

# **Strategic decision making in a Liberal democracy: The conflict between morality and market forces at the end of the Western ascendancy**

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*The emerging social complexity of dealing with large scale movement of populations under stress and the rejection of modern governments and radicalisation of young people seeking greater meaning in their lives has its origins in the failure of liberalism to fulfill its promise of a fairer and more egalitarian world. The difficulty for those in positions of public responsibility of maintaining a moral dynamic based on a belief system about the essentially spiritual nature of human beings and their relationship with the environment compounds as these issues become more complex and they are constrained by their office to seek simple macro-economic solutions that involve elements of force. The seeds of this dilemma were sown in the wars of independence that followed the Second World War when the West took the position that freedom required adherence to the Western economic model and acted to force cultural change on those emerging nations that showed signs of choosing other paths. Many western leaders were confronted in a moral sense by the paths they were constrained to follow.*

## **Introduction**

The World is a vastly different place to that which prevailed at the end of World War Two. The sickening tragedy emerging out of the extreme nationalism of the first half of the Twentieth Century saw the full flowering of industrial age warfare. This culminated in the use of nuclear weapons of mass destruction for the first time and the worldwide disruption of the massive empires built up by the continental European and northern Atlantic nations throughout the preceding centuries. Tens of millions died, military and civilian, on the battlefields and across the oceans of the world, on the continents of Europe, Asia and Africa. Vast numbers of refugees from these battlefields began transplanting their cultures into environments that offered more promise.

Recognising the exhaustion of their people and their impatience with the extreme forms of nationalism that had brought about this tragedy, leaders of the victorious alliance had begun to invoke the idea of the World as a family of nations. It was to be one with a governing body, a set of laws and a judiciary to allow conflict to be settled by negotiation and mediation.

The organisation that emerged from their deliberations was essentially a construct of the successful philosophy of liberalism. Out of this had grown, in various forms, through revolution and political action, the liberal nation state with its own sovereignty within boundaries – a sovereignty that reflected the culture of the people but was sufficiently stable to negotiate their interests across trans-national borders. The central idea of the United Nations

Organisation (UN) born in October 1945 was an institution of such liberal nations states, each with an equal vote at the table and a capacity to invoke the good auspices of the parent body and its members to develop and protect their interests.

This was a truly magnificent idea. The great act of faith was that powerful nations would be decent and moral, firstly, in restraining the greed of their own public and private economic institutions, secondly, in ensuring the rights of their own and other peoples in terms of their access to justice, education and culture, and finally, in accepting the burden of physically defending members states where and when failure to negotiate a peaceful solution to a dispute demanded forceful resolution.

Inherent in this idea however, were the seeds of the UN's potential failure. It was to be, after all, an organisation of nation states with little capacity to serve the interest of individuals within those states. The major questions were:

- How to protect the interests of the major players, the United States of America, the Soviet Union, China, France and Great Britain - the allies of Yalta who had set the terms for the War's conclusion and aftermath?
- How to establish the terms for the rights of individuals within member nations of vastly different cultures and stages of enlightenment?
- How to establish a foundational structure, one that was capable of evolving as the nations emerged from the pre-existing empires and matured, both socially and economically?

### **A Powerful Morality**

The complexity and difficulty implied in these questions were understood at the time. They were readily apparent in the Cold War impasse that emerged soon after between socialist Russia and capitalist America, both of whom enhanced their grip on their own people and allies through their readiness to confront the other. Creating an environment of mutually assured destruction, they deployed massive and technologically advanced armed forces at high readiness levels, all with surveillance and mobilisation processes that matched the hair-trigger systems of the era prior to the outbreak of the First World War.

The absurdity of this situation, particularly in the shadow of nuclear arsenals capable of destroying the Earth's ecological systems, was also understood, which meant that everything possible had to be done to avoid the sort of confrontation that might spiral into a nuclear exchange. Conflicts within emerging nations had to be contained at levels where the interests of the major nations were not fundamentally challenged and ways of providing support to contending factions that were non attributable thereby became a necessity.

Insurgencies, civil wars and terrorism, ugly and non-decisive forms of conflict, became the norm and any tendency to absolute forms of conflict had to be constrained. Fighting while negotiating demanded a more sophisticated modus operandi than most leaders of the time were familiar with. To participate in this form of conflict, Australia, for example, had to create for the first time a regular

full time Army, which it did in 1948, drawing on the remnants of the Second Australian Imperial Force that it had mobilised for the 1939-45 War and the Permanent Forces that formed the instructors, staffs and technical core of the national mobilisation capacity. Almost immediately this Regular Army found itself in one of these managed conflicts, forming part of a UN peace enforcement alliance on the Korean Peninsula confronting a communist alliance of North Korean and Chinese forces. The ceasefire border that divides the Korean Peninsula continues to the present day and is part of a global confrontation that can be aroused at any time to intimidate neighbouring countries.

While it was true that the United States of America led this coalition in the Korean Peninsula, it was also true that the UN could not allow the failure of its first real test as an organisation based on the high moral principles expressed firstly in its Charter and, in 1948, in its Declaration of Human Rights. From then on the UN would be drawn by its Security Council to endorse conflicts, not simply those between member nations, but also those within emerging nations, on the basis that one side was more committed to the freedom of people than the other. This was a very fine line for the new organisation to tread, particularly when revolutionary independence movements opposed those more traditional and reactionary forces favoured by former colonial masters who represented major economic interests abroad.

For more than two decades the UN struggled with this acute moral dilemma. All it could do was to strengthen its humanitarian protocols and conventions and adopt a position of active neutrality on security matters. As new member nations emerged out of the global flux they were induced to ratify this position and, thereby, to add momentum to it. A peacekeeping ethos developed during this early period, one in which distinctively blue helmeted international troops stood between warring factions to promote a climate for negotiation. The major contributions to the UN forces came from the more neutral member states, particularly the Scandinavian nations, but included declared non-aligned nations such as India.

In the 1950s and the 1960s the liberal credentials of all the major powers were brought into question by their apparent willingness to suppress emerging independence movements within their spheres of influence. Forces of the Soviet Union marched into Hungary in 1956, Czechoslovakia in 1968 and Poland, a fully-fledged satellite, in 1980. The British and the French attempted to establish by force favourable regimes in Asia, the Middle East and North Africa but were eventually ejected from India, Algeria, Indo-China, Egypt, Syria, Iraq and the Lebanon. Africa and Latin America became seething cauldrons of conflict from top to bottom.

By 1968 a worldwide revulsion with these trends began to be expressed by modern intellectual forces. Major protest movements built up throughout the western world around universities and included, what was to some conservatives, an alarming alliance with organised labour. Violent governmental responses such as occurred at the Sorbonne in Paris and Kent University in Ohio

in the United States served to suggest an ossified order, self-serving and out of touch with both youth and the realities of the time.

Both sides of this Cold War struggle attempted to blame the other for this ferment but hindsight would suggest that it was a rejection of each by its own people who saw the responses of the elites on either side as a betrayal of the state philosophies that were essentially liberal in nature. In the same period the deep cleavage between China and Russia was revealed in stark relief by the Cultural Revolution in the former when Mao Tse Tung diverted the youth of his nation by encouraging a radical tearing down of those more conservative elements of the Chinese Communist Party who might have been drawn to a compromise with the Soviet Union on a range of strategic issues.

### **Fighting for the New Liberalism?**

To those in the West who had based their actions and strategic posture on the idea of monolithic communism this rift between China and Russia came as a complete surprise. The idea that revolutionary movements were about a communist takeover of the World no longer held the sway that it had in the 1950s. Those conservative elements on both sides that had profited from the fear induced by this certainty were forced to confront the need for a readjustment of the approach to the achievement of large-scale support for their enterprises.

By the mid-1970s liberalism as a philosophy that could hold and sustain the commitment of young people was in serious trouble. One theme taken up by conservative forces was that liberalism had decayed into collective socialism that robbed the state of its virility and creativity and therefore, could not counter the socialist dynamic in so many emerging economies. Supporting this was the reality that Indo China had fallen to communist forces in 1975 and forces of the Soviet Union were in Afghanistan. Many Latin American nations appeared on the brink of a communist takeover with Soviet supported Cuban forces abroad in many places, including Africa.

Another theme was that the human rights focus of the UN was promoting the process of too much government involvement in the day-to-day lives of people, increasing the cost of state institutions and diminishing the capital available for renewal of the economies. This view gained considerable momentum in the United States where support for the idea of ceding power to an international institution had never really taken hold and low levels of trust made it easy to scapegoat the UN for the many defeats suffered by the nation.

The neo-liberal philosophy of countering both these trends as expressed in the writing of the Nobel economist, Frederich von Hayek came heavily into favour in the Western Hemisphere with both the United States Reagan Administration and the Thatcher Government in the United Kingdom. Both promoted a reduction of government involvement in the regulation of the economy and a belief in the power of the Market to guide the determination of social policy by the State.

Access to global resources and consumer markets were seen as key ingredients of this philosophy.

Almost immediately, as these governments set about the process of trimming down institutional and collective influence on policy development, and balancing budgets by selling off government functions, at home and abroad, to the private sector, there was also a massive shift in wealth through a sharp rise in the price of oil. This moved money through the oil rich economies into the Western banks and thereby into the World Bank and the International Monetary Fund. Necessary and heavy borrowing by the emerging economies most often came at the cost of prescription from these two institutions about how they should organise their affairs to become efficient in a market forces sense. Most had to start selling off their national and natural assets to fund the loans, often having to cede power to large multi-national companies in the process, those that had access to the capital to buy and develop these resources.

The short-term strategic success of neo-liberalism was readily apparent. Economic growth in a freer, less regulated market was almost instantaneous. The Soviet Union began to crumble, losing more and more control over its satellite nations, and the Cultural Revolution in China finally collapsed after the death of Mao Tse Tung in 1976. The Western Alliances were able to shift more money into military technologies and counter revolutionary activities and the Star Wars strategy supported by the Reagan Administration increased the *mutually assured destruction* costs for the Soviet Union beyond its capacity to sustain the commitment of its people. As both countries moved to a new order the processes of Perestroika and Glasnost in the Soviet Union under President Gorbachev and modernisation and reaching out in China under the guidance Chairman Deng Xiouping emerged from a desperate need for capital investment, access to education and technology and most importantly, access to global markets.

By 1989 the Soviet Union had collapsed, the Wall on the Inner German Border had come down and the World was able to watch amazing scenes in Tiananmen Square as the Chinese Government had to deal with an emboldened youth demanding more freedom. Almost immediately after these astonishing events of 1989, conflicts in smaller nations that had been held in check by the confrontation of the two super powers began to burst forth, demanding action by the UN that had up to this point been constrained and limited in its development by the permanent members of its Security Council.

While the organisation enjoyed some success in places where there was less at stake for the major powers, it was immediately confronted by situations of such complexity in the former Yugoslavia, resource rich Africa and the Middle East that it appeared hapless in the face of massive displacement of populations through ethnic cleansing and destruction of habitat. The first conflict where it felt compelled to lend its offices to an enforcement operation was in Iraq when Saddam Hussein invaded Kuwait in 1990 on the pretext that it was originally a province of Iraq and his country had been financially exhausted through fighting a war against Iran on behalf of both the West and his fellow Arab nations.

Conflicted in this situation by its need for cheap oil and its support for Israel, the United States of America felt compelled to summon up an alliance of interested states, funded in large part by Saudi Arabia, and mandated by the UN, to drive the Iraqi forces out of Kuwait. The toll on the Iraqi people of both this conflict and the economic sanctions that followed was enormous and was clearly designed to cause the overthrow of the Iraqi leader and his regime.

While Australia's contribution to this conflict was minimal, primarily naval units under command of United States Navy task forces, the clear implication was that Australia was prepared to commit to the defence of United States interests in the Middle East against nations that were no threat to it or its immediate region of interest. The accepted premise that Saddam Hussein's regime was a terrorist threat only had meaning for Australia after it had participated in this attack in 1990. Almost every Islamic nation had been branded as a terrorist threat to someone by this time. Some however, had been supported as allies against the Russians in the final days of the Cold War.

There seemed little awareness that there were long term consequences for this action in Iraq but the mass slaughter of Iraqi logistic troops after the event, on the road north of Basra was reminiscent of the killing of the Egyptian forces by the Israelis in the Sinai in 1967 and 1974 and would have had a profound effect on Muslim youth. This ghastly one-sided affair in Iraq resulted in an increase in terrorist activities worldwide, including a major bombing of the World Trade Centre in New York in 1993. This increase in terrorism was partly due to the emergence onto the international scene of trained and hardened resistance fighters from Afghanistan, partly as a consequence of the crushing of Islamic movements by the Russians in the Caucasus and the Serbs in Bosnia, and partly as a result of the growth of fundamentalism within Islam itself.

The neo liberals in the United States sought to load responsibility for much of this on Saddam Hussein, who was having great difficulty in holding together, under his Baathist socialist regime, a complex nation made up of Sunni tribes, Shiites and Kurds, all subjected to western economic sanctions. The shocking situation came to a head in September 2001 with an attack on the centres of the neo liberal movement – the World Trade Centre and the Pentagon, the Defence headquarters in the United States capital of Washington.

Afghanistan, as the acknowledged base for Al Qaida, the terrorist organization led by Osama Bin Laden and held responsible for this attack, became the focus for American military operations with the support of most western nations. Bent on regime change in this complex tribal nation, the Bush administration decided to take advantage of the mobilised public opinion that allowed them to do this, to deal with the Saddam Hussein regime in Iraq, once and for all. This added to the complexity in the most profound way, particularly for the UN, which was asked to mandate this invasion of one of its members on the grounds that Iraq was a terrorist regime that possessed and intended to use weapons of mass destruction.

When they failed to gain this mandate, the *Coalition of the Willing* that included Australia as one of its three core members, decided to proceed with the invasion and occupation of Iraq in 2003, without the sanction of the UN – the organization that was their creation and the expression of liberal philosophy that had represented the hope of the World from 1945. By this fateful action the liberal foundation of the organization was undermined – probably forever. While the utility of the major components for providing a forum for dialogue and addressing the needs of minorities and refugees would continue, the forces now at work in the Middle East, Africa and the Caucasus were moving beyond its influence and control. Older and darker forces began to emerge.

The increasingly obvious truth is that neo liberalism is not the liberalism that emerged from the period known as the Enlightenment – the idea of freedom with equality of opportunity and caring or love within community. These were neo Christian ideas emerging from the Reformation with widespread appeal across cultures. They were the basis of the anti-slavery movement, the enfranchisement of people through education and the ballot box and the parliamentary democracies that made laws to protect the rights of all citizens. They were also the basis of internationalism that gave hope to people in disrupted, remote and reduced circumstances, much as the UN did from the end of the Second World War. Neo liberalism, by its actions, was proving to be the opposite of this.

### **A Dystopian Future**

Despite attempts to portray the outcomes of these military actions throughout the Middle East and North Africa in a different light, the failure of the involvement of the members of the *Coalition of the Willing* in both Afghanistan and the Middle East is plain to see. The questions of where did the Islamic State come from and why is it so persistent in the face of what is proving to be a largely futile western military effort, resonate in all involved nations. The issue of its attraction to young Muslims coming from the relative comfort and security of western nations is paradoxical.

The influence of these emerging and radical movements spreads throughout the world and has divided nations and put millions of ordinary people on the move. The brutality of what is now a fight to the death from the Persian Gulf to the Mediterranean horrifies us while generating, at the same time, a sense of futility.

An equally important question is what has these developing circumstances done to western society? The idea of a dystopian future, one where very dark forces prevail, seems to be increasingly popular in literature and other art forms – particularly those aimed at young people. The reason for this may be the fear generated by western states to justify the increasing control over societies to allow the waging of the so-called War on Terror. Homeland Security organisations, new laws to facilitate their actions and intelligence organisations with capabilities and executive decision making capacity of an increasingly intrusive nature, combine to increase the power of the State and reduce the freedom of its citizens.

In contradiction of neo liberal desire for smaller government, more power is concentrated in the hands of central agencies, but not necessarily in the hands of the Parliaments. The Executive, with the collaboration of powerful elements of the Media, works to reshape the Law, ostensibly to provide security to the people, but more often to increase its capacity to dominate other governance sectors. Knowingly or unwittingly, the global terrorist groups have formed a symbiotic relationship with those in power in the West, one that dilutes the liberal democratic essence and changes the dynamics of society to a more fear driven, less moral and less humanitarian direction. Understanding the ballot box benefits of these social dynamics, the Executive seeks to maintain the impression of superior commitment to the security of the fearful citizens by carefully crafted engagement in conflicts abroad, creating highly visible responses to the attempts of refugees to escape the consequences of those conflicts and an elevated focus on domestic law and order.

Once begun, these increases in the momentum of governmental decline and alienation of disaffected youth are difficult to stop. Those who oppose the actions of the Executive are accused of risking the security of the public, and, lacking the humanitarian will to save those victims of the terrorists abroad. Refugees from these conflicts and the disrupted economies that surround them are portrayed as part of this threat and governments make political capital out of steps to control them and the people smugglers who take advantage of their desperation to flee with their families to a more hopeful future. Most importantly, those in public office who either resist or show signs of not supporting these directions of governments are easily replaced by rivals who either believe in the benefits of more centralized power or understand the value of compliance to their long term career and financial prospects.

### **The Role of Faith in Public Office**

Clearly, the views expressed in the preceding paragraphs of this paper suggest a paradigm shift in the direction of society from one that has a hard earned enlightenment about the challenges of nationalism to universal peace and harmony to one that proffers globalization and market forces as the alternatives for determining the relationship between people and government. One seeks an international organization based on the fundamental principles of individual rights and the freedom to live life and act in accordance with the belief systems of a chosen culture, and the other seeks the freedom to exploit resources and markets in accordance with whatever humans demand - consumption is the primary driver. To consume one must have cash flow, and to have cash flow one must work. 'Work makes you free' is the central belief demanded by the market.

The pathways chosen in this paradigm shift are not necessarily uniform or universal. Like all such shifts throughout history it is impossible to predict what the outcomes will be or what will be the nature of the new paradigm. It is reasonable to assume however, that whatever emerges will have to transcend the material benefits and fulfill the spiritual needs of the citizens of the future. At its most fundamental level all religious belief is about a holistic and spiritual connection to everything. Throughout the ages the constant theme has been that



the benefits of such a connection and its continuity entail some responsibility for the environment and all living things. Faith, hope and love are concepts that embrace this connection and this responsibility. While forming a working society and an economy to go with it is a complex undertaking, particularly with global populations approaching nine billion, history would suggest that any system of government that does not comprehend this spiritual connection and this responsibility will eventually fail.

Resistance to the precepts of neo liberalism is as apparent now as it was to the practices of liberalism in the late 1960s. Deep concern about the impact of market forces and consumption on the environment, particularly global warming, species loss and the exhaustion of arable land is slowly eroding the power of neo liberal governments. At the same time, while the disparity in the share of wealth and control of the world's resources is widening, the fear driven trend towards gated communities and fenced borders, closed against the victims of conflict, grows across the full spectrum of societies.

The further these rifts widen within nations and between states the harder it becomes for those in public office to maintain a moral stance. Without faith in a higher order and a belief in the spiritual connection of human beings the probability of those leaders who hold public office becoming part of the problem increases and their capacity to offer leadership to younger generations is diminished. Faith is, after all, about belief in the inherent goodness of God's creation and the ongoing love that allows forgiveness and redemption. Without those two outcomes where would we be?

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