Economic globalization is not a factor of peace
Jacques Fontanel

To cite this version:
Jacques Fontanel. Economic globalization is not a factor of peace: Pax Economica. 2019. hal-02429081

HAL Id: hal-02429081
https://hal.univ-grenoble-alpes.fr/hal-02429081
Preprint submitted on 6 Jan 2020
Economic globalization is not a factor of peace

Pax Economica

Jacques Fontanel

ECCAR

Economistes Contre la Course aux Armements (ECCAR)

Grenoble, novembre 2019

Summary:
Today's economic globalization is not in itself a factor of peace. With its development, the economic war has taken other strategic forms imposed both by the most powerful countries and by the large multinational corporations, which ultimately account only for Washington or possibly for those of Chinese origin, in Beijing. It is a question of using the adapted weapons to obtain a right or the exercise of domination. Economic and military values become inseparable, which clearly expresses the close relationship between globalization and the balance of power in today's world.

Mots clés: Globalization, peace, international security, war, economic development, economic war.

Today globalization is not a new process\(^1\). Since the sixteenth century, the great economic powers have had the ambition of colonizing countries, in a constant process of predation of wealth, which Lenin theorized under the term of imperialism. According to most enlightened philosophers, committed politicians and economists, this was a process of "civilization" of peoples deemed primitive or possibly opposed to their well-understood economic interests. Even the liberals then borrowed the mercantilist rules of power of the Prince\(^2\), relying both on the duty of evangelization of pagan or superstitious souls and on the supposed inferiority of the races, without being overly concerned with this contradiction. Friedrich Engels was the only one to consider that this division of the world, necessary for a time to resolve the contradictions of the capitalist system (accumulation of capital, downward trend in the rate of profit and increased poverty of wage earners), ultimately led capitalist globalism to war.

---

\(^1\) Fontanel, J. (2017), La globalisation économique est-elle un facteur de sécurité et de paix, Institut libre des Relations Internationales (ILERI), Mars 2017. Fontanel J. (2005), La Globalisation en « analyse » : Géoéconomie et Stratégie des Acteurs, l'Harmattan, Paris,

\(^2\) Fontanel, J., Hébert, J.-P., Samson, I. (2008), The birth of the political economy or the economy at the heart of politics. Mercantilism, Defence and Peace Economics,
world opposing all the major industrial powers. This was to result in the advent of socialism, the first step towards world communism. During the interwar period, the globalization process was interrupted both by the 1929 crisis, partially fought by Keynesian remedies, and the advent of the Soviet Union and communist influence in the inside the capitalist countries themselves. After the Second World War, the existence of two antagonistic economic systems (capitalism versus socialism) and the existence of nuclear weapons led to a cold war, which was an obstacle to the process of globalization, and to anti-colonialist struggles. In this context, the Third World did try to get out of its dependence on the formerly colonizing metropolis, but it did not succeed in imposing a New International Economic Order that it called for. We then witnessed a struggle of political-economic systems, which did not commit to globalization. Europe weakened by the wars on its lands has embarked on a delicate process of regionalization, by creating the European Economic Community.

The accelerated globalization since the early 1990s has naively posed the question of the end of history in a new form


The development of the facts does not seem to follow up on such a hypothesis. Today, the community of economists is divided on the strength of the link and the sense of causality between the trading world and armed conflict. The postulate of the liberal thought of a peace maintained thanks to the respect of the free conditions of circulation of the factors of production and the goods and services is still dominant in the economic analyses. However, despite the rejection of the MAD strategy and the liberalization of trade and the process of globalization, and we are witnessing a multiplication of conflicts. Under these conditions, the economic values, which the commercial world defends, cannot always present themselves as the main foundations of peace. Economic interests always remain, as in Antiquity, factors of military conflicts. The war in Afghanistan, in Iraq, in Lebanon, the civil wars, the right to interfere are all warning signs of the reduced bond which unites the process of globalization and peace. We can even wonder about the following question. From a certain level of globalization, are there not contrary effects which refute the effects of such a process and which lead to a challenge and a rejection? Thus the rapid speed of a globalization process often favours the rich regions to the detriment of the poor regions, it causes a precariouness which has become more and more unacceptable given the capacities of human production and it suggests the hegemony of certain religious or philosophical values which are not
recognized by all parties. In other words, the process of globalization then finds brakes, oppositions and challenges as its development is realized as an objective in itself, without reference to the ethical, moral or economic values which concern the multiple groupings formed in the space, in life goals or in metaphysical beliefs.

For the neo-classic theory, the conditions for liberal peace do not relate to equality, but to fairness while respecting competition and everyone's effective productive contribution. However, equality in international relations is discussed and debatable, taking into account operating rules, which are not neutral. The international economic system is largely dominated and organized by the great powers and by multinational corporations. Under these conditions, the emergence of true equality seems illusory. In this context, liberal peace leads to the exacerbation of the risks of conflict, because it consecrates the permanence of the stakes of power, the supremacy of individual interests and the good conscience in the inequality of men, human groups or Nations. Finally, the question is to what extent the challenges of power and private interests can threaten the integrity of the public service offered by States. Is the globalization gone too far?

Besides the dominant idea of a "happy globalization", there is the question of the power issues of actors in international relations. The resurgence of conflicts in a world where the state and the common interest are competing on the one hand by ever larger and more powerful firms and on the other, by the wishes of the Empire of a single State, which carries liberalism in these foundations raises the difficulties inherent in the relation capitalist globalization and permanence of world peace.

"Happy globalization"

The aim of the "archaic" war was the predation of physical resources and men in the context of slavery. It allowed a Nation to develop at the expense of other similar entities. Basically, war was a factor of development for some and underdevelopment for others. On the scale of human history, it is only recently that the idea of a close relationship between economy and war has emerged. The idea of pacifying international relations through trade is traditionally associated with Anglo-Saxon liberalism. For Adam Smith, globalization is a means of development, but he does not claim it. It now, at least initially, gives decisive importance to the Nations. International trade then presents itself as an alternative means of accessing wealth and resources, other than by military

---

conquest, and thus preventing conflicts between Nations from being resolved only by violent means. In 1975, Emmanuel Kant, in his Project of perpetual peace, considers that the tripod of peace relates firstly to free and sovereign Republics having their own public law, secondly to International laws and organizations establishing a right of the people and a cosmopolitan right second and third on commercial interdependence.

The peace-making power of commerce quickly becomes one of the pillars of liberal theory, and therefore participates in the construction of the myth. This idea will be taken up without excessive additional reflection by neoclassical thought, for which the respect of the rules of capitalism is sufficient to lead to peace, since everyone receives his due, according to his marginal productivity. The idea, repeated many times, is to consider that when the products are exchanged and move, the soldiers remain in their garrisons and therefore do not initiate any movement towards foreign borders. When the products move, the soldiers do not move.

The question then is why do states (or groups, in the case of internal war) go to war? There is a struggle between individuals or private or public communities for control of resources and the appropriation of power. This explanation is not sufficient. Thus, conflict is not necessarily an inherently negative phenomenon for everyone. By the 19th century, utopian socialists were mostly in favour of colonial wars, which accelerated the establishment of a Western civilization deemed superior. In this context, war appeared as the triumph of the rational man over the wild man. Even today, violent conflict sometimes appears to be the only way out when a society does not have or no longer has the means to manage and resolve divergent interests. Some wars are the result of conflicts of interest that are not necessarily economic, which affect in particular the conditions of men. A war against colonialism, if no other solution can be imagined, is sometimes the only way to liberate men and slaves. In this case, it carries within it a project of economic, social and human development for dominated men. Today, with the assertion of the right of peoples to self-determination, partially challenged by the right to interfere, wars are presented as a political means to accelerate human values and respect for democratic laws and merchants.

For the dominant school of thought, the primary virtue of globalization is its ability to increase economic prosperity, which in turn fosters the expression of peaceful values around the world. Globalization encourages contacts and promotes communication between private and public actors and between countries, thus facilitating the establishment of cooperative policies. With the development of trade, the considerations linked to economic interdependencies become too strong for conflicts to arise. The gains from trade are pushing private actors to lobby for peace with their governments. This behaviour is of course reinforced by the expression of an individual interest, logically resistant
to the idea of going to die for obscure reasons. Prosperity reduces aggression and grievances based on inequality. In this context, it has been deduced, in a simplistic way, that the economic interdependencies between two countries within the framework of a controlled globalization reduced the risk of conflict. However, if experience has shown that war is as costly economically as it is human, it is difficult to quantify this price. Probably the least inaccurate reasoning involves the concept of opportunity cost. So what is the opportunity cost associated with war? It is the economic cost of the military campaign must be added the shortfall of what will not have been achieved because of the war, that is to say the economic benefits of trade with the country against which we're going to fight. The higher the cost, the greater the chance that the economic benefit expected from military victory will be reduced. The stronger the commercial ties, the higher the opportunity cost. In this context, globalization makes States economically more united and therefore less sensitive to war sirens.

Another reasoning leading to a similar result can also be advanced. The breakdown of trade is a signal of conflict, which is militarily akin to the destruction of bridges. They lead to a worsening of the separation between the two adversaries, to an accentuation of the information deficit and to the observation of irreversible evil. In this context, the cost becomes very high and the armed conflict can only worsen, take extreme forms and become less and less coherent in economic terms. This working hypothesis provides an interesting explanation of the worsening of conflicts resulting from the emergence of associated economic problems. However, it does not take into account political, ideological, and identity factors, which cannot be analysed by the mere expression of the issues of wealth and power. The concept of globalization does not have the same meaning for everyone, nor does it have the same contours. The advantages of some are often disadvantages for others. In this context, the "losers", at least in relative form, can oppose this process in order to retain their prerogatives.

In fact, trade and military conquest are substitutable means for acquiring the resources necessary for the political stability and economic growth of sovereign nation states. They are even sometimes complementary and not opposed. Note, however, that globalization is not limited to the economy; it also allows cultural rapprochement, communication, and ultimately the emergence of global public goods. It is a process favourable to economic development, but also not without conflict and probably without war.

Permanence of state power issues

Globalization is a "progressive" approach. Marx the first recognizes it. "The bourgeoisie, by exploiting the world market, has made production and
consumption of all countries cosmopolitan. […] The former local and national isolation where each was self-sufficient gives way to mutual dependence between nations. […] Thanks to this rapid improvement of all the instruments of production, thanks to the communications made infinitely easier, the bourgeoisie leads in the course of civilization to the most barbaric nations. "... The mutual dependence between nations, brought about by the extension of the capitalist mode of production, attenuates the conflicts of competing interests of the national bourgeoisies. However, for Marx, the definitive disappearance of conflicts will only take place when the inevitable extension of the capitalist mode of production will lead to the victory of the proletariat, synonymous with the advent of classless society, first in the states taken in isolation. (establishment of socialism), then at world level (advent of communism). The day when class antagonism within the same nation falls, the hostility between nations also falls. There are therefore two stages in the process of "cosmopolitanisation" (Marxist globalization), first, the attenuation, by trade, of conflicts between bourgeoisies before the victory of the proletariat by taking the direction of the tools of production.

Today's globalization is criticized. She is accused of developing inequalities and conflict factors, by giving power to the actors of international finance and to an unscrupulous trading world. As it stands today, it does not lead to the convergence of living conditions all over the world. On the contrary, it increases disparities and aggravates the poverty of a growing part of the world population. Globalization is leaving a painful mark in developing countries, with increasing indebtedness, imbalances in national production, the widening of the technology gap or the degradation of the environment. Under these conditions, contrary to what the World Trade Organization affirms, globalization does not participate in the factors that produce the conditions for peace. Is war or war threats necessary for the economic developed countries? For Amartya Sen, globalization will only become a fruitful process if it is able to resolve the questions of employment, living conditions and precariousness. In this market context, the development of solidarity becomes a necessity. Globalization is not able to ensure prosperity for everyone, it even maintains and develops inequalities; which are factors of violence, war and political instability. It does not have moderating mechanisms, based on minimal solidarities,

---


10 Fontanel, J. (2019), Globalisation économique, facteur d’inégalités, CESICE, Université Grenoble-Alpes, Grenoble, hal-02142671. Grenoble.


imbalances capable of framing economic developments. Today, poor countries are suffering from growing insecurity, while rich countries, especially the United States, have an excessive security temptation. In this context, globalization allows wealthy groups (countries or social classes) who profit from the market system to behave like islands of prosperity that should be protected against the aggressions of the "damned" of the Earth, who are born and are developing inside and outside of developed countries.

The state is a key player in the globalization process. He basically defends commercial and financial interests, notably with the World Trade Organization and the International Monetary Fund. It becomes an instrument for defending the special interest and the functioning of the laws of capitalism. Governments also protect national economic interests. If the great economic powers continue to be managed by strong states, these do not limit their action to the protection of the system of generalized free trade. They support large companies whose national character is fading. Nevertheless, the collusion between public and private interests hardly makes it possible to differentiate what belongs to a well-understood collective interest and the private interests of private firms, with strong political power. The militarization of the United States (whose military expenditure represents an amount equivalent to that of all military expenditure in other countries of the world) is the main response brought to these new threats, to the detriment of possible efforts of solidarity and social justice. Is the Iraq War a response to the economic difficulties of the United States in terms of energy dependence? In this context, the military sector comes to the rescue of the economy under the pretext of questionable democratic and humanitarian considerations.

There is confusion between economic security and military security, which sometimes poses a specific threat to globalization and an expression of hegemony of the Western powers, under the undisputed leadership of the United States. For the American government, national security encompasses values in economic entities. Without strong economic power, the military sector cannot assert its security role. The Soviet example is there to remind that the military forces cannot express themselves effectively without a powerful economy, adapted and capable of financing the security need of the citizens.

Multinational companies operate in an environment that will become increasingly hostile to their activities, to their relocation and to their permanent search for privileges for the benefit of shareholders and technocracy structure to the detriment of other citizens. The current absence of a global opposition

movement, comparable to that of the unions born in the 19th century, still leaves an important advantage for the beneficiaries of globalization. But their excesses and their impunity could well be the occasion for the creation of a great social movement. In this context, military means would be ill suited to the repression of its claims. The 21st century world order is likely to be marked by the return of the logic of national power. Globalization is not mechanically eroding the logic of power. On the contrary, it develops strategies of power and appropriation favoured temporarily by the dynamics of interdependence. The question that arises today is the following: Do citizens of democratic states recognize themselves in the actions of the state? Are we not witnessing a privatization of public authority?

Globalization, a factor in the privatization of states and American hegemony

The larger the markets, the more companies expand, until they are compared, in size or financial power, to real states. In truth, the complexity of the world appears in all its violence and its vagaries. The economic actors are complex, they have several simultaneous social functions. Today, businessmen haunt the ministerial corridors and vice versa. For elections, companies are called upon, when they themselves do not take internal or external political actions. Firms are brought to play a significant role in interstate relations, not only as actors that States must take into account to define the general interest, but as entities capable of putting themselves in direct competition with States, d'equal to equal, and having almost equivalent means of action. In some cases, the state can be an instrument at the service of multinationals, which amounts to a privatization of the national interest. It is then quite simply an extension of private interests, a "servant" of commercial and financial powers. International relations themselves are being privatized. Businessmen get involved in political life or exercise a significant influence through their funding or their commitments in the sometimes dark corridors of democratic rules. It is easy to see the increase in "revolving doors" and "production agreements" which ultimately reveal electoral compromises. How many times have these accusations been brought against the entourage of President Bush! War is likely to take new forms based on forms of economic slavery for the benefit of large multinational corporations, with no other battlefields than a weakly competitive market. The question does not arise only for military or oil companies, whose link between market and conflict is perhaps more easily

distinguished. Multinationals, even the most harmless, lead any space of exchange and commerce to issues of conflict. Finally, we must ask the question of the famous conspiracy thesis of the war industries. What makes the military-industrial complex specific, and gives it its unique status, comes from the fact that the arms industries do not only cross the line between commercial interest and national interest: they are directly linked to the act of war itself. Their prosperity is not only linked to conquering and mastering the markets, it is also linked to war or the threat of conflict. These transnational industrial enterprises today ignore borders and acquire considerable financial power and power of influence. Given the specific nature of these industries, its requirement for secrecy and its refusal to respect the laws of the World Trade Organization, the weight of the military-industrial complex is considerable in political life. Armaments' economic activity is prosperous and the share prices of its companies have flourished since 1945, as Serfati and Mompaey have shown. In this framework, the citizens of are more equal. We are then witnessing a "privatized" use of the collective interest.

Finally, globalization contributes to the erosion of the real power of states (in the sense of representing the collective public interest), by putting their coercive power in the hands of the largest multinationals, and by relegating diplomatic channels to the background market "regulatory mechanisms". It not only threatens the modes of expression of interstate relations, because it also disfigures local values by introducing the convergence of consumption patterns, cultures and tastes. The liberal model stands out as a universal way of thinking and operating the world. Thus the concept of governance, borrowed from companies (corporate governance) is now at the centre of the discourse of the Bretton Woods institutions, which until the 1990s spoke even more soberly, without necessarily being more successful, of structural adjustments. The language here reveals a radical change in philosophy. In this context, the hegemonic country economically and militarily imposes its ways of thinking, its constraints, its values, its products, its finance and its culture. The principle of humanitarian interference is applicable today not only to humanly unbearable situations, but also to the conditions of expression of the hegemony of the American and Western world.

At the same time, the United States has unparalleled military and economic power around the world. Progressively, Washington imposes its national commercial rule to the world. In this context, we must remember the words of

---


King Lear "We obey a dog when he has power". However, the United States government displays a clear desire for economic, commercial and cultural domination. It gives itself the military means to enforce it if necessary and to promise to use their overwhelming military supremacy for this purpose. This assumed hegemonic will not be lacking in growing disputes around the world. Terrorism is an antipathetic expression of this phenomenon, which is likely to increase in the years to come until calling into question the economic bases of a system that needs security to express its capacity for innovation and development. The United States government, under the guise of national interest, seeks to limit all economic, political and military risks. In this context, it tends to express itself as a world government, dominated without division by the United States and imposed by the force of its oversized military tool.

The observation of globalization's drift and collateral damage are easily identifiable, in particular the growing impact of finance on trade, the militarization of private relations and the privatization of public activities. Forced and unequal globalization ignores cultural identities and the challenges of sustainable development, and promotes the hegemonic and authoritarian superpower. However, this will inevitably be challenged, particularly on the religious, philosophical and cultural levels. This will create new security risks.

The economy is both a cause of war and a means of armed conflict. The "war" has changed in nature. National security has to introduce progressively the concept of sustainable development. If it is not the main concern of today's societies, it is a recurring threat, without battalions on a battlefield. It no longer expresses a conflict in a particular field; it is diffuse, based on political, military and economic variables. Economic warfare is to state terrorism what war destruction is to armed conflict. It is a question of using the adapted weapons to obtain a right or the exercise of domination. As such, blockades, sieges or power actions of the mercantilist type can again become techniques of war or conflict recognized by the States. This is why economic and military values become inseparable, which clearly expresses the close relationship between globalization and the balance of power in today's world.

**Bibliography**


Barre, R., Fontanel, J (1991), Principes de politique économique, Coll. Eco+, PUG, Grenoble.

---


Fontanel J. (2005), La Globalisation en « analyse » : Géoéconomie et Stratégie des Acteurs, l’Harmattan, Paris,

Fontanel, J., Hébert, J-P., Samson, I. (2008), The birth of the political economy or the economy at the heart of politics. Mercantilism, Defence and Peace Economics,


Fontanel, J. (2017), La globalisation économique est-elle un facteur de sécurité et de paix, Institut libre des Relations Internationales (ILERI), Mars 2017.

Fontanel, J. (2018), Puissance et nationalismé économique, PSEI, Paix et Sécurité Européenne et Internationale, Université de Nice Sophia-Antipolis, hal – 01934752.

Fontanel, J. (2019), Globalisation économique, facteur d’inégalités, CESICE, Université Grenoble-Alpes, Grenoble, hal-02142671. Grenoble.


Sushcheva, N., Fontanel, J. (2020), L’arme économique du droit extraterritorial américain. La menace politique, stratégique et économique du leadership américain sur l’ensemble des économies nationales et des entreprises dans le monde (à paraître en russe). Disponible en français, hal-02144089.