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Growing tensions in lead-up to G20 summit in Washington

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Global Research, November 14, 2008
World Socialist Web Site 14 November 2008

Region: USA
Theme: Global Economy

Government leaders from the G20 nations are meeting in Washington this weekend for a special summit on the global financial and economic crisis.

The Group of Twenty—from the 20 largest industrialised and so-called emerging-market countries—account for 85 percent of worldwide economic production and two thirds of global population. It is unlikely, however, that the summit beginning Friday will come to any concrete agreement; the dissension and tensions between those present are simply too large.

French Foreign Minister Bernard Kouchner, who also represents the European Union at the meeting, has already warned that this summit is only "the beginning of a long process." The "hard work," to begin this weekend, must be consistently pursued, he said. Kouchner explicitly mentioned the outgoing US president and summit host, George W. Bush, as one of the possible problems.

Despite the low expectations for any concrete result, the summit is not without political significance. It will focus not on Bush, but on his successor Barack Obama—who will not be present at the event.

Obama has said that he will not attend the summit so as to avoid blurring the line of responsibility between him and the outgoing president. However, he is sending some of his closest advisers, including former US Secretary of State Madeleine Albright. Moreover, he will remain informed of the proceedings by the current administration, according to Bush adviser Dan Price.

The participants—and in particular those from Europe—view the summit as an opportunity to place their demands on the new president and test what concessions he may be willing to make. The EU has proposed another summit in 100 days—one month after Obama's inauguration—in order to arrive at concrete decisions.

After the eight-year Bush presidency, marked by an aggressive and unilateral pursuit of US interests, the summit participants are hoping a change in the White House will allow them to assert their own interests more strongly. They are demanding more or less openly that the US cede political influence to them and relinquish the mantle of world's only superpower.

They believe the US to be so crippled by the financial crisis and the military quagmires in Iraq and Afghanistan that concessions must unavoidably be made. They are counting on Obama to keep his campaign promises and work more closely with other world leaders, especially in Europe.

Behind the summit's official façade—the photo-ops, banquets and empty statements—there will be heated conflicts over these issues. Tensions that have been simmering for years are intensifying as the financial crisis and recession worsen.

In the financial markets, billions of dollars are being destroyed on a daily basis as the recession bankrupts entire branches of industry. Under these conditions, no capitalist government is prepared—and certainly not in the US—to sacrifice its national financial and economic interests to the principle of international cooperation. This goes as well for Obama, who has close ties to Wall Street.

Behind the debates about bank bailouts, new regulations for global financial markets, and international control of financial institutions—which are at the heart of the Washington summit—is a bitter struggle for economic advantage over influence and profits.

Two articles from the German press are revealing in this regard. Their antagonistic tone toward the US is even more remarkable given that the partnership between the United States and Germany has long occupied the place of an official state doctrine in Germany.

In its latest issue, Der Spiegel openly accuses the American government of blocking European efforts for more regulation of banks and stock markets because: "In order to defend Wall Street's supremacy, the United States wants to remain the dominant force on the capital markets."

The first priority of the US government was defending the large profits of "its global financial industry," Der Spiegel writes. The financial industry contributed about 30 percent of total US corporate earnings in 2007. The paper adds: "None of the current political leaders wants to jeopardise this profitability, normally reached only in illicit sectors of the economy such as drug smuggling and prostitution—despite a disaster that has cost billions, despite the nationalisation of entire financial institutions and despite the millions in bad mortgage loans and an imploding Wall Street. If the Germans had their way, high profit margins would become a thing of the past."

On November 13, the Süddeutsche Zeitung published a similar opinion piece on the conflicts over new international financial regulations. It wrote: "A larger obstacle on the path to a new financial architecture is the role of the USA and Great Britain: they will lose power and income. If the state would control more and the managers of the financial houses were forced to behave more responsibly…profits would melt away."

The demands by France and Germany for new rules governing financial markets are anything but selfless. They are not designed to protect workers, savers and individual homeowners from the predations of speculators and the impact of the financial crisis. Instead, they promote German and French economic interests against those of Wall Street and the City of London—the world's two most important financial centers.

Closely connected to this are European attempts to break free of political dependence on the US and assume the role of an imperialist great power in its own right.

A November 12 commentary from the Süddeutschen Zeitung openly states as much. It demands the European governments utilise the presidential changeover in Washington to implement a "modified transatlantic strategy." It continues: "The world has changed. New powers are developing in Asia and South America. Russia is returning as a great power. And

the European Union is playing an important role on the world stage in the meantime. There is no longer one single superpower."

The US remains important for Europe, "but it should no longer be the Americans alone who decide what it means to be a 'partner,' " the paper demands. "Whoever waits to see what the new man in the White House will demand from the Europeans will again find himself, in the end, in a relationship between a lord and a servant." Europe must lay down the following conditions for a new partnership, Süddeutsche Zeitung writes: "No more misuse of NATO as a 'toolbox' for American interests, no more splitting Europe into 'old' and 'new' and no disregard for the United Nations and international law."

The newspaper doubts, though, whether Europe is "politically unified enough to stand eye to eye with the US." It lays the blame for this on eastern Europe. The new EU members want the US to remain "the leading power in the traditional mold." But this demand from the past "is useless to master the challenges of the present.... The time is advantageous, if Europe will seize the opportunity."

In the last century, the struggle for economic and political influence, for markets, raw materials and strategic advantage produced two world wars. Today, the growing conflicts between great powers are leading in the same direction. The crisis of the capitalist system not only threatens millions with poverty, unemployment and the loss of homes, savings and pensions, but new imperialist wars as well.

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