

Book review

The Silent Takeover – Global Capitalism and the Death of Democracy.
Noreena Hertz, William Heinemann, London, 2001

In our media-driven culture our attention is largely focussed on shocking, dramatic events: terror attacks, wars, a tsunami in Asia and Africa, earthquakes, etc. Disasters and wars impact directly and harshly on peoples' lives and determine to a large extent the future of the victims. It goes without saying that these human tragedies, which we hear about through the media, affect us and occupy us. We must not, however, lose sight of the international developments which do not attract so much large-scale, continuing media interest but which certainly could have very far-reaching long-term consequences. Noreena Hertz in her book *The Silent Takeover – Global Capitalism and the Death of Democracy* examines one of these developments. She analyses the balance of power in the world at the end of the 20th and the beginning of the 21st century. Hertz bases her analysis largely on the global developments emanating from the Anglosaxon world (USA and UK). Mostly when speaking of power distribution we tend to think of states or 'blocs', like East versus West during the Cold War, but the central theme in this book is the power distribution between government and business. Traditionally, the Western world is made up of sovereign democracies with a government responsible for all public offices. Due to the democratic process in these nations, governments are established and held accountable by the peoples' representatives. Business concerns have the freedom and the space to be active within these democracies, while legal frameworks need to be respected. The authorities oversee the compliance with the legal statutes, e.g. to safeguard public health. In her book Hertz brings to the fore a few developments which have overshadowed this traditional format, for instance the advent of 'global capitalism'. With the downfall of communism, capitalism's mental legacy has broadly been accepted by the world and neo-liberalism has brought together former political opponents. The world has become a market-place offering great possibilities for international business. These businesses in the meantime have become the vote-seeking politicians' most important financial backers. The politicians' need for finance has markedly increased due to the very costly media-campaigns, aimed at gaining votes. In order to finance these campaigns, the politicians gratefully make use of additional support supplied by business. Business, however, expects politicians who gained power in part thanks to their financial help to reciprocate. In this way politics has become increasingly dependent on financial support from businesses and politicians listen carefully to the wishes of the business sector. This process does not only put pressure on business ethics, but also on the credibility of a government which only seems to look to business interests and not to those of its people. The result is that not many people in these democracies vote in elections. Democracy faces the threat of being hollowed out from the inside. Weakened government is up against a powerful business community. Citizens don't accept this, and instead of using the ballot box to exercise power, they do so through their product selection: they boycott products from companies they feel have dubious business practices (sweat shops in Asia, child labour, etc.) or they expose these companies. Companies are sensitive to these public reactions, witness, for instance, the Brent Spar episode that Shell went through. Consumer and media actions have an impact on company policy areas like labour and environment. Some entrepreneurs even take this a step further and turn out to be true politicians with plans to improve the world. The ultimate takeover: a weakened and less trustworthy government sees its functions taken away by powerful entrepreneurs who, backed by large fortunes, are able to convert their worldwide political ambitions into actions. Hertz puts it, ironically, this way: who is taking over whom? This world, turned upside down, leads to very urgent questions: is there any guarantee that companies that have gradually taken over public functions will continue to carry out those functions, even when those activities will have a low return or lead to financial loss? And: what guarantees exist that companies won't take advantage of their power? In the final section of her book Hertz deals with the subject of the protest movement that has emerged strongly in recent years. Many protest against the great power that global capitalism has allotted to companies. It is the protest against the silent takeover; an attempt to give government back to the citizen.

There is every reason to think through Hertz' argument with regard to the subject of world peace. What are the implications for the international conditions for peace if government and business are exchanging

their respective roles? The world stage will take on a different guise and international relations will take on a different emphasis. An important condition for peace is a fair and just distribution of prosperity in the world. Can we expect the powerful transnational corporations to use their power to help bring about this fair and just distribution? Also in the field of peace keeping important questions arise. Will business interests determine where conflict control measures will be implemented and military interventions will take place? Is it conceivable that effective and efficient military intervention is going to be the main task of *companies*? Companies that sell "military intervention" as a product as long as the financial returns are sufficient? A situation like that may seem absurd and perhaps it is absurd, but in the interest of the international conditions for peace Hertz' analysis must stimulate us to focus on the consequences of the power shift she is describing. And with regard to the transnational corporations: it is very important to have open communications with them to bring together all available resources in the interest of world peace.

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