

# Development Under the Threat of War in the Arab World

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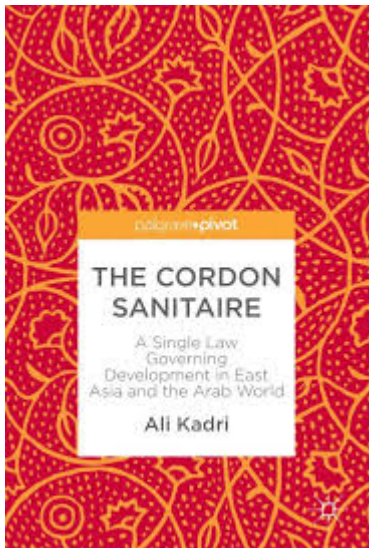
Region: [Middle East & North Africa](#)

Theme: [History](#)

*“A State in the grip of neo-colonialism is not master of its own destiny. It is this factor which makes neo-colonialism such a serious threat to world peace.”<sup>[1]</sup> – Kwame Nkrumah*

On any indicator one wishes to use, mainstream or alternative, there is a development crisis in the Arab world.

We must understand this crisis as an outcome of the ways this region is woven into the global economy. The oil and war economies, the destruction and waste side of capital accumulation, are the main channels by which the region is articulated with the global market. Waste and militarism are principal elements in an accumulation regime that produces value by consuming not only the value of labor-power, but also the value inherent in human lives. Accumulation by waste, realized through encroachment wars and environmental degradation, is constant under capitalism.



Capitalism as a historical stage is not solely about the production of trousers, laptops and chewing gum, things whose consumption satisfies social needs. It is also, in great part, about the production of waste and harmful things like bombs. Capitalism differs from past modes of production. It is a predominantly a market economy in which the production of waste itself is at the same time intrinsic to capital and alienated from social control. Waste, its war side, does not serve a function that resolves a problem facing society, it serves its own end and, more pertinently, it is itself a domain of accumulation. It is this negative dialectic that steadies the rate of capital accumulation, not only because it metabolizes socially necessary labor time at a higher rate, but also because it redresses real and ideological power balances at the level of the labor process and the state, which in turn ascertain the rule of capital.

This negative dialectic, the barbaric side of capital, begins the moment labor-power sells as a commodity – this point is said to be Marx’s greatest discovery. The reproduction of such commodity (labor-power), which is itself value, entails the consumption or the setting aside of the sources of such value. People are the sources of value stored/delivered in and through labor power. Humans are both subject and object of value: they produce commodities and are consumed by the things they produce: dying in wars is the extreme example. In this loop, the production of labor power, including its reproduction, is the first and last stage of realization in the cycle of value formation.

Just because value formation is an unending cyclical process, where one begins or ends to assess the accounts of surplus value becomes a choice that answers to ideological inclination. Measuring value in terms of Western devised dollar-productivity and dollar-price value forms is never innocent. Power, the colonialism of the past and the many US military bases of today, decides the value of the dollar. To measure value in terms of dollars, without quantifying the dimension of power and the commodities serving as inputs and/or produced by waste and militarism, shortchanges the third world.

It makes Arabs and Africans trivial in value terms to global accumulation because they do not possess the ‘right machines.’ Apart from the difficulty of segregating absolute from relative surplus value, or in pinpointing whose class values the demarcation between productive/unproductive labor or absolute/relative surplus value serves, one must posit that value is first and a social and a historical relationship. The assessment of historical surplus value, as per Abdel Malik (1981), becomes identified with a production cycle that roughly begins in the long sixteenth century.

Whereas the globe has long been a single factory, limiting our understanding to what is abstract and concrete to developments in the western factory and its machines, omits war as a domain of accumulation, a sphere of production and simultaneously, as a manifestation of the class struggle. Value theory does not explain everything, and no theory does. However, what to include in it and what to leave out, must obey the method of ascent from the abstract to the concrete in Marx.

How private labor, the abstract category transforms into social labor, the concrete category, is not an issue of ideas auto-negating in logical space, it is about the mediation of the very object of study, that is labor, as it proletarianizes by the class struggle. Such incident is global, and therefore the concrete category of value as value relationship is also global, as in the world becomes a single factory blighted by the production of waste.

Illustratively, as the sale of chewing gum in the metropolis of empire dwindles (civil-end use commodity realization), the tendency to bomb rises not only to realize the bomb itself, but also to realize the lives of humans. Capital regulates the production of labor-power by measures of depopulation. Formulaically, the more the civilian-end use commodity realization falters, the more one witnesses production by means of waste and imperialist wars; hence, the distinctive feature of the permanence of war under capitalism.

Just as in any production process, waste *qua* militarism realizes a commodity as an object and reconstitutes the subject. It consumes humans, the environment, and war materiel, and it shapes the ideas that promote its own expansion. Imperialist wars enhance the power of imperialism or tip the balance in the class struggle – history – in its favor. Just as it colonized and enslaved people in the past, imperialism in its neocolonial mode raises the intensity by which it rips apart states and commands their sovereignty.

To take away the will of peoples, their sovereignty, is to enslave them partially or totally. Exploitation assuming forms of slavery, that is commercial exploitation, generates high rates of surplus-value, which in turn undergird high profit rates. There is not an immediate interface between prices and values. Class power, of which imperialism is the cornerstone, mediates the unequal exchange wrought from value in the form of price. A stronger imperialism accrues value for low or even negative price formation, the latter arising by the exercise of genocide across history.

The Arab region is subject to a dynamic of commercial exploitation by wars of encroachment that consistently break apart attempts by nations to undertake state-led development projects.

Although the strategic control of oil is cause for imperialist war, war for war's sake is no less a factor in the propagation of regional violence. Wars that set back development efforts in a short time span represent more than just actuarial risk factors; they are complete historical uncertainties. Instead of hedging the shocks of future violence, the Arab macroeconomic setup has exaggerated the negative shocks attendant upon a business cycle largely determined by oil and wars. It has thus worsened an Arab development performance whose success may have been a partial antidote to war. In the following, I discuss how some key macroeconomic economic mechanisms have worked against development.



To begin with, the Arab countries are either in conflict – Syria, Yemen, Palestine, Libya, Iraq, Somalia and several Gulf states – or near-to-conflict either spatially or temporally. The constant prospect of war compounds the fragility of their developmental processes, even when they are not in conflict. From smaller oil exporters like Yemen or Syria, to say nothing of massive ones such as Iraq, these countries still depend on the export earnings from a primary product for economic growth. When oil prices fall, economic growth stumbles. An already poor development showing suffers yet another setback, thereby further denying Arab development.

Arab oil is definitively more bane than boon. It is the major flow tying most of the Arab countries into global commodity and financial spaces. It is mixed up with ongoing military interventions from outside the region, principally by U.S.-led imperialism. Meanwhile, minor oil exporters– for example, Tunisia and Yemen – have historically exported labor to the major oil-states, thereby making remittance flows and thus capital availability dependent on oil prices (remittances are part of geopolitical rents).

Thus, we might note that for the underachieving Arab countries, which is in fact the overwhelming majority of them, the crunch on their course of development is fourfold.

First, the determining undercurrent in their development is the fact that the decision-making circles often involve powerful external forces, who do not want another small country developing its productive capabilities in a world already drowning in overproduction. Furthermore, the leading global external forces, namely the ruling classes in the United States and the European Union, extract value and derive benefit from war and its social, political, and financial impact. The historical agency in this case is the capital class and not the European nation state in which class demarcations disappear. Refugees, militarism, value destruction, etc., are an immense source of surplus value to the globally interconnected capital class.

As I have extensively argued elsewhere, the rate of surplus-value undergirding higher profit rates in the West is not related to higher productivity.[1] Technological and war-technology progress are objective or independent of social control. Productivity, which necessarily arises from such technical progress, only presupposes accumulation; accumulation understood as the class or social process, otherwise the law of value, which dictates societal reproduction.

Moreover, surplus-value cannot be quantified by the prices that imperialist powers impose upon the developing world – such a reconciliation of price with value, or appearance with essence (the dialectical categories), is after all alien to historical materialism. The rate of surplus-value is determined by the degree to which imperialism consumes the living laborer and labor-power in a globally integrated production process. Therefore, quantification of value is not about the quantification of the commodity in terms of its dollar price, which is (the dollar that is) ex-post-facto the result of various imperialist suppression mechanisms.

Value is a relationship, and for that relationship to be quantified, it is best gauged in terms of the power that capital and, its more ferocious side, imperialism, exercise in order to expropriate the direct producers. Because war as production and a form of class struggle is a furnace of surplus-value creation, the imperialist historical bent is to envisage the sort of development that leads to more war. In the Arab world, there has been negative investment rates since the 1980s in long-term gestating agricultural or industrial capital, which are the sectors that impart living wage autonomy to the working class.

Second, the immediate damages of war or the prospects thereof impose a drag on economic, social, and institutional development. In many cases, imperialist war reinforces commercial exploitation and acts as a massive primitive accumulation measure. It disengages labor and other resources from productive linkages, necessarily but not exclusively, in sync with the depth of the overproduction crisis. Once uprooted due to war – for example in Lebanon and Iraq – most people and resources remain so. Post-war development is a chimera.

Third, although economic growth, rapid industrialization, and technological advancement are touted as indispensable conditions for development, they are pointless when governments constrain popular participation or the capabilities of people to achieve different valuable human functionings (as per the salient conventions on the right to development), or achieve meaningful participation in social life as producers. For development to occur, working people have to be represented in the state.<sup>[2]</sup> Overwhelmingly, regional governments are not internally democratic.

They effectively exclude large portions of the population from participation in decision-making. Furthermore, because the share of de-industrializing or merchant-comprador

capital rises more as it dips into the share of labor than by productivity, the consequence is for lower wages to prevail. The familiar specter of a bloated tertiary sector, poverty employment, and endemic and undercounted unemployment abounds.

Fourth, the Arab World is a region with acute income inequality.<sup>[3]</sup> Without more evenly distributed income and wealth among different classes of society, the demand component that would drive the momentum for auto-generated and knowledge-infused growth slows down. There is a demand crisis. Demand-led growth is impossible in the current context, and without the social struggles that would expand the social power, and thus purchasing power, of the region's poorer working layers.

Since the beginning of the neoliberal era, Arab economies have mostly grown from "without." The incongruous forces of war prospects, commodity prices, and geopolitical rents, taking the form of aid infusions, are largely exogenous. Put differently, external forces have determined the region's fate to an unusual degree.

Hollow growth has generated very low employment rates and a poor development experience over the past three decades. Despite that, Arab macroeconomic structures, insofar as the crucial mechanisms of resource allocation and income distribution favoring the private sector, remained unchanged. The historical agency, or social class, in charge of development - which is also the class manning the state - has repeatedly reproduced the same policies and meagre outcomes. Pattern reflects purpose.

A slow rise or even decrease in productivity indicates a near absence of "growth from within," or growth based on the infusion of national research-and-development and knowhow in production.[4] Because of labor's weakness vis-à-vis the imperialist class consortium, there are no rising living standards tailing productivity growth or virtuous circles of development. The productivity imbroglio is more severe in the Gulf states. Only around a decade ago, Gulf states formulated budgets based on around \$20-30 per barrel oil price. In 2015, budgets required around \$80-100 per barrel to be balanced.[5] Social welfare compacts adjusted for high oil prices, and oil dependency grew at very high rates. Vulnerability increased, and budgets slid into deficit once oil prices fell in 2014. State budgets are acutely vulnerable to oil price movements which are outside of local states' control and are arguably under the stewardship of the imperial core.

In times of high oil prices, output per worker growth appears positive and unusually high. But when oil revenues are deducted from total income, output per worker growth is more often negative than positive. This is a pernicious result that pertains mostly to the Gulf states, and less so for others. It means that the productive capital stock per worker, or equipment of the modern technology type that grows from the need to capitalize both capital and labour to meet demand, is not rising.<sup>[6]</sup> It also reasserts the failure of diversification policies. To re-emphasize: such an outcome is due to the institutional decisions of the regional ruling classes. As is the case with all social classes from subjugated social formations, these are by definition part of a global hierarchy in which the final strategic decision lies with American-led imperialism. As part-and-parcel of that decision apparatus, they (the regional classes) refuse to set in motion developmental processes involving improved agricultural and industrial output, which are foundational to an autonomous nationalist reproduction process. As a rule of thumb, a development that imparts relative security to the working class, also substantiates the anti-imperialist



sovereignty.

It is true, but more so a *truism*, to assert that reviving these debilitated economies requires an end to conflicts and the creation of a politically stable environment conducive to both domestic and foreign investment – investment of the higher output to capital ratio type. Along with rising internal demand, this would entail job creation. This job creation is not on a one to one basis: more capital and hence more jobs. It occurs as a result of the reassignment of moneyed form of value to socially relevant jobs. Such outcomes would almost certainly and solely be the fruit of state planning decisions, or some form of dirigisme under value retaining trade and capital accounts. Yet as true as this assertion may seem, the regional security arrangement, heavily based on accumulation by means of war and U.S. support for Israel and only secondarily on Gulf arms purchases from the United States, is now anchored in a continuous war condition emerging from acute international divisions, especially the wars to contain the influence of China. This may further inhibit any serious investment over the long run, unless of course reconstruction plans proceed in times of conflict, tie development to war effort, and strengthen states.

It would be practical to develop macroeconomic policies that envisage development even while accounting for ambient risks, namely those which external violence has imposed at an increasing rate since the early 1990s. However, the current policy interface between external shocks-conflicts and the national economy under the state of tensions is based almost entirely on the non-existent assumption of an even-playing field, a risk-free environment, and a market that works best with little government intervention.

Demanding a limited role for the government in the economy would not necessarily be of efficacy anywhere. But to propose small government under war or war-like conditions, as have the International Financial Institutions (IFIs), is beyond the pale. When the cross-national agencies and institutions that could spur development processes overlook the elephant in the room, the wars or their reverberations and the lopsided institutional context, then it is no longer myopia that is causing the repetition of past errors. Instead, there is a rather marked lack of will to develop. It is at this juncture, one may add, where reverse development transforms the region into a cradle of militarism and commercial exploitation. It is exactly this ongoing regional destructiveness of lives, assets and states as a money-making business for global capital that many fail to see.

Because of declining industrialization and a deliberately low indigenous *industrial* supply capacity, that is the missing production that issues from a multi-layered and nationally-based supply chain, Arab countries have remained dependent on raw material exports. Their value chains are more extreme and lie elsewhere in militarism. For fast neoliberal reformers and slow reformers alike, the present condition of low oil price and steep deficits-*cum*-low output growth is telling of how past and present parochial policies failed or were uninterested in identifying the principal conduit of regional maldevelopment. To reiterate, that conduit has historically been overdetermination by their mode of integration with the global economy through the intertwined channels of oil and war, as opposed to civilian-end use commodity trade.

This is not to say that that there have been no exceptions to the rule of development failures. But in case there is an odd but mild achiever, such as Jordan, the explanation of developmental success ought to be chalked up to geopolitics, or a result of geopolitical rents, rather than on “indigenous economic performance” grounds. The regional cordon sanitaire is a primary explanatory variable of development. Certain countries are *permitted*

to partially develop (to stabilize only) or to be spared the wrath of Islamist terror, at times indirectly sponsored by the U.S. state, due to their geopolitical alliances. But one thing is for sure, region-wide prosperity cannot occur under the prevailing institutional arrangements and externally-imposed wars ripping across the region.

The refrain that one often heard as of the early 1980s was that development required diversification away from primary products – essentially, oil. However, diversification requires infrastructures, legal, social and physical that expand markets with non-predatory and similarly developed regional partners. Regionalism and/or transforming countries into regional building-blocs to combine domestic markets or entice economies of scale requires, in turn, the promotion of investment in intraregional infrastructure. Given the low rate of regional integration –intra-regional trade and investment are quite low in global standards (UN 2011)[2]–and that the Arab cooperation treaties are meaningless non-binding accords, the region’s countries have not seriously pursued moving away from oil.<sup>[8]</sup>

Once a merchant-comprador mode of accumulation takes hold, based on profiting through imports and extractive industries, as opposed to an industrial mode, exploitation shifts from value-added production and market expansion of civilian-end use commodities to variants or sub-components of commercial exploitation. The destitution of lowly paid Asian domestics and service sector employees in the Gulf and elsewhere is an example of the latter case.

However, the historical end of such merchant mode of accumulation is for the reigning comprador classes, whose assets are dollarized, to form subordinate inter-conflicting ruling classes and to partake with imperialism in warring against their own social formations.



Oil extraction requires little labor, and its productive linkages quickly lead to production chains or processes external to the producing country. Exchange-based trade of primary products alone creates little added value. Historically, rather than opting for a policy of increasing market size to increase the number of consumers, regional entrepreneurs became sort of economic introverts.

Their spoils arose from liquidating national assets and raising their shares of national income within their own fiefs at high turnover rates and, subsequently, storing their wealth in the more stable dollar form. The central banks subsidized the rich as it supported the dollar peg of the national currency with taxes drawn from the working class. The emergence of a Yemeni elite maneuvering amidst constant war, profiting from brokering grain commodity imports and hydrocarbon exports, is a crucial example.

When addressing the macro allocation frameworks in a class of war-risk-exposed countries, such as Iraq and Lebanon in the past and present, and now a suite of states sweeping clear across the Arab and African regions, we must pose questions differently. There is already the inherited weakness of being born a colonially-bred “late-developer,” in which every regional economy entered their post-colonial era with extremely small industrial bases and, often, internal markets stunted by colonial underdevelopment. Their development had been stunted and they thus came small and insecure into a world where size and security matter in the race for development. Meanwhile, it is not only the weight of colonialism that these countries have to grapple with.

The post-colonial imperialist assaults never ceased, whether militarily, as Israel either

bulldozes through the region or creates an uneven power platform that drains resources, or in the imposition of terms of exchange and austerity policies that underprice labor and other resources. It is not solely in the Sykes-Picot demarcation lines that the causes of underdevelopment are to be sought – such lines are representation of power and can be changed. It is in the necessity of war as instrument of historical surplus-value and power creation that the causes of underdevelopment rest. Imperialist assaults cannot come to rest and the historical surplus-value of which I speak and was earlier defined by Abdel Malik (1981) is more than just the pile of commodities, it is also the pile of ideas corresponding to expanding capital, which for instance includes the acquiescence of Western feminism to the American bombing of Iraq, Syria, and Libya, states where women enjoyed relatively expansive rights.

Regarding the run of the mill drainage of resources, consider why when revenues from the export of primary commodities have risen regionally, the rate of retained savings dwindles afterwards, just as in the aid syndrome where imperialist aid targets poor investment or consumption, which later lowers the saving rate. As the composition of Arab consumption shifts to affluence and rises, steadily drawing on national savings and reserves, less and less savings are left for investment in productive activity when oil revenues fall.

Moreover, less oil-endowed countries, such as Egypt, Syria, and Yemen, do not secure enough foreign exchange reserves to smooth out the externally-determined fluctuations imposed by oil markets. With investment lodged in short term gestating capital and deficits in the current account frequently mounting, these countries experience prolonged economic contraction. In point of fact, Arab countries exhibit a one percent real GDP per capita growth on average between 1980 and 2010, (WDI, various years).[3] It is important to note that shifting away from the so-called white elephant investment projects of the post-independence period worsened economic performance. Nkrumah's and the Arab socialist mega projects did not fail on their own. It is the implicit and explicit imperialist war and sanctions that shut them down.

Another crucial piece of evidence regarding imperialistically sponsored economic collapse is that the governing institutions had foreknowledge that they had to diversify and support national industry, and yet for nearly four decades there was no learning curve. They persistently failed to implement such a project. Such path dependence cannot be haphazard and must be relegated to the ideology of the dominant class, which is subordinately tied with imperialism.

The Arab world freed the environment to invest, but the results were repeatedly disastrous. Investment rates fell from over 30 percent in 1980 to less than 20 percent in 2010 (WDI various years). Without an investment guiding institution and an insurance framework underwriting war-like contingencies or *force majeure* attributed losses, small, risky, and fragmented markets cannot promote productive investment. As mentioned above, the merchant-comprador class channeled investment into short gestating capital, speculative or non-productive activity; however, it particularly decimated investment in the subsistence sectors, especially agriculture, the sector most required for national wealth to incubate. Of course, neoliberal or speculative type investment entailed low productivity service-sector jobs or informal sector poverty employment.

To boot, reducing the public sector's job creation rate and spending did not better employment conditions. Alongside public-sector cuts under the region-wide dictate of the IFIs, from Egypt to Iraq, austerity and deindustrialization reduced the rate of decent job



creation far below the rate of new entrants into the labor force.

One must keep in mind that population growth rates tapered down steadily as of 1960. Unemployment cannot be attributed to rising population levels. Resource usurpation and the neoliberal prescription reduced the *rate* of job supply to below the rate of decent job seekers. The emphasis on rates as opposed to levels is crucial in understanding the labor problematic. Macroeconomic rates must grow together to redress unemployment. The demographic argument for unemployment is only supply-sided. And at any rate, when everyone must work at poverty wages when wealth declines, the unemployment rate fallaciously appears small.

The macro policies adopted, since circa 1980, have lowered the growth rate, changed its input composition (more growth from the commerce side) and relied either on deskilling or disengaging national labor. Hence, rising unemployment and poverty were the necessary outcomes of unconditional liberalization policy.

It seems unlikely that the social forces that have captured the state across the region, including to a large extent the Arab republics, would have developed welfare policies in which private interests are entrusted with the fulfillment of public interests – the so-called trickle-down effect. In a situation in which extra-national, and subordinately national, decision-making class actors seek the immiseration of the region, Milton Friedman's "bang for buck" proposition appears to hold, but in reverse. He argued for cuts in public spending because much of it is purportedly wasteful and generates no tangible returns. He wanted to halt the buildup of value that supports the agility and autonomy of labor as a political power. That is also why he did not object to direct or ephemeral cash handouts that regiment and under-valorize labor. Hence, his famous there is no bang for buck from social investment.

In the reality of the Arab world, the infusion of wars of depopulation and environmental decay, the waste side of accumulation that is so relevant to capital, turned out to be quite a shrewd imperialist investment which more than paid off the initial costs. There is more bang for buck from imperialist wars.

Over the long term – that is, the long-term planning horizon of the nationalist period, roughly the mid-to-late 1950s until the early 1980s, when state-directed economies reigned roughly from Algeria and Tunisia to Egypt and on to the Mashreq states of Syria and Iraq – there were higher developmental returns from social investment, so-called market rigidities and government intervention. Until today, all such spending has continued to impart a modicum of institutional integrity. Even in the ongoing neoliberal period, state-owned companies and bureaucracies have continued to contribute to planning and coordinate some economic growth. In that sense, they have more than paid back their initial costs. Yet, one is awfully aware of their increasingly diminishing size.

In implementation, macro issues are interrelated and inextricable from one another. Questions about their efficacies beg their own answers. For instance, to what extent is the problem of unemployment in some of these countries an outcome of monetary policy that targets low rates of inflation with no regard to unemployment? To what extent is the problem of stagflation in some countries an outcome of a policy-mix of increasing short-term interest rates along with national currency devaluations? To what extent has the adverse impact of a chronically high rate of unemployment aggravated the contraction triggered by an external shock (falling oil price) and thus created a debilitating path dependence?

The mechanisms behind these questions and the policy decisions that underlie them can be seen as various irrigation valves channeling resources between various nationally based strata and internationally based financial interests.

Put another way, they are about who – which class – has enough power to get a higher share of income, and how much. The decline of state intervention in the economy and the retooling of state monetary and fiscal policies have not been class-blind decisions. They have reflected an ascendant bourgeoisie pushing back against labor. A consequence is that labor share from total income fell to the lowest global ranks due to inflation and wage compression.

That meant in country after country, more of the locally-denominated wealth concentrated in fewer hands – for example in Egypt and Syria. In turn, the steadying of the national currency against the dollar – that is, currency pegs – meant more of the that locally-denominated wealth could then be converted into the reserve currency, the dollar, at the expense of the resources destined to the working population. The pegged exchange rate ceased to be a mechanism for preventing hot currency flows and turned into a means to channel wealth not only up within the same society, but also abroad.<sup>[9]</sup>

Indeed, a country cannot peg to the dollar under an open capital account and still hold on to an effective monetary policy. However, it is not the effectiveness of monetary policy that matters first. It is the ownership of policy or policy autonomy emanating from the margin of state sovereignty. The sovereignty of Arab states has been less and less marked by developmental capabilities, human well-being, and proletarian participation. Put differently, sovereignty inevitably has a class component.

In times of war or war-like conditions, such as clearly prevail in Yemen, Syria, Iraq, and thus in the Arab World more broadly, the ultimate sovereign may be allegorically drawn from the inscription on the side of Louis XIV's cannon: *ultima ratio regum* (the final argument of kings). The military balance of forces, including Israel and America's military bases, has become the broker of sovereignty; it has decided on *what terms* countries can be sovereign. The invasion of Iraq is a telling example. Along with the ideological avalanche of neoliberalism, external violence can explain much of the lost policy autonomy since 1980.

Regaining development means regaining policy autonomy, or the capacity for local states to act in the interests of the popular strata. The positive relationship between policy space and positive developmental outcome is a straightforward question. Many have stressed its significance.

UNCTAD, for instance, says

“the idea of policy space refers to the freedom and ability of governments to identify and pursue the most appropriate mix of economic and social policies to achieve equitable and sustainable development.”<sup>[10]</sup>



Yet, in a patronizing tone, UNCTAD would also attribute the shrinkage of policy space to causes devoid of real forms of power – as if state sovereignty for the neediest countries is a by-product of a universally democratic international law. What purpose would it serve UNCTAD to attribute loss of policy space to “various legal obligations emerging from multilateral, regional and bilateral agreements,” other than to obscure the truth?<sup>[11]</sup>

The higher rate of real value and resource dislocation resulting from violence, overwhelmingly caused or lubricated by foreign actors such as the United States and European Union, contravenes all the covenants of international law. There is in such half-truth an effort to conceal the hierarchically articulated social power structures, cutting across national boundaries, whose ideology targets a higher input metabolism of the developing social order (the consumption of humans and nature), often by ferocious means, as a necessary precursor to global economic growth.

We simply cannot drop the study of social relations, violent social restructuring, and their accumulated historical effect to decimate and reconstitute value in the developing world. History matters, and sidestepping the constitutive history of external violence is not social science. It is science fiction.

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## Notes

[1] Ali Kadri, *The Cordon Sanitaire: A Single Law Governing Development in East Asia and the Arab World* (Singapore: Palgrave Macmillan, 2018).

[2] United Nations General Assembly, 97th plenary meeting, [A/RES/41/128](#), December 4, 1986.

[3] University of Texas Inequality Project, [Estimated Household Income Inequality Data Set](#), 2008.

[4] Ali Kadri, “[Productivity decline in the Arab world](#),” *real-world economics review*, no. 70 (February 2015): 140–60.

[5] Saudi Arabian Monetary Authority (SAMA), TABLE (2): Annual Government Revenues and Expenditures.

[6] Ali Kadri, "A pre Arab Spring Depressive Business Cycle," in *The New Middle East: Protest and Revolution in the Arab World*, ed. Fawaz Gerges (New York: Cambridge University Press, 2014).

[7] John Everington and Shereen El Gazzar, "[Consumers hit hard as Egypt subsidy cuts send fuel prices soaring 78%](#)," The National, July 5, 2014.

[8] United Nations Survey of Economic and Social Developments in Western Asia, 2007-2008 (New York: United Nations, 2011).

[9] Countries with balance of payment constraints are short leashed by institutional lenders who can wreak havoc on the nation-states by simply delaying disbursements to support the national currency (if national currency devalues, inflation rises).

[10] UNCTAD, [Trade and Development Report](#), 2014.

[11] Ibid.

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