The answer is not to retreat from globalisation but to advance economic reform and social justice on a global scale – and to do so with more global co-operation not less, and with stronger, not weaker, international institutions.


I propose here a ‘new materialist’ approach to world politics derived from Marx’s critical political economy. I then apply it to the issue of ‘global governance’, exploring in particular the global role proposed for itself by the World Bank, in partnership with the IMF. The focus is on the ‘governance of global capitalism’, as reflected in the efforts of the two institutions both to develop a set of operating principles and practices for a competitive global capitalist economy and for individual states within it, and to promote and supervise their institutionalisation across the world. Drawing on core concepts from Marxist political economy – primitive accumulation, capitalist accumulation, the reserve army of labour, hegemony and relative autonomy – I show that there is an
explicit project at the heart of recent World Bank-IMF activity, aimed at the ‘completion of the world market’ and the global imposition of the social relations and disciplines central to capitalist reproduction. This is pursued through the promotion of a ‘sound’ macro-economic framework, along with structural reforms – national and global liberalisation, and privatisation – and associated regulatory innovations. A broad division of labour between the Bank and the Fund that assigns macro-economic policy to the former and structural adjustment to the latter has been formally in place since the adoption of the 1989 Concordat between the two.¹ The IMF monitors the macro-economic policy of its members through wide-ranging Article IV Consultations – the surveillance mechanism instituted under Article IV of its Articles of Agreement² – and, since the mid-1990s, it has promoted common adherence to codes and standards in relation to a wide range of financial and other data in order to enhance its surveillance capacity.³ These activities are closely co-ordinated with the apparently progressive initiatives developed by the World Bank over recent years in relation to low- and middle-income countries – the Comprehensive Development Framework, Poverty Reduction

¹ The 1989 Concordat gave the Fund responsibility for ‘public sector spending and revenues, aggregate wage and price policies, money and credit, interest rates and the exchange rate’, and the Bank responsibility for ‘development strategies; sector project investments, structural adjustment programs; policies which deal with the efficient allocation of resources in both public and private sectors; priorities in government expenditures; reforms of administrative systems, production, trade and financial sectors; the restructuring of public sector enterprises and sector policies’, IMF/World Bank 2001b (Annex, ‘History of Bank-Fund Cooperation on Conditionality’), pp. 20–1.

² ‘In accordance with Article IV of its Articles of Agreement, the IMF holds consultations, normally every year, with each of its members. These consultations focus on the member’s exchange rate, fiscal, and monetary policies; its balance of payments and external debt developments; the influence of its policies on the country’s external accounts; the international and regional implications of those policies; and on the identification of potential vulnerabilities. These consultations are not limited to macroeconomic policies, but touch on all policies that significantly affect the macroeconomic performance of a country, which, depending upon circumstances, may include labor and environmental policies and the economic aspects of governance. With the intensified global integration of financial markets, the IMF is also taking into account more explicitly capital account and financial sector issues.’ IMF Surveillance: A Factsheet at <www.imf.org/external/np/exr/facts/surv.htm>.

³ Standards are promoted in 11 areas: data; monetary and financial policy transparency; fiscal transparency; banking supervision; securities; insurance; payments systems; corporate governance; accounting; auditing; and insolvency and creditor rights. Voluntary Special and General Data Dissemination Standards were established in 1996–7, and recently incorporated into the framework for Reports on the Observation of Codes and Standards (ROCS) set up after the Asia crisis (see IMF 2001a, IMF/World Bank 2001a).