructure conditions will be established, setting a development process in motion as soon as the political aspects in such countries have been settled. It is, however, worth noticing that such developments may delay progress, whereas it is still considered quite unlikely that these countries may return to the old regime.

14th Thesis: The problem of the gap between North and South does not seem to be effected, for the time being, by the new developments; nor can it be foreseen what form it may acquire in the light of the new conditions. It is, however, clear that political control over the global system shall be a decisive factor. The countries of the South will be included in the global economic system without having any prospects of resistance or influence of processes. No matter how unpleasant it may seem, any economic development of third world countries shall be dependent on their own capacity to become trouble-makers as long as they are not able to control internal social turbulence. But if regimes of dictatorship can maintain political and social control, development of third World countries is not determined by the needs of their peoples but, directly by the interests of the North. The point is whether political forces in these countries can acquire bargaining power through a bargaining position deriving from the strong position of certain social forces. I will venture a fully cynical conclusion: the modern world does not actually need the third World countries as peoples; not even as man-power or a market.

"Theoretically", they could as well not exist at all. However, since the North cannot extinguish them, it finds and will always find solutions in subjecting them so that they may not cause any trouble. In the present phase, there is no serious source of "resistance" in the Third World, either in Latin America, Africa or even Asia. The problem of the Third World countries will eventually remain as the subject of discussion of small marginal circles of left-wing orientation, philanthropist and the church. Cynical as it may sound, yet the conclusion does not lie from reality.

IV. Some Tentative Conclusions

It is difficult, if not impossible, to draw more concrete conclusions beyond a tentative effort at approaching certain trends that can be discerned, as pointed out in the theses outlined above. Yet, it may be useful to try and indicatively locate the weak-points of the new global system as follows:

1. Antithesis between USA, on the one hand, and EEC and Japan, on the other.
2. Role and future development of Germany.
3. Formulation of the political system in the Soviet Union. Future form of the modern "russian empire" or dissolution.
4. Problems arising from the formulation of a new balance in the Middle East.
5. International ideological void.
6. Control over oil production and price.
7. Reactions from Third World countries and control over them.

Nevertheless, new "global" problems give rise to new social groups inside countries which will tend to express themselves in the form of political trends with international projections. Three problems of this nature can bring about such developments:

First: The problem of ecology which is now a dominant threat and leads to increasingly clear ecological movements.

Second: The problem of peace, which was reacted to with particular sensitivity on a global basis.

Third: The problem of immigration and minorities, which may be open to explosive developments in the future.

Perspective Activity

Coming to possible perspective activity, I feel that many items and many areas could be tackled, concentrating on the interlaced questions of underdevelopment, demographic growth, consequent migration waves from South and East to the North, with sound suggestions for consistent, locally rooted economic development in the non-Communitarian countries. It is a worthwhile field of research as, notwithstanding the strong statements, too many centres in Europe, including the enterprises, do not really accept out of fear of competition.