

## **Globalism, a world in chains**

By Phil Mullan, Spiked Online, 16 March 2019

**Globalists' greatest fear is not the state – it's the people.**

*This is the first essay in a two-part series by Phil Mullan exploring the political and economic creed of globalism. The second part, on the genesis and politics of neoliberalism, will be published next week.*

We have entered another unstable era for the world order. Some anticipate a 'Thucydides moment', a reference to his history of the Peloponnesian War 2,500 years ago, in which he wrote: 'What made war inevitable was the growth of Athenian power and the fear which this caused in Sparta.' Today we could be on the same path as the old and new powers clash. A rising China is fuelling anxieties in declining America and Europe. Meanwhile, escalating strains within the 'old' Western world are also adding to the disruptive mix.

The rational approach to a changing world would be for free and independent nations to work out collectively a new order appropriate for our era. However, the dominant globalist perspective has instead been to insist on adherence to the existing 'rules-based international order' as established after the Second World War. But perpetuating the current international legal arrangements risks hastening an exploding pressure cooker.

When old powers rely on preserving the existing rules, it is just as dangerous, if not more so, for the world than the actions of others who evade or seek to rewrite those rules. This is why contemporary globalists are as much a threat to world peace as those they condemn as old-fashioned economic nationalists. When incumbents use their privileged positions to try to preserve the status quo at the expense of frustrating their challengers, this makes for a potentially explosive international environment.

This unwise stance appears so popular among elites because it reflects their deep attachment to the status quo. Political elites no longer promote alternative visions for the future. This doesn't only represent a loss of imagination – it also reveals an unfortunate loss of belief in the capacity of people, and their free democratic nations, to act responsibly. Having given up on

political deliberation, rule-following has become a substitute for prudence and for new thinking.

This is far removed from Immanuel Kant's outline of the path to world order in his influential essay on perpetual peace. Writing at the end of the 18th century, Kant explained that he rejected relying on international law, on the grounds that law was an apologia for power. Instead, he argued that the cause of world peace could only be based securely on freedom and reason. Kant was confident that humanity not only possessed reason but also that we would ultimately be guided by it.

Today's globalists have lost faith in reason guiding people's actions. Their disregard for democracy was revealed starkly in 2016, when they openly showed their contempt for the British people who voted to leave the European Union and for the American people who elected Donald Trump. The globalist indifference to respecting democratic decision-making rests on their disavowal of the efficacy of human agency.

This also informs the fatalism behind the modern perspective on globalisation. It is said that we inhabit a world determined by global market forces over which we can have little influence. This is to see globalisation as an objective force that appears almost impervious to human will and action, and it informs the most critical and far-reaching of the globalist tenets: that *national policymaking* has become much less effective, verging on being redundant. Instead, we are increasingly at the whim of impersonal, autonomous global forces.

**Globalism's fatalism is self-reproducing. It apparently determines that democracy is unable to operate, thereby determining that people have no way of exercising control over globalisation**

Take, for instance, this 2007 statement from Alan Greenspan, the then recently retired chairman of the US Federal Reserve, who was asked by a Swiss newspaper who the next president of the United States might be. 'We are fortunate', he replied, 'that, thanks to globalisation, policy decisions in the US have been largely replaced by global market forces... it hardly makes any difference who will be the next president. The world is governed by market forces.' (1)

This sums up the most important political corollary of the belief in ascendant globalisation: that the theory and practice of national sovereignty and the nation state is undermined by a world in the process of rapid change. But without the nation state, we have no working vehicle

for popular sovereignty. Globalism's fatalism becomes self-reproducing. Globalisation is thought to determine that democracy is unable to operate, thereby determining that people have no way of exercising control over the unfolding of globalisation.

A globalist like Greenspan belittling democracy is not incidental. An antipathy to politics, and especially to mass politics, has been an ever-present feature since globalism's intellectual origins in the 1920s and 1930s. It is poignant that this historical period up to the present itself offers many illustrations that globalisation is not a natural process. Today's interconnected world has been shaped over those decades, especially since the Second World War, by an alliance of politicians, other elites and experts, including the likes of Greenspan himself. Globalisation cannot legitimately be presented as a self-driven phenomenon divorced from politics.

### **The rule of rules**

Globalisation, in short, refers to the belief that the world – economically, politically and ecologically – is shrinking fast in its social and physical dimensions. But what do we mean by 'globalism' and 'globalists'? Who are they?

Some describe globalists as the 'Davos crowd', the people who gather in Switzerland every January at the annual meetings of the World Economic Forum. Many fly in by private jet or helicopter to signify they are the *crème de la crème* of the global elite. But the globalists are much broader than Davos attendees.

They include those who lead large corporations and run international institutions such as the World Trade Organisation (WTO), the International Monetary Fund (IMF) or the EU. But, tellingly, they also include most of the people running the West's *national* official organisations and state institutions. Prominent over the past couple of decades, and even more so since the financial crisis, are the leaders of the supposedly 'independent' central banks – it is telling that Greenspan, who believes the world is governed by impersonal market forces, thought it worth more than two decades of his life to lead the US one.

Globalism, in turn, describes the dominant perspective of the postwar Western political and business establishment. We have already touched on its attachment to rules. In fact, the defining globalist ethos can be summed up as a '*devotion to a world of rules*'. Many globalists illustrate

their 'liberal' credentials much more through their affinity to rules than through actively pursuing liberty and freedom.

John Ikenberry, a globalist political scientist and apologist for US domination, summed this up with his claim that Americans are less interested in ruling the world than in 'creating a world of rules' (2). Similarly, in his acclaimed review of the financial crisis, historian Adam Tooze wrote that the crisis had exposed globalisation as resting upon rules. In querying the conventional view of globalisation as a 'quasi-natural process', Tooze pointed to the deeper convention of a rules-based regime. Globalisation is really 'an institution, an artefact of deliberate political and legal construction' (3).

Of course, devotion to rules does not mean globalist politicians always adhere to them. Globalist governments, especially in powerful countries, have been known to break them with relative equanimity when their national circumstances require it. The US, for instance, regularly violated the rules that it claimed to uphold, as it conducted unauthorised military interventions and covert operations overseas.

And the European Commission treats larger states that break its budget rules much more leniently than other smaller ones. For example, Germany and France, among many other EU countries, have frequently broken the EU's stability and growth pact rule to limit public deficits to three per cent of GDP without being meaningfully sanctioned.

While formally governing by rules has been the globalist norm since the Second World War, it did not start then. The interwar desire by Britain, France, Germany and other developed countries to return to the prewar gold standard expressed the desire by politicians to be able to follow rules. Although rejoining the gold standard subsequently became regarded as a big mistake, in tune with Keynes' famous critique, in the immediate postwar years returning was a mostly uncontentious goal. By the end of 1925, 35 currencies worldwide were either officially convertible into gold or had been stabilised for at least a year. The return to the gold standard was seen as pursuing a rule that, in effect, had only been 'suspended' because of the emergency contingent circumstances of war.

Re-adoption of the standard was thought to impose some necessary political 'discipline' through binding fiscal and monetary policy actions. In this spirit, Montagu Norman, the

governor of the Bank of England, saw the return to gold as ‘knaveproof’. A common adherence to the gold standard by developed countries created a *de facto* international rule.

It is pertinent for an appreciation of the significance of rules today that the essence of the gold-standard rule was a domestic commitment mechanism. Alignment limited discretionary state policies at home. It tied the hands of government, thereby shielding the political class from democratic pressures to abandon ‘hard-money’ deflationary policies. In fact, the breakdown of the gold standard in 1914 has been partly attributed to the rise of democracy, because it was the newly enfranchised masses who suffered the most from the domestic austerity measures taken to maintain adherence to the rule.

In retrospect, it was easier to see that the overvalued return to the gold-standard rule caused much economic and social damage during the interwar period in Britain and elsewhere. And a stubborn adherence to following rules ultimately contributed to the tensions that resulted in the resumption of global conflict in 1939. Nevertheless, this lesson was not learned. In the aftermath of the Second World War bloodbath, efforts were redoubled to try to govern through an organised regime. Now we turn to assess an increasingly forthright feature of the globalist school: its promotion of the rule of law.

### **The malleable ‘rule of law’**

Globalists often define liberalism as supporting the ‘rule of law’. However, the meaning of this term is probably ‘less clear today than ever before’ (4). Moreover, a leader of the critical-legal-studies movement has suggested that, through elevating procedural justice, appealing to the ‘rule of law’ enables the powerful to ‘manipulate its forms to their own advantage’ (5). We should be aware of this suppleness when we hear the term ‘rule of law’ used so often in globalist statements. It is therefore important to assess the phrase within the context in which it is used.

Historically, there is no doubt that the rule of law was a crucial element in the spread of liberty and freedom. This juridical view of freedom was well captured by the eminent interwar Supreme Court Justice, Louis Brandeis. He observed that ‘the history of liberty is to a large extent the history of procedural observances’.

The key feature of the traditional ‘rule of law’ principle was that everyone is equal before the law. Officials as well as ordinary citizens should be subject to its dictates. Nobody – even the richest business person or top politician – should be ‘above the law’. In this application, the

rule of law provides a vital guard against the arbitrary exercise of power. In the past it has certainly helped to promote a healthy scepticism towards the rulers by those ruled.

The idea of the rule of law originated in Ancient Athens. *Nomos* (the primacy of law) took over from *physis* (nature) as a better way of ordering society. Under Athenian democracy, every citizen, regardless of wealth and power, was equal under the law. Representing the poor of their time, Athenian sailors in the agora argued for the law to protect the masses against the whims of the wealthy and powerful.

**With the spread of mass suffrage in the 20th century, the idea of putting constraints on what the rulers could do has turned into putting constraints on what governments accountable to the people could do**

The concept of the rule of law was also adopted during the Roman Republic. In the early years of the republic, only the elite of Rome knew what the laws were, which obviously favored the aristocracy. In 450 BC, after about 50 years of the republic, this particular flaw was rectified. Roman laws were written down for the first time as the 'Twelve Tables', so that everyone could know the law. Making the laws public gave parity to everyone, enabling the law to treat all people equally.

The rule of law principle was reintroduced in modern times through Britain's Glorious Revolution of 1688. This removed the 'divine' rights of kings and the political privileges of the aristocrats. Instead, political power could only be exercised according to procedures and constraints prescribed by publicly known laws. This rule of law positively required all persons, including governmental officials, to obey the laws and to be held accountable through the courts if they did not. Moreover, the laws could be changed only through constitutional procedures and could not be nullified or overridden by individual fiat.

This approach still provides an important protection against oligarchy and despotism, and allows for the defence of minority rights. However, that liberal essence of the rule of law has been increasingly eroded over the past century, and especially since the 1970s. Instead the 'rule of law' and the judicial system have been turned into a vehicle for some very illiberal and undemocratic actions in flouting the wishes of the people.

No doubt many globalists will disagree with this view. However, it is probably less controversial when seen in the context of the colonies or neo-colonies. John Sydenham

Furnivall was a British colonial administrator in Burma for 30 years, until the early 1930s, when he left to become a scholar critical of Western imperial policies. Dubbed as a ‘reluctant imperialist’, he challenged the then conventional view that economic development was the precondition for self-government and democracy in colonised territories. He argued the reverse: begin with autonomy, and social and economic development would follow.

Reflecting his pro-democratic perspective, Furnivall argued that the ‘rule of law’ imposed by Western powers on their colonies was mostly designed simply to promote commerce (6). He explained how this version of the ‘rule of law’, far from empowering and uniting people, merely expanded commerce at the expense of the social and political integrity of colonial society. In the aftermath of the Second World War, when genuine Third World autonomy was clearly absent, Furnivall’s claim was hard to dispute.

So the appeal to the ‘rule of law’ should not be regarded as a universal good. It needs to be assessed within its specific social and political circumstances. Consider one definition of liberalism suggested by the political scientist Francis Fukuyama. He said liberalism means having ‘generally accepted rules that put clear limits on the way that the [nation] state can exercise power’ (7). This does not sound objectionable.

However, the emphasis on ‘clear limits’ contains the potential for counterposing the ‘rule of law’ to rule by popular democratic will. Which is what happened with the spread of mass suffrage in the 20th century, when the idea of putting constraints and limits on what the rulers could do has turned into putting constraints and limits on what governments accountable to the people could do. The meaning of the rule *of* law has shifted, giving it precedence over rule *by* law – lawmaking that is politically accountable to ordinary people.

In the 1930s, US President Franklin D Roosevelt came up against this potential judicial block to liberal democracy. He and his Democratic Party had been elected in 1932 with a mandate to implement measures to combat the effects of the Great Depression. The Supreme Court, however, ruled against some of the New Deal measures as being ‘unconstitutional’, and only narrowly endorsed others by a five-to-four split decision.

After being re-elected in 1936 with an even larger majority, Roosevelt charged the Supreme Court as having been ‘acting not as a judicial body, but as a policymaking one’. His proposed remedy of replacing Supreme Court justices could not get legislative approval – another part

of the American ‘checks and balances’ – but through his electoral mandate he was seen to have won on the principle. The Supreme Court felt compelled to back down and approve his earlier New Deal policies.

**The responsibility of governments to act on their electoral mandates is devalued by insisting on their overriding responsibility to the rule of law**

Roosevelt’s clash with the courts in the 1930s anticipated the anti-democratic tendencies in the post-1945 evolution of the rule of law. By appealing to the sanctity of the ‘rule of law’, juridified institutions can see themselves as justified in overruling the wishes of the people expressed through popular votes and elections. The responsibility of governments to act on their electoral mandates is devalued by insisting on their overriding responsibility to the rule of law.

Look at this typical formulation from the then United Nations secretary-general, Kofi Annan, who, earlier this millenium, defended ‘a principle of governance in which all persons, institutions and entities, public and private, including the state itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human-rights norms and standards’. Again, on the surface, this does not sound overtly undemocratic.

The institutions of government *should* be bound by the rule of law. Governments should not be free to flout laws that apply to others. But another essential democratic principle is that governments should be accountable to their electorate. The laws to be followed should be those that the people agree with. If enough do not vote for them or subsequently disagree with them, they can replace the government and change the laws at the next election.

This relationship is at best blurred, or even subverted, when non-elected UN officials assert that the law they want to be followed by governments has to be in accord with certain ‘international’ standards. When those often vague and imprecise international ‘norms and standards’ are given an effective veto over domestic legislation, people’s decision-making capacities are being overridden in principle, even if not always in practice.

Moreover, this perspective on the rule of law, where government actions need to meet certain internationally set criteria, has already legitimated international intervention in the affairs of sovereign states. Many nations have been invaded because of claims they were in breach of the law, including in recent times Somalia, Serbia, Iraq, Libya and Syria. As the historian Mark



Mazower observed, the appeal to law has become a ‘vocabulary of permissions, a means of asserting power and control that normalises the debatable and justifies the exception’ (8).

The increasing use of the rule of law to validate the erosion of national sovereignty is part of the broader reimagining of the postwar international order, insofar as postwar international institutions are increasingly attributed authority *over* national governments. Their elevation above popular sovereignty endows them with a hallowed and almost enchanted power.

Public responses from many globalists to Trump’s well-known disregard and hostility to these organisations have made such opinions more explicit. A collection of international-relations scholars argued for preserving the existing international order against some of Trump’s anti-globalist outbursts in a statement published in the *New York Times* (27 July 2018). They claimed that the UN, NATO, the WTO, the EU and other postwar institutions have provided ‘economic stability’ and ‘international security’, and had brought about ‘unprecedented levels of prosperity’ and the ‘longest period in modern history without war between major powers’. Giving so much clout to international institutions turns a wish into a false reality.

We can never know if ‘peace’, in the sense of avoiding war between the major nations since 1945, would have happened without these institutions because there is only one history. However, these institutions ultimately only express the forces and pressures of the nations that make them up. In themselves, the institutions cannot do anything when powerful member states ignore them. The League of Nations, for instance, ‘failed’ to prevent the Second World War, not because of some institutional defect, but because capitalist nations were on a collision course moulded by the economic and geopolitical conflicts of the time. The League of Nations was powerless to prevent these.

Another international-relations expert, Stephen Walt from Harvard, not only declined to sign that *New York Times* statement, he also challenged its assumptions. He [explained](#) that these institutions were set up in a different era from the present. Most, he suggested, were no longer appropriate for today’s world. Walt cautioned that nostalgia for a past that never existed would not help to address contemporary issues. The ‘so-called liberal order’ was not quite the nirvana that people now imagine it was.

Walt showed this was never a fully *global* order. There was also an ‘awful lot of illiberal behaviour’ going on, even by countries and leaders who constantly proclaimed ‘liberal values’. The US, he reminded his colleagues, has propped up plenty of authoritarian illiberal rulers

throughout the Cold War (and has continued to do so since). A more recent disdain for international rules came when the US led the invasion of Iraq in 2003 without UN approval. White House administrations have not hesitated to break the rules of the liberal order in order to follow their national interests. This is what happened when the US unilaterally dismantled the Bretton Woods currency exchange system in 1971, because it could no longer follow the rules it had earlier approved. Domestic interests simply assumed greater importance for the US than continuing its core commitment to the international monetary system.

Walt went on to point out that some of the institutions being defended today are actually a source of the trouble we face. He gave the example of NATO. Established in a different era to coordinate Western military power during the Cold War, Walt said that, since the end of the Cold War, NATO has turned into a disruptive force. Its pursuit of an ‘open-ended and ill-conceived eastward expansion’ has rekindled international tensions, not assuaged them.

Endowing these institutions with a supreme power is not only misleading – it is also corrosive to democracy. Promoting unelected international institutional authority undermines *accountable* national authority. Citizens’ diminished role in decision-making is reinforced when we are told that international organisations are the real peacemakers and the true engineers of prosperity. The supposed omnipotence of these bodies gives them an almost holy status. This is why just criticising them can appear sacrilegious to some globalists.

### **Anti-nation state, but not anti-statist**

Globalism is often perceived as a natural corollary to a more globalised economy. It seems likely that the growing interdependence of national economies since the late 19th century was a necessary basis for the emergence of globalism. But it was not a sufficient one. How did its ideas become so powerful?

Returning to Greenspan’s statement from 2007, three points are pertinent. First, it captures the fatalist ethos of globalism: ‘It hardly makes any difference who will be the next president. The world is governed by market forces.’ The implication is that since nation states do not control anything, there is little we can do to influence things by voting. It is the market that determines our circumstances.

Second, the statement is especially significant because of who made it. Until his retirement a few months earlier, Greenspan had been regularly feted as ‘the most powerful man in the world’. He was speaking before the financial crisis hit, when his reputation, and that of central bankers generally, became somewhat tarnished. We have the irony of the former leader of the world’s most powerful central bank highlighting *powerlessness* in the face of globalisation. That counter-position, between the establishment’s levers of real power and the claim of impotence, is not an incidental paradox of globalism: it is intrinsic to it.

And third, Greenspan’s Central European heritage is not unimportant to the history of globalism, even if, in his case, he is a second-generation exponent.

Greenspan was born in New York in the 1920s, living first in its Washington Heights district. This was known at the time as ‘Frankfurt on the Hudson’, because of its large number of Jewish immigrants from Germany. His parents were actually of Central European descent: his father Romanian, his mother Hungarian. Greenspan’s lineage is relevant because of the important influence of classic neoliberalism on the development of globalist thinking.

Two narratives about globalism can be read into Greenspan’s statement. The standard and most popular narrative is of globalism as the twin of ‘neoliberalism’, expressing the ‘market fundamentalist’ view that state intervention is bad for the economy. The government interferes too much with the self-regulating power of free markets and therefore undermines prosperity. This perspective explains why Greenspan regarded it as ‘fortunate’ that globalisation was rendering national government redundant. We call this the ‘anti-state’ narrative.

### **What globalists are really hostile to is not the state, but politics**

An alternative narrative is actually much more germane: a ‘beyond politics’ narrative – specifically a ‘beyond mass politics’ narrative. Greenspan’s statement incorporates the conventional presumption that the West has reached the ‘end of politics’. This presumes that politics has lost its efficacy in the face of global forces. As a result, making policies, especially economic policies, is now pretty irrelevant if not detrimental, because everything is driven and determined by the impersonal force of globalisation.

The American historian Quinn Slobodian explained this ‘beyond politics’ narrative in his excellent book, *Globalists: The End of Empire and the Birth of Neoliberalism* (2018). Slobodian nicely characterised globalism as the belief that ‘politics had moved to the passive

tense'. The only actor remaining was the 'global economy'. This second narrative highlights the centrality and dominance of the contemporary denial of human agency.

The standard anti-state narrative is actually misleading. Globalists are not really against the state. Globalists, within their various national and international institutions, do not go to work in the morning to put their feet up all day and do nothing in their supposed aversion to state activity. What they are really hostile to is not the state, but politics.

Globalists worry about unruly, disruptive and possibly irrational politicians who engage in activities that break from their liberal model. This also means they are suspicious of democracy itself, because they assume the masses are not all as rational and clear-sighted as they are. Instead, ordinary people are susceptible to being swayed, misled or duped into electing 'unruly, disruptive and possibly irrational politicians'.

Even the openly self-declared neoliberals among the globalists are not against state activism as such. Certainly, they will often denounce planning and the state control of business. But underlying this, they are even more concerned about what they see as the *destabilising* impact of politics. In particular, they criticise what they call 'discretionary politics'. These are political policies they think interfere with the free operation of spontaneous market forces. Nevertheless, they are quite open to the state that helps fulfill their ideal of a free-from-politics market order. For instance, Lionel Robbins, one of Britain's leading neoliberal economists of the 20th century, sympathised with the emphasis on the classical liberal conception of national order based on a strong and energetic state. Increasingly, from the 1930s, he suggested the same principle of a strong, energetic state should also apply on an international scale, in some form of federal authority.

Similarly, the ardent neoliberal Friedrich Hayek, in his 1979 book *Law, Legislation and Liberty*, explicitly rejected the mischaracterisation that he was an advocate of a 'minimal state'. He argued that it was 'unquestionable that in an advanced society government ought to use its power of raising funds by taxation to provide a number of services which for various reasons cannot be provided, or cannot be provided adequately, by the market'. This is hardly a manifesto for small-state globalism.

Coincidentally, Hayek published this denial of being an anti-state purist around the same time that a new British prime minister, Margaret Thatcher, was telling her cabinet colleagues that Hayek's 1944 book *The Road to Serfdom* should be compulsory reading. Despite her free-

market reputation, given the expansion, rather than contraction, of the state during her premiership, the obituary for Thatcher in *The Economist* (8 April 2013) was appropriate. This mouthpiece of free-market globalism claimed that the essence of Thatcherism was ‘a strong state’ *alongside* her commitment to a ‘free economy’.

In a Chilean newspaper interview given during General Pinochet’s continuing military dictatorship, Hayek reinforced his perspective:

*‘When a government is in a situation of rupture, and there are no recognised rules, rules have to be created in order to say what can be done and what cannot. In such circumstances it is practically inevitable for someone to have almost absolute powers... It may seem a contradiction that it is I of all people who am saying this, I who plead for limiting government’s powers in people’s lives and maintain that many of our problems are due, precisely, to too much government.*

*‘However, when I refer to this dictatorial power, I am talking of a transitional period, solely. As a means of establishing a stable democracy and liberty, clean of impurities. This is the only way I can justify it – and recommend it.’ (9)*

Temporary or not, Hayek is explicit in supporting a strong, even authoritarian state, to set the rules. Neoliberalism’s most famous figure, therefore, was no ‘minimal statist’.

When globalists allude to being anti-state they are really expressing their opposition to the *nation state*, rather than state intervention per se. Moreover, when they are critical of the nation state, they are not even really against the ‘nation’ as an existing political entity. Rather, they are mostly against the idea of political nationhood and of nationalism.

Most globalists within today’s Western elites feel politically and culturally estranged from their own national institutions. This can make them inconsistent in pursuit of national interests, even doubtful about them. Elites find it easier to get things done through international networks because they are already increasingly detached from the lives and outlooks of the ordinary citizens at home.

**Above all, globalists are united by a yearning for a world insulated from popular democracy and accountability**

Politicised nations are suspect to them because of their intrinsic association with the ordinary people of that nation. Their underlying concern is how common people, many of whom do not share their advanced thinking, can influence what the state does through the democratic

process. And since democracy only exists in the national form, this concern underpins their belittling of the ‘nation state’.

It is therefore a misleading caricature to claim that globalists seek a ‘borderless’ world, or a ‘zero-state’ society. A few do, but what really unites them is a yearning for a world insulated from popular democracy and accountability. States remain important but they are thought to operate best through the actions delegated to expert bureaucrats and regulators, not accountable legislators and politicians.

This is what drives the constitutionalist and legalist impulse within globalism – it seeks to constrain national economic policymaking by rules-based disciplines. The legal regulation of commerce is removed from domestic democratic controls in favour of following rules that limit legislative autonomy. Legalism is a way for politicians to try to absolve themselves of responsibility when things go wrong: ‘We were only following the rules.’

Following rules is a way to avoid having to exercise judgement. In this manner, rules complement the depoliticising implications of globalisation theories. If global forces denude the nation state, adherence to the rules provides a modest fig leaf for practical governing.

In a special report on the changing role of the state in 1997, the World Bank summed up mainstream thinking when it called for both domestic and international restraints on governments (10). The report asserted that it is now ‘generally accepted’ that some areas of public decision-making require ‘insulation from political pressure’. It wasn’t clear by whom this was ‘generally accepted’. No doubt among globalists, rather than among the people who are being insulated against.

In this spirit, the World Bank suggested countries strengthen ‘formal instruments of restraint’ through an effective separation of powers and ‘judicial independence’ (11). It spelt out that in the ‘technical and often sensitive area of economic management’, some protection of decision-making from the pressure of political lobbies was ‘desirable’ (12).

This proposal for shielding economic policymaking from democratic influences expressed not the ‘retreat of the state’, but the aspiration for a more ‘effective’ state through a ‘redefinition of global governance’. For the World Bank *‘reinvigorating public institutions’* means designing effective rules and restraints to check ‘arbitrary’ state actions (13).

‘Reinvigorating’ sounds a positive notion, but it implies restraining the public’s control. The World Bank didn’t hold back from this interpretation in practice. In the early 1980s, it applauded the Pinochet military regime in Chile for its regulatory reforms of the telecommunications industry.

Globalism, then, as an outlook, is informed not by borderlessness, or even anti-statism. Rather, at its rule-bound heart is an aversion to democracy and the national form in which it is exercised.

**Phil Mullan**’s latest book, *[Creative Destruction: How to Start an Economic Renaissance](#)*, is published by Policy Press.

Phil will be discussing ‘What is neoliberalism?’ at the Leeds Salon on 23 May. Book your tickets [here](#).

(1) Quoted in *Buying Time: The Delayed Crisis of Democratic Capitalism*, by Wolfgang Streeck, Verso, 2014, p213

(2) ‘Illusions of Empire: Defining the New American Order’, by John Ikenberry, *Foreign Affairs*, March/April 2004

(3) *Crashed: How a Decade of Financial Crises Changed the World*, by Adam Tooze, Allen Lane, 2018, p575

(4) “‘The Rule of Law’ as a Concept in Constitutional Discourse’, by Richard Fallon, *Columbia Law Review*, Vol 97, 1997, p97

(5) ‘The Rule of Law: An Unqualified Human Good?’, by Morton Horwitz, *Yale Law Journal*, vol 86, 1977, pp561, 566

(6) *Colonial Policy and Practice: A Comparative Study of Burma and Netherlands India*, by John Furnivall, Cambridge University Press, 1948

(7) ‘On Why Liberal Democracy Is In Trouble’, by Francis Fukuyama, National Public Radio, Morning Edition, 4 April 2017

(8) *Governing the World: The History of an Idea*, Mark Mazower, Penguin, 2013, p 404

(9) ‘Friedrich Hayek: An interview’, *El Mercurio*, 12 April 1981

(10) *World Development Report 1997: The State in a Changing World*, World Bank, 1997

(11) Ibid, pp109, 117

(12) Ibid, pp8, 116-17

(13) Ibid, p3