

Our present psychological climate

Some historians talk of a "second Cold War" beginning about thirty years ago, a period marked by increased tension between the blocs on the two sides of the iron curtain. The latest proxy war (in a so-called 'cold' war) was Afghanistan – Soviet involvement in this country sparked US military aid to the Mujahedin. The cost of the war in Afghanistan and the ensuing intensification of the arms race eventually led to the demise of the USSR. Ten years on Bush Senior and Gorbachev declared the Cold War to be over and the USSR dissolved in the following years. I watched the fall of the Berlin Wall on TV with my parents. Not old enough to understand the significance of this event what I remember best is their sense of joy and disbelief. The fear of global destruction they had experienced throughout their lives now seemed to give way to optimism. There followed much talk of a phenomenon known as 'globalisation', which was going to integrate the peoples of the world into a 'global village'. There was even talk of an 'end of history' with capitalism as the only model left for social organisation.

But the disbelief my parents felt watching the Berlin Wall crumble was only too real. Afghanistan was not the only place where Muslim peoples revolted against foreign domination. In Iran the Shah was ousted in 1979 (he gained power in a CIA-backed coup in 1953 which saw the overthrow of the democratically elected administration of Mossadeq). Relations between the Islamic government of Ayatollah Khomeini and the United States were hostile from the onset, and the US government supported Saddam Hussein in the Iran-Iraq War; a disaster of a war in which hundreds of thousands died – sometimes in the terrible anguish caused by chemical warfare. Ironically, this support turned into direct opposition only a few years later in 'the Gulf War' ('the Second Persian Gulf War' in relation to the Iran-Iraq War, or 'the First Gulf War' in relation to the 2003 invasion of Iraq). The hostility between 'Muslim' peoples and 'the West' continued to build and reinforce itself so that by the time of the trial of Saddam Hussein, the previously secular dictator had apparently turned into a devout Muslim. This conflict was different to the 'conventional' Cold War, the battlefield could not be limited to proxy states (or any 'Axis of Evil'), and the 'enemy' didn't wear a uniform. The 'green threat' quickly replaced the 'red threat' after the Cold War was declared to be over.

The atrocious events on September 11th, 2001, brought with them fragmentation and new pictures of pictures. The 'War on Terror' was the ultimate division of the world into 'them' and 'us' – and you have to choose sides. Your choice defines who you are. Who are they? Terrorists, fanatics, uncivilised and irrational people, 'unpeople' who are driven by sheer lunacy. *Who are we fighting?* It is telling that 'we' have supported two of the main enemies in the War on Terror at different times in recent history. When Osama bin Laden was fighting the Communists in Afghanistan *he was us*. When Saddam Hussein was making war against the Iranians *we shook his hand*. But besides these figureheads our enemy is undefined, it is 'Al Qaida' or various 'terrorist cells' who live in caves or underground. 'They' could be anyone. Immediately after the 9/11 attacks the administration in Washington was without a clue as to who had perpetrated these horrific acts. Soon afterwards headlines of one Osama bin Laden and the terrorist network 'Al Qaida' circulated news around the world. Two disastrous wars down the line bin Laden has not been found and Al Qaida is recruiting more warriors than before.

No doubt the Bush Jr. administration believed their own story and no doubt the peoples who have been involved on either side of the dividing line get attacked and suffer tremendously. That is the concrete reality of these pictures. The point is that by creating these picture of pictures, the 'us' and 'them' is continually being reinforced, we are actively *creating* the enemy in our own image. We know who *we* are when we reflect in 'them' because we are *not* 'them', we are the opposite. Reasonable, civilised, rational

people, minding our own business, working hard and drinking tea. The 'war' is intensified and will continue to intensify as long as the demonisation of the 'terrorists' and the 'infidels' continue to rule our discourse. As long as there is no ground on which to conceive of a 'we' that reach beyond stereotypes there will be conflict. A realistic assessment of who we are that accurately describes the pictures against which we make collective decisions is the starting point for any real progress towards an end to conflict. But the perception of an external threat makes it easier for policy makers to justify the structural injustices that exist in any nation (imagine what could be done with just a fraction of the money we spend on weapons every year). And this points to an underlying problem with most policy-making: it does not see an end to conflict as the goal itself. Whenever policy is driven by feelings aroused by false pictures of pictures it is bound to be based on illusion. To be irrational.

It might appear that the world is just as divided as it was thirty years ago – I do not know and I can't make such judgement as I did not live through the Cold War. It seems, however, like our ability to identify with our immediate environment have been eroded in many ways. The unifying force of grand ideas of nationalism, socialism, or even smaller, more local 'isms' no longer look quite so strong. What has happened to these identities? Another defining event on a thirty year horizon could be the election of Margaret Thatcher as prime minister in the UK. Her period in office, along with that of the Reagan administration, saw the dissemination the credo of neoliberalism in governing circles on both national and international levels. There will be arguments about the validity and benefits of the prevailing economic and political ideas as long as there is society – this enquiry takes place outside these arguments and these words should not be placed on the side of any argument. Here we simply attempt to discern the main trends over the last thirty years in order to understand the pictures of pictures that guide our lives in organised society.

Broadly speaking, neoliberalism is the idea that control of the economy should be transferred from government to the private sector. It is connected with the ideas of monetarism, which succeeded Keynesian economics in the wake of the collapse of the fixed exchange rate regime of the Bretton Woods system in 1971-3. This extends beyond the time span of our present enquiry and we only note this historical connection. It is important, however, because it reminds us that 'conventional wisdom', economic and political, can change quickly. The political project of neoliberalism was marked by extensive financial liberalisation, privatisation and deregulation. Consequently public debts grew and governments relied on increased consumption and investment for economic 'growth'. The Thatcher and Reagan administrations were able to establish these new economic paradigms in the international context through influence on institutions like the International Monetary Fund (IMF) and the World Bank (WB). (The Structural Adjustment Programmes (SAPs) that have imposed social hardship on millions of people in poorer countries taking loans with the these institutions were a result of such economic thinking.) Although the underlying ideology of neoliberalism have given way to pragmatism, the policies pursued in Great Britain and the US in the eighties have continued much the same under successive governments and have become standard for any government seeking economic 'growth'.

The social and structural changes caused by neoliberalism are profound on both national and international scales. It has created a vast increase of wealth as witnessed by increasing GDP in many countries – the accumulated global 'wealth' seems higher each year. Some of us experience this increase in wealth as a larger sum of money available to us each month (sometimes the economists tell us to go and spend them, sometimes they worry about 'overheating' from too much consumption). The picture of larger and larger GDPs goes hand in hand with other developments: advancing technology, extended trade and

investment, increasing prosperity. These pictures are the stated reasons why policies are pursued in the first place. But the picture of bigger GDP also hides an awful lot of other stories. One is that the world economy has come to rely on financial markets which are dominated by speculation and short-term investments. They can easily destabilise national economies, create recessions, and in the worst case rapid crises when creditors 'lose confidence' in their securities. In this way they have also gained a significant influence on economic decision makers who must pursue 'credible' policies as the cost of non-compliance is very high. The money markets develop according to what the individual investor expects everyone else to expect so policy makers need to send clear-cut signals in the competition to attract investments. Policy thus becomes dominated by simple slogans and these slogans (pictures of pictures) have very real social consequences [This was written before the depth of the 2008 financial crisis became apparent. The 'credit crunch' shows just how much power the financial markets assert and also serves as an example of how rapidly conventional wisdom is turned on its head to accommodate the capital markets.]

Unfortunately increased GDP does not translate directly into increases in human well being, and it comes at the cost of the 'natural resources' on which it depends. There are profound structural problems with the current global economic system. The last thirty years have also been a period of an increasing divide between rich and poor, and we can be fairly certain that this divide does not come from a *lack* of trade liberalisation (as proponents of 'free-trade' assert) because trade has been extensively liberalised in the last decades. The increases in GDP are distributed such that it is the richer strata of society that profits while the economically poor sees little benefit. Further, the global economy is structured in such a way that increased economic wealth is directly related to large scale destruction of the environment. Although some economists are undertaking the impossible task of calculating and internalising the cost of pollution or destruction of habitats, our global economy is destroying ecosystems at an increasing speed. Excessive fishing, farming, logging and burning of fossil fuels are taking their toll. Ecosystems and species are disappearing at a rate which biologists term 'mass extinction' and that equal any ecological disaster in Earth's history (including the disappearance of the dinosaurs). There are a good deal of stories about the costs of our current global economy we do not hear or think about. The last I will mention here is that the basic tenet of our societies appears compromised; democracy cannot thrive where decisions concerning our economic conditions are left to a small circle of 'experts' and professional politicians. This dependency on experts and distancing of decision-making powers is likely to eat at our sense of community and undermine our capacity to act as responsible citizens on our local and global society.