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GLOBALISATION OF THE POWERLESS—A ZONE OF INSTABILITY AND THE DISABLED STATE

Andrew Wells

Much of the debate on refugee issues has been concentrated in either the morality or the effectiveness of the treatment meted out to refugees as they attempt to enter Australia and are incarcerated as illegal migrants by an unyielding government. This debate is very important, and is comprehensively discussed elsewhere in this book. The principal themes are how Australia treats people once they seek protection as refugees, and what impact specific policies will have on future asylum seekers.

However, a number of other important issues are either treated as secondary or, more frequently, ignored. An issue, not widely debated, is what social, political and economic circumstances push people to take what, by any normal standards, are the extreme measures of abandoning their own communities and peoples for the desperate gamble that seeking refuge entails. Without discussing this contextual matter—the conditions that provoke refugees—it is easy though wistfully misleading to presuppose that 'orderly queuing' and 'following the correct channels' are real options facing those fleeing repression or social chaos.

When we project the circumstances that generate the 'refugee problem' onto a wider regional canvas we can begin to see the issue from a rather different perspective. One important generalisation that we need to place at the centre of the current refugee debate—a thesis derived from a complex mosaic of fact, theory and conjecture—is that the Asia-Pacific region, and especially South-east Asia are increasingly zones of deep and intensifying instability. That instability is registered in two different but related conclusions: the Region is both a significant source and a major transit space for a growing refugee movement. The short-term success of 'fortress Australia' in stopping the flow of refugees is undoubtedly a Pyrrhic victory, but one which has conveniently pushed a host of serious questions to one side.

A Zone of Instability

Over the past thirty years postcolonial Asia has witnessed revolutions, wars, coups, massacres, starvation, and poverty, as well as rapid economic growth, urbanisation and modernisation. A confusing pattern that defies
easy categorisation has emerged. Some who have viewed the rise of East Asia to global economic power have even claimed that the centre of gravity of the world economy has shifted east. There is of course some truth in this generalisation, especially if we focus on the East Asian developmental states—especially Japan, South Korea, Taiwan—and the rapid modernisation of Singapore and Hong Kong, and the significant transformation of Malaysia and Thailand. But even in these countries, since the 1997–1998 financial crisis, and in the case of Japan even earlier, we can no longer be so sure that the growth is self-sustaining.

When we cast our eyes further south and south-west what limited optimism we may have had from looking north is quickly dissipated. In a giant arc stretching from Pakistan to the Philippines, Australians live in close proximity to a series of postcolonial states in real danger of disintegrating and descending into communal and ethnic conflict. Geographically separating the relative stability and growth of the north from the arch of instability in the south, lies the giant state of China. Here elements of the north and south coexist in an explosive mix. China is currently experiencing one of the most dramatic and rapid processes of dislocation, relocation and reorganisation of people and workers the world has experienced.

**Globalisation and Inequality**

Operating in this 'zone of instability' are, I think, four forces that we need to understand. The first and determinate force is what is frequently called globalisation—possibly the most over-used and misunderstood concept of our times. Its complexity can be understood by simultaneously grasping two related but seemingly contradictory processes. On the one hand globalisation is the intensification of economic integration of about twenty per cent of the world’s population measured by the flow of trade, capital, investment, people and the repatriation of profits. This core of the globalised world includes parts, but by no means all of North America, the European Union, East Asia and Australia. Globalisation as experienced by the already affluent and developed world is a consequence rather than a cause of the growing interdependence of similar economic, legal and political systems.

On the other hand globalisation is a political process largely driven from the core of the global political economy designed to transform the political, social and legal relationships that dominate the rest of the world. In a sense it is nothing other than the continuation of the colonial process itself pursued by other means. Where the process of social change has been largely produced by former imperial defeat and military occupation—Japan, Korea and Taiwan—and then consolidated and intensified by a ruthless modernising elite, then political transformation can extend to economic globalisation. Thus the apparent impact of globalisation is political and economic change that will ultimately make the entire world accommodating to global market relations. The only significant catch in this argument is that very few states achieve the capacity to enter the global market place on advantageous or even equal terms.

Thus the rather contradictory reality is that globalisation is felt as a progressive economic necessity by the many in rich countries, but as an alien political imposition by the majority in poor countries. Even then significant minorities in rich countries experience the collapse of traditional manufacturing industries and the collapse of segments of the labour market as a disaster, while minorities in poor countries embrace the benefits of global economic integration. The same idea can be illustrated historically: Aborigines were transformed by an earlier form of imperial political and economic process of globalisation. They were not so much drawn into the world political economy, but experienced the use of political and legal power to transfer ownership of their land and livelihood to Anglo-European control and economic exploitation. This dispossession of property was linked to a massive and coercive transfer of resources to the proprietors of the British economy. Although Aboriginal life was totally transformed by imperial coercion and then global economic activity, they had no significant agency in initiating that change.

In the contemporary regional context much of the force of globalisation is neither welcome, nor harnessed to local needs. The rapid felling of some of the remaining stands of valuable hardwoods, or the exploitation of mineral deposits do not in themselves produce sustainable growth. Within the contemporary pattern of globalisation we can observe a limited number of states that are beneficiaries of processes that sustain obscene levels of material consumption for a global minority with dramatic consequences in environmental despoliation and the consumption of raw material including oil. This is what is meant when politicians defend 'our way of life'. To the bulk of the world’s population much of globalisation translates into currency instability, food price inflation, the reduction of public services and falling living standards with rising unemployment. A serious consequence of this economic instability is the process of disabling the post-colonial state.

Two examples well illustrate the negative impact of this global economy in our region. The Philippines and Indonesia have both become major labour exporters. Throughout the more affluent countries of the region, and extending into the Middle East and beyond, a vast diaspora of the new indentured construction, manufacturing and domestic workers have looked for work. This has resulted in millions of migrant workers deserting their villages and towns, frequently for short periods but often for decades, in order to meet basic needs and repatriate income to support families at home. While much of the labour is organised and regulated, there are significant groups of illegal workers vulnerable to changing labour demands. Supporting the legal and illegal trade in workers is a string of shabby labour recruiters, moneylenders, labour overseers, shippers and agencies.
So important has this business of labour export and financial remittances become, that the Philippines—to take the most extreme example—relies upon this income as its biggest single export industry.

In the island of Kalimantan—or Borneo as it was once known—traditional hunter-gatherer Dyak people are being systematically displaced as logging and mining interests move further and further in, searching for and exploiting natural resources. The Indonesian state and the joint-venture companies associated with the regime in Jakarta have no hesitation in using force and the law to facilitate this spread of a modern export economy. Ethnic minorities in the outer islands of Indonesia are a frequent source of friction to the Javanese establishment.

Thus in the zone of instability people are displaced and forced to move to find security and employment. This produces millions of people completely dependent of the vagaries of the world market. When Saudi Arabian living standards continue to fall, and the capacity to recruit Asian construction and service workers contracts, the impact is felt very keenly in the Philippines and Indonesia. By the same token the agents, financiers and shippers spawned by the labour trade can be easily adapted to smuggling arms or refugees. Thus a global interconnectedness, the product of the globalisation of the powerless, brings both awareness of the source of human frustration and one means to address it.

**Disabled States**

States are the organisations that carve up and claim both ownership and human identification with the world’s resources. States create boundaries and enforce order on their subjects and repel, invade or negotiate with other states. The essence of states is coercion and consent to control the people in a well-defined territory and the capacity to wage war on competitor states. But as the historian Eric Hobsbawn recently argued, there are only about two dozen or so really effective modern states. Those states are able to guarantee something of a social contract that is meant to replace the subject of the coercive state with the consensual citizen of the modern liberal polity.

States in which the regular functioning of a democratic polity is the norm are relatively rare and probably decreasing. Although many states maintain a quasi-democratic veneer—that is they hold elections—the serious democratic state with periodic changes of government and competing political parties is atypical. Even when this occurs the use of repressive laws, controlled media, bribery, secret police and other forms of intimidation may significantly undermine the efficacy of democratic institutions.

But the capacity of states to pursue their democratic ideals of citizenship is limited by their capacity to resist actual and potential invasion, attack and internal manipulation from without. In reality few states are able to maintain anything like real sovereignty. Weak states often lack both internal legitimacy and effective protection from outside interference. The weakening of the authority of the United Nations and the American doctrine of military pre-emptive strikes have simply underlined the sense of impotence of weak states. From a strictly military point of view there is currently only one serious modern state with its global alliance system. In other words, the globalised economy (a single capitalist commodity and financial market) has produced a roughly parallel global state system. And that global state system—organised from the one remaining superpower—is the dominant means to impose the conditions for globalisation on the world of the expanding periphery.

In this unique situation of overwhelming United States economic and military power, the temptation to threaten and intimidate other states is apparently irresistible. Furthermore, the idea of identifying ‘rogue states’ that invite external aggression has been normalised. And between the few strong states and the handful of rogue states lie dozens of actual and potential weak states, unable to resist internal and external subversion. Neo-liberal policy requirements imposed on weak states as a condition of access to international trade and capital borrowing by the World Trade Organisation, The World Bank and the International Monetary Fund, weaken the internal legitimacy of many states. Forcing Indonesia to remove price controls on rice, kerosene and other necessities, or forcing the Papua New Guinea government to reduce public services and reduce the size of the publicly-funded workforce are sure-fire ways to undermine an already shaky state legitimacy.

Thus the reverse side of the coalescence of the remaining powerful states into a global economic and military alliance led by the United States is the process of disabling many of the remaining states. Disabled states might be defined as those that have lost (or perhaps never had) the capacity to employ both consent and coercion to reshape social relations within their territory (and resist those from outside who seek to engineer internal social change). We might understand this process as the forced undermining of the already limited means to generate consent from the governed. Weak states are subject to the requirements of the neo-liberal reform agenda. This agenda is generally imposed in weak states by agencies of international trade and finance. The International Monetary Fund, The World Bank and the World Trade Organisation all press for reforms that reconstruct public finances, the role of government in the economy and the provision of government subsidies and services.

The hallmarks of the neo-liberal agenda include: the extensive privatisation of public enterprises and public services; the removal of government subsidies on food and a range of necessities; the ending or significant reduction of protection or subsidies to national industry and the opening of economies to international competition; the freeing of the financial sector from rigid state control and the recognition that financial regulation should be beyond political interference; changes to taxation regimes both
to reduce the taxation burden on investors and the wealthy and to increase taxes on consumption; and the revaluation of currencies in line with global market expectations. Encouraging large foreign corporations to invest or take over existing industries, removing financial controls in the rush to deregulation, and the increasing protection of the intellectual property rights of the rich similarly fall into this category.

There is scant evidence that these moves to liberalise economies have beneficial effects. Rich and well-organised economies like those of Japan, South Korea and Taiwan can adapt to change, but weak and vulnerable economies like those in the Philippines or Indonesia are further impoverished, or the economic well-being of the bulk of their people is further impoverished. In the growing cities, and especially the shanty towns of the region, the state provides nothing and guarantees little. And somewhat paradoxically, foisting the superficial machinery of a democratic state onto an incoherent political and economic entity is likely to expedite the process of disabling an already weakened state.

Disabled states are then unable to resist impositions by powerful external states. They have to endure demands to cede territory or airspace to accept military, policing or intelligence occupation by foreign powers. They cannot resist or effectively respond to demands to change their legal culture, and overturn their legislation and judicial determinations. Hopelessly indebted, they lack the means to plan or coordinate economic and social transformations. They are literally mortgaged to international private interests and powerful global agencies and dominant states. Overwhelmed by global media and cultural forces, the moral authority of the state and its basis in historical circumstances and tradition are undermined. And in the process, the idea that the state as the one coherent organisation that has the potential to facilitate subjects becoming citizens is lost. At this point we are told the problem is governance—as if it were a sort of technique—rather than the capacity of government to substantially intervene in the allocation of wealth, income, and resources.

The entire political project of the reconstruction of state and civil society that stretches from Hegel to modern liberalism (via the modernising project that liberalism and socialism once shared) is thereby undermined, fatally weakened and hastily dismantled. The real historical potential to create modern democratic states, and to recognise the long and complex process of social change that builds a democratic polity, is thereby fatally compromised by simplistic ideas about ‘regime change’ and democratic ‘capacity building’. Again we can only point out the irony that the only states in our region that may emerge as modern functioning liberal democracies have achieved that result with repressive states ignoring the strictures of openness that market capitalism now seems to demand.

Weakened states provide fertile soil for ideologies, organisations and beliefs that focus on the hypocrisy of Western notions of modernity. The impact of market reforms, international trade and foreign investment without a state capable of regulation and welfare breaks bonds of solidarity and community concern, without providing any serious substitute. Indeed we are witnessing the whirlwind of market relations without a capitalism of sustained accumulation. A theoretical confusion at the heart of the modernisation movement fails to understand that capitalist modernisation—the formulation of a disciplined and educated workforce, the sustained investment in modern means of production, the movement of investment and workers to the most profitable and rapidly growing sectors of the economy, the formation of an economically organised and politically conscious leadership group—does not automatically result from the buying and selling of natural resources and labour. We shall return to this issue below.

It follows that the disabled states of Indonesia, the Philippines, Papua New Guinea and countless other countries are increasingly unable to generate the conditions for forging consent from the governed and for developing an expanding civil society. A self-conscious and dominant economic class—a group that is attempting to build a national economy—is unable to form in these circumstances. In their stead we see ‘rent seekers’ and corrupt deal makers flourish. Wealth is generated by connection and corruption rather than from those who organise the activities of wealth creation. The dominant political classes (who generally overlap with the economic elites) are thereby unable to lay the foundations of a national economy and of a seriously democratic polity. Instead the centralised state tends to break into regional fiefdoms, local militias masquerading as armies of the state, private institutions providing rudimentary education and health and with it the dangerous assertion of identity politics. The disabling of the postcolonial state brings in its wake the potential violence implicit in the new arenas of community and identity politics.

Identity and Ethnicity

Running parallel, but not to be confused with the rise of market capitalism, were the theory and practice of the universal and all-encompassing state. This idea associated with the Enlightenment provided the universal claims of citizenship, science and human rights. These universal claims were somewhat paradoxically to be enforced and expanded within the province of national states. The idea was that the civilising mission of the state is to create, force, educate, and inculcate the principles of identification with the state irrespective of ethnicity, religion or social class. Primordial loyalties based on location, occupation, language, social custom or traditions were to be replaced by loyalty to the nation and its state. The modern state had to concern itself with the destruction of specific loyalties—to family, place, kith and kin—and substitute them with universal loyalties to extensive territory and abstract ideas.

Any number of programs had to be devised to enforce uniform language acquisition and expression—vocabulary and grammar were subject to
rationalisation and clarification. National conscript armies, compulsory state education, forced relocation of ethnic minorities, religious persecution and military occupation were all employed as the necessary tools to create the modern state. Ethnic and religious minorities were brought to heel and forced to sublimate their beliefs under the national state. In this process the modern state eliminated or repressed the most threatening manifestations of what we would now call identity politics in order to create the conditions for the liberal democratic state. The central plank of this state was the universal rights of all citizens as political actors and legal subjects and the separation of the state from religious and anti-scientific prejudice.

Once established via a process of coercion and buttressed by a rapidly expanding economy the modern state could afford to encourage both a growing form of consensus and eventually a reluctant acceptance of residual forms of cultural difference. Indeed the most recently evolved forms of the liberal state, which were largely constituted by immigrants already socialised to accept the demands of the liberal democratic state, could even embrace the politics of significant cultural diversity. Thus the homogenising process slowly gave way to what recently has been termed multiculturalism. Moreover the coercive phase of creating the ‘universal citizen’ has eased off and come to an end, faced with the need to create a suitable level of consensus amongst the population. The complex dialectic of developed capitalism and liberal democracy could then begin to look natural and inevitable.

But in the colonial states the process was quite different, and that difference gave the lie to a simple equation between the market and the ballot box. The colonial state was not so much an exercise in forging citizens for the modern secular state, as in coercing a part of the working population to be integrated into market relations, but without addressing diverse cultural and religious differences. Thus it pressed for the market without the ballot box. Indeed with the possible exception of the French in Indochina—who half believed in imposing French notions of citizenship—local government and education, the colonial powers encouraged, even created, ethnic complexity, religious observance and non-scientific ideologies as a means by which to divide and rule. Imperial concerns were not with national building, nor economic transformations. Colonisers had short-term and immediate interests in exploiting the raw materials, the potential workforce, and the unique products of specific territory. To maximise opportunities and maintain control—often when vastly outnumbered by ‘natives’, a range of solutions was used. The post-colonial legacy has been mass migration, ethnic complexities and the powerful imprint of what is politely called communalism or what we might call ethnic and religious differences and intolerance. Thus a great deal of what might be called identity politics in the postcolonial era is not so much the effects of traditions (though that undoubtedly played its part) but the impact of colonialism and the first phase of globalisation.

Deeply planted in much of this Zone of Instability is a sense of ethnic, religious and communal difference. Pre-colonial, colonial and post-colonial Chinese and Indian diasporas have deeply affected the region’s ethnicity. Global religions—Islam, Buddhism and Christianity—have likewise left powerful cultural forces. But local and regional minorities with long-standing grievances with the central states have not disappeared. The forces that assert difference and tradition are powerfully arrayed against the weakened and weakening modernist impulses.

Migration and Identity

We can now begin to see that the Zone of Instability, as I have defined it, is crisscrossed by three complex and contradictory global forces. First is the effect of globalisation. As the rich centres of the global economy continue to reel from declining profit rates, market collapses and the crisis of corporate governance, the implications for the globalised periphery are almost unimaginable. Poverty, unemployment and misery are endemic and show few signs of abating. Even by the dubious measure of the very agencies that are trying to engineer the neo-liberal world order, there are few signs that positive economic growth is occurring. Where some growth is evident, there are no signs that the growth is beneficial to the majority. The Chinese economy, by no stretch of the imagination a product of neo-liberalism, stands out as the major exception.

Second, the disabled states that are unable to create conditions for a social consensus and democratic citizenship are growing in number. Perhaps half the 200 or so currently existing states are either ‘failed states’ or close to failure. Few in our region have attracted foreign or international intervention and peace keeping forces—though East Timor and Cambodia have been externally administered and the Solomon Islands and Papua New Guinea are experiencing very strong Australian intervention. Significant independence movements are evident in parts of Indonesia—West Irian, Aceh, Kalimantan, the Moluccas and elsewhere. The Philippines has similarly a long-running political and ethnic war. North Korea appears incapable of feeding its own population and is subject to the threat of both military and economic warfare.

The enduring legacy of communal attachments provides a powerful resource that can be readily exploited by opportunist intellectuals and ideologues to assist their rise to power. Into the void left by failing or failing states step the forces of localised militarism, gangsterism, religious fundamentalism and regional separatism. Few of the separatists or independence movements are equipped with programs, institutions, ideologies or leaderships that bring confidence that a new inclusive state is under construction. On the contrary, lapsing into localism and regionalism generates little real confidence in future prospects. This is so not only in countries within our region but in those countries in south and central Asia and the Middle East which migrate their problems into the region.
We can now begin to discern the causes of the rapid growth in indentured migrant labour, prostitution as an organised national industry and remittance workers as a leading part of the export economy. We can also perceive why postmodern theories nominate identity politics and the abandonment of the Enlightenment project as characteristic of disabled states. Freed from the constraints imposed by the multicultural liberal states, fashionable ideologies—such as postmodernism—with their emphasis on difference, experience, subjectivity and the local, feed the powerful appetites of the politics of exclusion and localism. By abandoning the universal claims of the Enlightenment all grounds for defending human rights (merely a Western and thus imperialist imposition) are lost. In such a context we can only envisage that current conditions in the former Soviet Union and Yugoslavia, and in Afghanistan, illustrate the future of much of the Zone of Instability.

The northern states of Asia have provided not just the region but the world with one of the very few examples of successful social transformation. They are fully integrated into the modern commodity economy and their stability crucially depends on the global capitalist economy. Despite signs of long-running stagnation in Japan and a difficult readjustment by Taiwan and South Korea to the 1997/98 Asian financial crisis, economic growth has returned. These states show few signs of democratic collapse, disintegration or ethnic conflict. China, the latest example of the developmental state, is perhaps the most volatile, and potentially dangerous. As the levels of internal migrations, rapid industrialisation, dramatic urbanisation and transformations to work, education and communication attest, this is the largest experiment in economic and social modernisation yet attempted. This process of modernisation is increasingly linked to the demand for industrial exports to the United States. Thus a certain level of instability is built directly into the modernisation project.

Closer to home the situation looks a lot more problematic. There is no clear evidence that the spread of either economic growth or democratisation is likely to succeed. Rather the economies of Thailand and Malaysia—the nearest to local adaptations of the developmental state—are losing their momentum. More seriously, Indonesia, Papua New Guinea, Fiji, the Philippines, Cambodia and a host of island states show no sign of arresting their slide to the status of failed states. Equally worrying, the long-standing circuits of labour migration within and beyond the region, and the associated organisations to recruit, ship, discipline and disseminate workers, have created the networks and machinery to assist migratory workers and refugees. These networks are easily adapted to spread ideology, and move organisers, weapons and money. In short our regional zone of instability is increasingly integrated into the globalisation of instability.

It seems highly unlikely that both the circumstances facing tens if not hundreds of millions of people in our region and their links with hundreds of millions outside the region point to a bleak reality for those who advocate the hard line on refugees and fail to understand the underlying causes of global population movements.

**An Australian Response**

Coming from a nation of immigrants, the Australian response to refugees is confusing. As a nation so willing in the past to accept large numbers of refugees from Vietnam, Lebanon, Chile and other places of human rights violations, Australia in the recent past is all the more perplexing. Establishing detention centres, changing national boundaries, using the navy so ruthlessly and disregarding international refugee agreements seem both shortsighted and inexplicable. But viewed within the logic of globalisation the response is at least understandable if not defensible. Having disposed of both communism and socialism (modernising secular state-building ideologies) and encouraged the disabling of postcolonial states, the beneficiaries of globalisation are now organising to stop the lifeboats from the world’s dispossessed.

Moreover they are militantly unwilling in the name of the globalising project to inject foreign aid, or encourage the spread of global labour standards or champion the global rule of law. Instead the military and coercive response increases as the global patterns of inequality grow. Populist campaigns to defend Australian territory and wealth from a potential influx of refugees simply add to an unrestrained tally of national ‘bad faith’. Signing up for a global war on terrorism is easily translated from the periphery as a justification of a war of the rich on the poor. And in turn this fosters the climate of social intolerance that threatens the liberal state with both populist rhetoric from within and terrorist attack from without.

An attempt to turn around this frightening and predictable spiral of global and regional violence and intolerance looks increasingly unlikely—yet in a sense the refugee crisis is but one aspect of a deeper global crisis. Globalisation with its inexorable transformation of global economic and political balances threatens to completely derailed the liberal democratic (and we might add multicultural) project. Without a complex rethinking of global economic, political and human rights priorities—an embrace of a global social economy—little is likely to improve. And before long the Canute-like policies of the Australian Government and both major political parties and much of the population will be seen for what they are: a feeble and self-serving attempt to ignore the dangerous consequences of rampant globalisation. Australia’s proximity to a regional zone of instability will simply highlight the impact of these dangers.