

THE G8: A STUDY IN POWER

- x -

Thirty years ago, in November 1975, France's President Giscard d'Estaing invited the leaders of the UK, US, Germany, Japan and Italy to a three-day summit in the presidential palace at Rambouillet, near Paris. The world was not so different then: the global economy was struggling with record oil prices and the US was coming to terms with the fall-out from its latest invasion. At least Harold Wilson, representing the UK at that first summit, had not sent British troops to Vietnam.

Now the same powers, plus Canada and Russia, are gathering as the G8 in Gleneagles. All police leave has been cancelled and ID cards issued to local residents so as to allow them access into the militarised zone around the summit itself. Yet the £50 million security operation designed to shield the G8 from popular protest also strips away its legitimacy, showing that our elected leaders can only maintain supremacy through their monopoly over brute force. So what are they hoping to achieve?

Keeping Africa poor

The G8 was originally conceived as a forum in which the world's top economies could make common cause on the most pressing economic issues of the day. The profound shock to global capitalism caused by the oil crises and runaway inflation of the 1970s gave the first summits an air of high drama, but the themes they addressed are all too familiar: global energy problems, financial instability, and the programme to expand the reach of capital through trade liberalisation and the creation of new markets around the world.

Today's global economy might seem more at ease with itself, but under the surface lie tensions as great as those which existed thirty years ago. The cliché that we live in an interdependent world carries with it real consequences, in that the richest countries are now wholly dependent on cheap labour in the poorest. Cut-price consumer imports are essential to keeping down inflation in rich countries, just as imports of cheap raw materials remain crucial to sustaining the profit margins of our industries. Maintaining control over these supply chains has been a priority concern ever since the former colonies of Africa and Asia won their independence.

Tony Blair has announced that Africa will be a key issue at Gleneagles, following the report of his Commission for Africa in March this year. Yet in private British government officials have conceded that the G8 will not offer any concessions when it comes to the economic policies that keep Africa poor. Instead, the Gleneagles communiqué will reaffirm its support for a swift conclusion of the Doha Round of world trade talks, which aim to open up developing country economies for further exploitation by multinational corporations based in the rich world. UN reports have confirmed the devastating impact which such liberalisation has had on the world's least developed countries: those states which have opened up their markets most dramatically have also seen the greatest increases in poverty over the past ten years.

The G8 countries bear a particular responsibility for poverty in Africa. The G8 enjoys in-built control over the World Bank and the International

Monetary Fund (IMF) as a result of their 'one dollar, one vote' decision making structures. Through those two institutions, the G8 imposed the structural adjustment programmes which caused economic stagnation, mass unemployment and increased poverty throughout the 1980s and 1990s. Today the G8 maintains control over Africa through its monopoly on aid and debt relief, both of which are made conditional upon compliance with the neoliberal economic policies which the G8 promotes.

The G8 countries also dominate the World Trade Organisation (WTO), which claims to operate on the democratic basis of 'one member, one vote' but has not held a single vote in its ten-year history. Instead, the WTO regularly sees poor countries sacrificing their own economic interests as a result of threats that they will lose aid, debt relief or trading opportunities if they do not agree to the G8's proposals. The WTO's much vaunted 'Doha Development Agenda' has failed to deliver, instead exposing developing countries to the threat of increased liberalisation and poverty.

British trade officials admit that the 'development agenda' has little relevance to their real work. Responding to a strong steer from lobby groups such as the Confederation of British Industry, the driving impulse is to achieve new market access for British business through the increased liberalisation of the manufacturing, industrial and services sectors of the developing world. The UK has by its own admission been at the forefront of the campaign to open up developing country markets in these sectors. The Labour Party's manifesto statement that "We do not believe poor countries should be forced to liberalise" rings hollow in the face of this reality.

The G8's paramount concern is control of the global economy for the benefit of its corporate

sponsors. This control is maintained on a day-to-day basis through the institutions listed above, but ultimately it rests on military domination and the demonisation of opposition forces. The so-called 'war against terror' was explicitly linked to the G8's economic agenda following the US-led invasion of Afghanistan in 2001, when delegates attending the WTO's Doha Ministerial Conference were told that opposition to a new round of trade liberalisation would be interpreted as support for terrorism. The security cordon thrown round Gleneagles is no more than a symbol of the military power which sustains the capitalist adventure worldwide.

Cheap oil – at any cost

Nowhere is the link between the economic and the military shown more clearly than in the fight for oil. The G6 countries meeting in Rambouillet in 1975 stated bluntly: "We are determined to secure for our economies the energy sources needed for their growth." Ever since that declaration, the need for cheap energy to power the rich world's overconsumption has remained a G8 priority. Sitting on the world's third largest oil reserves, Iraq never stood a chance.

Yet the greatest threat to the future supply of cheap oil comes not so much from political opposition in producer states but from rising demand. In addition to the unsustainable levels of energy consumption in rich countries, rapid growth in developing countries – especially major consumers such as China and India – is now turning up the heat. Even at full capacity, global oil production is unable to meet this increase in demand, and predictions of 'super-spike' prices of over \$100 a barrel have spawned warnings of global recession. The IMF has stated that the high oil prices forecast for the future will send the world economy into 'permanent shock'.

Both China and India have been invited to Gleneagles, and government officials have confirmed that the global oil crisis is at the top of the summit's agenda. Yet debate will not solve the problem of undercapacity. The refusal by rich countries to reduce their own consumption levels and the additional demand from developing countries make an international struggle over energy resources inevitable. President Bush's personal pleas to the Saudi royal family to boost production only underline how dependent the US is on foreign oil supplies.

Hence the growing tension over other sources, and in particular Iran. Following new finds in recent years, Iran now boasts the world's second largest oil reserves (behind Saudi Arabia), as well as the second largest natural gas reserves (behind Russia). Moreover, Iran is operating well within its capacity, with considerable potential to increase its output of both oil and gas at a time when all other major producers are already running close to their limits.

China and India both source a significant proportion of their oil and gas from Iran already, as does Japan, but the US remains wedded to its isolationist policy of sanctions against the country. Bush has repeatedly included Iran in his 'axis of evil', accusing Tehran of sponsoring terrorism and of pursuing weapons of mass destruction – exactly the same charges which prefigured the invasion of Iraq.

With rising concern at US plans to attack Iran, Bush's opponent in the last presidential elections, Senator John Kerry, has openly questioned the USA's overreliance on foreign oil supplies. Speaking this April, Kerry warned: "We risk being drawn into dangerous conflicts, and an already overburdened military is increasingly stretched too thin."

Yet rather than pulling the US back from the insanity of war against Iran, the G8 powers have raised the temperature by publicly citing Iran's nuclear energy programme as a military threat. Following their 2003 declaration on non-proliferation, which specifically targeted Iran, last year's G8 communiqué identified Iran as one of three countries (with Libya and North Korea) which pose 'proliferation challenges' to world security. The Bush administration refuses to rule out military action against the country. Iran has responded with a warning to the US that it is 'playing with fire'.

Challenging the G8

The G8 retains a particular attraction for the major powers since it is a private members' club which sets its own rules. The discussions take place in secret, immune from considerations of transparency or accountability. Attendance is by invitation only, untroubled by suggestions of democracy or broader representation. The G8 is an unapologetic statement of pure power.

Gleneagles offers the G8 leaders an opportunity to project that power across the international stage at a time when their image is badly tarnished both by the war on Iraq and by their continuing failure to address the root causes of global poverty. Crucial to them in this task is the help of the media, granted special access to the summit on the understanding that their reporting will remain within established bounds. With media assistance, the G8 leaders will project a caring image of concern for the world's poor, for Africa, for climate change. Journalists will read out the official press releases and move on.

This is what makes an alternative presence so critical. Without a visible challenge to the hegemony of the G8, its true face will remain hidden and its power will grow unchecked. Mass

actions in Birmingham (1998), Cologne (1999) and Genoa (2001) drew international attention to the real impacts of G8 policies and the alternatives which exist. The success of those actions saw subsequent summits held away from city centres in increasingly remote locations, precisely so as to escape popular protest.

Scotland is not so inaccessible, and there are over 100,000 people expected on the streets of Edinburgh for the big Make Poverty History rally on 2 July. Yet the threat posed by the G8 demands a more radical response than the Make Poverty History coalition's calls for trade justice and increased aid levels, however laudable these may be. More fundamentally, we need to ask how these eight politicians – so deeply implicated

in the deaths and sufferings of millions around the world – can be allowed to wield such power over our common future.

War on Want and other more radical groups are running an open counter-summit on Sunday 3 July, explicitly challenging the world order represented by the G8 and putting forward genuine democratic alternatives for a better future. These debates will in turn form a backdrop to the challenge taken directly to the G8 leaders at Gleneagles itself. This time, as Mr Bush would say, they can run but they can't hide.

July 2005

www.waronwant.org

