THE ROLE OF STRUCTURAL POWER IN GLOBAL INEQUALITY

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Abstract

Apakah masalah kemiskinan dan ketimpangan ekonomi global murni merupakan masalah ekonomi? Mungkinkan kekuasaan structural memainkan peranan penting dalam mengkondisikan situasi ini? Artikel ini mencoba membahas persoalan-persoalan ini. Dengan berpijak pada konstruk analistis mengenai kekuasaan structural (structural power) yang dikembangkan Susan Strange, artikel ini berargumen bahwa kekuasaan structural memainkan peranan signifikan dalam menciptakan persoalan ekonomi di Negara berkembang. Pengaruh kekuasaan structural ini terutama termanifestasi dalam dua aspek yakni struktur keuangan (financial structure) dan struktur pengetahuan (knowledge structure). Monopoli kekuasaan structural oleh Negara maju dalam dua aspek ini telah memungkinkan mereka mampu mempengaruhi kebijakan pembangunan di Negara berkembang. Meskipun analisis yang ditawarkan merupakan kritik atas pandangan ekonomi neoliberal, model analisis ini juga tidak sepenuhnya berwarna neo-marxian yang lebih menekankan production structure sebagai analytical basis -nya.

Key Words: *development, neoliberalism, structural power, financial structure, knowledge structure, international financial institutions*

INTRODUCTION

The emergence of development issues is indeed inseparable from the turbulences in the global economy in the 1970s. The creation of the New International Economic Order (NIEO) at the Fourth UN Conference on Trade and Development (UNCTAD) in Nairobi in 1976 can be regarded as the watershed for the increasing voice of developing countries in international economic arena. One important event that presaged this is the oil crisis in 1973. Widespread economic stagflation in advanced industrialized countries due to this crisis has weakened their bargaining position so that the demands from the South began to be considered and since then the issues of developing economies have overwhelmed the international political economic realm (Eichengreen and Kenen 1994)

The oil boom and the structural context of the Cold War contributed to the growing concern over development in these developing countries. The rise of oil revenue for oil producing countries brought about the increase in world's liquidity that flowed to the banks in the developed countries. Worried by the potential rise in inflation rate in these developed countries, the banks began to lend this money to developing countries that were in development process (Gilpin 2000). This lending spree was also stimulated by the potential economic growth in developing countries where the many opportunities for investment promised high marginal productivity of capital effecting in high profits. Many rosy predictions were made by analysts to ensure investors and large banks to lend these countries

(Stiglitz 2002). This period signifies the new era of economic imperialism when these countries unconsciously began to enter the debt trap.

The desire to expand sphere of influence during the Cold War also increases the bargaining position of these countries. To propitiate them, the US disbursed a large amount of aid to these countries. The US sent its economists to these countries to study the economic opportunities available and advise them the strategies to Improve their economies (Perkins 2004). Binding them with the aid, the US often forced them to accept western ideology and modernization theory as their development paradigm.

Entering the 1980s, development issues of developing economies were increasingly important. The main driving force in this decade is the debt crisis. This catastrophe was due to over optimistic predictions made regarding the economic opportunities of these countries. The crisis led to the economic turbulence in the world economy that ultimately opened the opportunity for more profound economic intervention by the International Financial Institutions, especially the IMF and the World Bank that represents the interests of developed countries. The problem of development in developing countries since then enters the realm of high politics.

Growing concern over development issues in developing economies does not seem to improve the well-being of the people in these countries. Poverty and unequal distribution of income still exist. The nostrum of market-oriented economy and integration with unstable global economic order offered by neo-liberal economists exacerbates these problems because of the fragility of these economies to the frequent crisis posed by liberal economic order. On the other hand, developmental state model adopted by several Asian countries has also been discredited due to Asian economic crisis in the late 1990s. In short, development problems of developing countries have been so acute that there was hardly solution for them.

The severity of these problems stimulates the emergence of new perspective called critical political economy of development (Payne 2005). Emphasizing on the political analysis of the structure of North-South relations, he argues that 'the contemporary global politics of unequal development is embedded within and dependent upon "hierarchies of power" which remain understudied and underemphasized in many accounts of globalization. Politics is thus the problem, but it is also perhaps the solution' (Payne 2005: 246). This implies that the problem of development is a structural problem that arises as a result of global economic structure.

This essay is not purported to answer the puzzle suggested by that statement that is, whether or not politics can be solution for the problem of unequal development. Rather, it just tries to explore the problem of politics in development issues. Does politics really matter in development problems? Or specifically, does power play important role in this problem? The argument developed here shows that power gap really matters in this issue. This essay argues that the gap in structural power between developed and developing countries can explain the inequality between them in our contemporary global economy. Assuming that the structural constraints posed by the global economy have equally affected both developed and developing economies, this essay further argues that concern of developed countries over the weakening effects of these constraints on their economies has made them intervene into the economic agenda of developing economies to protect their economic interests. Using their overwhelming structural power, developed countries try to dictate their own development agenda to developing countries regardless its negative effects on the economies of these countries. This increasingly weakens the position of developing countries as well as their ability to access the benefits offered by the global economy.

This essay is organised into three sections. The first section explores the theoretical arguments on the concept of power especially on structural power. This discussion is followed by analysis of global economic structure to see what opportunities and constraints it has posed to the states. In third section, it explores the way developed countries use their structural power to outmaneuver developing countries. It concludes by summarizing the main argument on the relationship between power and global inequality.

THE CONCEPT OF POWER

Power is indeed a complex concept and opens to many interpretations (Reussmit, 2004). In general, power is identified with the capacity to accomplish our ends in the world (Caporaso and Levin 1992). Max Weber defined power as " the probability that an actor in a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rest" ([1956] 1978:53). While realists interpret power solely as the material capabilities that a state controls that can be translated into influence (Mearsheimer 2007), Cox extends it as deriving from three inter-related forces: material capabilities, ideas and institution (Cox 1981). Payne, then, translates these three forces into several indicators namely; the size, economic power (Gross National Income), human development (Human Development Index), the ability to set the agenda of debate on the strategies of development and modes of governance, and international and intergovernmental organizations controlling global politics of development (Payne 2005). This definition of power is more comprehensive because it suggests not only relational power (the power of an actor to get another to do something that he or she would not otherwise do) but also structural power, that is, 'the power to shape and determine the structures of the global political economy within which other states, their political institutions, their economic enterprises and (not least) their scientists and other professional people have to operate (Strange 1994: 25). This power not only enables the actor to set the agenda of discussion or to design the international regimes of rules and customs that govern international economic relations but also allows them to create or influence the incentives and constraints of the global economic structure. The relative power of an actor in this kind of relationship is dependent on whether he or she can also determine the surrounding structure of the relationship.

According to Susan Strange (1994), structural power is composed of four distinguishable but related structures: the security structure, production structure, financial structure and knowledge structure. An actor's power in the security structure depends on his or her ability to offer others protection against the perceived threat to the security. The level of threat will determine the price to be willingly paid by the weak and ultimately the ability to impose constraints on them. Power in production structure, on the other hand, derives from control over the mode of production that is, the ability to decide what shall be produced, by whom, by what means and with what combination of land, labour, capital and technology and how each shall be rewarded and allocated. Those who can decide or change the mode of production have greater structural power over production so that they can consolidate and defend their social and political power.

Power in financial structure lies on those who have control over the supply and distribution of credit. Susan Strange defines it as 'the power to allow or deny other people the possibility of spending today and paying back tomorrow, the power to let them exercise purchasing power and thus influence markets for production, and also the power to manage or mismanage the currency in which credit is denominated, thus affecting rates of exchange with credit denominated in other currencies" (Strange 1994: 90). This structure implies two aspects namely the structures of credit creation that involve governments and banks and the monetary system concerned with determination of exchange rates of different currencies in which credit is denominated. This latter aspect is dependent on government policies and markets. Because this structural power still exclusively belongs to the Developed Countries, this power has become the main instrument in influencing policy options in developing Countries. These countries use this power at four different levels in international system. First, it is used on the structure of the world market economy by setting the pattern of investment, production, trade and consumption. In this case, the rate of market growth will correlates positively with the strength of their influence. Second, it is exercised in political bargaining to set up a framework of minimum rules for the maintenance of stability, order, and justice in the world market economy. The success in this bargaining process will be hugely influenced by the size of national market. The government of the state with the largest national market is usually able to dictate effectively the rules of the game. Third, it is used to formulate national rules governing access to factors of production, credit and markets and other fundamental questions that affect economic enterprises and economic transactions. Once more, the size of national market is the main determinant for the effective use of this power. Finally, this power is used at operational level to influence the economic transaction directly. This occurs in the form of foreign aid or debt negotiation in which developed countries as the creditors set the terms for the use of fund and other conditions (Strange 1974). Country with the largest market in which there are a large number of multinational companies controlling global production network will be the most powerful.

The fourth kind of structural power is the power in knowledge structure. This structure is closely related to the ideas, how they are discovered and formed, how they are stored and communicated, who communicates them by what means to whom and on what terms (Strange 1994: 121). Power in knowledge structure can be in the form of control over science and specific technology, control over mindset and in Gramscian sense, can be the ability to set out the pattern of thinking unquestionably acceptable to any society (Payne 2005). The political significance of ideas lies on their potential to influence framework of actions. They can help define the interests and the conducts of both individual and collective behaviour (Payne 2005: 73). In short, ideas can create reality through the policies issued and the actions of decision makers inspired by those ideas. The design of development strategies and economic policies is inseparable from the process of ideas development. The rise of Neo- Liberalism influencing structural adjustment program in developing countries is one example of how powerful these ideas are.

The main feature of these four kinds of structural power is that the possessor is capable of changing the range of choices open to others, without apparently putting pressure directly on them to take one decision or to make one choice rather than others (Strange 1994: 31). Because it does not involve direct pressure, it can be arguably less conflictual, thus less expensive as the instrument of force. However, it is frequently considered more effective because of its ability to condition the structure in which actors operate.

For the purpose of this essay, I just will observe two of these four kinds of structural power, namely power in financial structure and knowledge structure. Financial structure will refer to developed countries' strategies in financial assistance through structural adjustment program of International Financial Institutions. Meanwhile, in the knowledge structure, it will see the debate in development paradigm and how developed countries entrench these paradigms on developing economies. Before addressing these strategies in those two structures, we will examine the structure of world economy especially focusing on the recent changes and what constraints they pose to both developed and developing countries.

STRUCTURAL CONSTRAINTS IN THE WORLD ECONOMY

The end of the Cold War has brought about significant changes in the structure of the world economy. During the Cold War, the framework of economic development was aimed at maintaining political and security alliance. Gilpin (2001) observes that the Cold War economic structure that emphasized on security interests and alliance cohesion had created an effective framework for economic cooperation that facilitated compromises of important national differences over economic issues. With the end of the Cold War, when the Communist threat to the United States and its European and Japanese allies diminished, the American leadership and the close cooperation among the 'capitalist powers' waned (Gilpin 2001: 5). Moreover, the increasing participation of the newly emerging markets and the integration of former Communist East European countries into the market-oriented world economy contributed not only to the expanding world market but also to more complicated trading and other economic arrangements.

The pace of globalization driven by technological development and the active involvement of multinational corporations in trade, finance and foreign direct investment has created new constraints for both developed and developing countries. In trade realm, the international trade has increased more rapidly that the growth of global output (Gereffi 2005). Gilpin (2001) suggests three factors encouraging this increase. First, the development of technology, especially novel technology in transoceanic transportation helps to reduce the transportation cost. In addition, the advances in information technology have greatly increased global financial flow making any transaction easier. These developments have increased the effectiveness and efficiency of operations of multinational corporations enabling their worldwide expansion relatively easier. Second, the increase in international economic cooperation especially through regional economic arrangements on trade liberalization has also stimulated the growth of intra-regional trade that is expected to spill over to inter-regional trade. Third, the intellectual innovation in new economic theories has influenced the economic policies that favour international trade. The emergence of new trade theories such as strategic trade theory, scale economies and organizational theory of industrial sectors all have affected the perception of policy makers on the economic issues at hand. This changing perception ultimately leads to new methods of problem solving materialized in policies issued for those problems. Moreover, the rise of neo-liberal economists in the circle of policy makers also enhances the tendency for this trade liberalization (Robison 1986). This increase in global trade intensifies competition for all countries involved in it. Enhanced competition will hurt those producing inefficiently regardless of to which country they belong. The main target for threat of tight competition is import-competing industries. The failure of these industries to compete with import products will endanger their profitability and subsequently their workers. The risk of increasing unemployment due to this failure has been the main concern of government pushing them to resort to protectionism. This is situation is not surprising given the welfare function of the government for its people.

In financial realm, the increasing capital mobility due to deregulation of financial markets in the 1980s has complicated national economic management (Goodman and Pauly 1993). The main problem posed by this uncontrolled flow of capital is the difficulty in the maintenance of either independent monetary policy or stable exchange rate. This difficulty is called as trilemma of an open economy. Based on the Mundell-Flemming model, this theory shows that governments and central banks overseeing open economies could not simultaneously give priority to maintaining the independence of their internal monetary policies, stabilizing their exchange rate and permitting unrestricted inward and outward capital flows (Pauly 2000). In this situation, an open economy can only achieve two of these three macroeconomic objectives.

This difficulty in achieving those three targets concurrently is owing to the inseparability of interest rates, inflation rates and exchange rates all of which are main indicators for those objectives. A country that wants to maintain the independence of its internal monetary policies under high capital mobility, for better or worse will face exchange rates volatility. This volatility results from the change in interest rates followed by capital flows. On the hand, a country giving priority to exchange rates stability and independent national monetary policies has to limit capital movement. This capital control is necessary because it can insulate national economy from external pressure so that change in domestic interest rates to influence domestic economy does not lead to change in exchange rates.

Financial globalization also engenders distributional effect problems (Frieden 1991). Using the specific-factors approach in international trade, Frieden argues that the opening of global financial markets to the less developed countries (LDCs) is good for industries in the Third World, which are suddenly able to borrow at reduced interest rates. Industrial production in the LDCs grow rapidly as foreign finance flows in, benefiting owners, managers and workers in these industries. Conversely, capital flow from developed countries precisely hurts the industrial sectors in these countries because it raises the cost of capital to these industries. This is the problem now being faced in Western Europe and North America in which the capital outflow to LDCs has strengthened the competitive pressures on specific industries forcing them to restructure their industries that ultimately contributes to rising unemployment (Frieden 1991). In other words, capital mobility, in the short run, will pose serious adjustment cost for owners and workers in specific sectors in the developed world rather than those in developing countries.

This clearly shows that capital mobility, in fact, hurts developed countries as much as developing countries. These constraints created by this contemporary global economy will ever more serious in the post crisis adjustment. Interdependent world economy with flexible exchange rates system adopted by most countries will complicate adjustment problem because the cost is incurred not only by the country in crises but also by its trading partners. This is true in Asian financial crisis when currencies of several Southeast Asian countries depreciated and deflationary pressure is imposed domestically, the export performance of some developed countries in Western Europe and the US deteriorated because demand for their products from these region diminished significantly. This situation subsequently influenced negatively their economies.

Considering these constraints posed by the contemporary world economy hurting both developed and developing countries equally, a global strategy to overcome these challenges needs to be designed. However, any strategy or global policy will certainly entail cost and benefits. So far the global agenda designed seems more favourable to developed countries at the expense of other developing ones. Here, it is argued that relative power in economic structure plays important role in explaining the bargaining process among actors. In the next section, we will see how this process occurs, and how the structural power of big countries play important role in helping them foist their demand on these LDCs.

FROM STRUCTURAL POWER TO STRUCTURAL ADJUSTMENT PROGRAM

Crisis is the main feature of capitalist world economy. Every crisis engenders opportunity and constraints besides some elements of continuity and change in structural power in global political economy. In the 1970s, Crisis posed more constraints on developed countries than those on developing countries. Soaring oil price due to supply embargo by oil producing countries caused widespread recession across developed world weakening their bargaining position Vis a Vis developing countries. Besides, huge income gained by these oil producers also transformed the structural power in financial structure. Concern about deterioration in inflation rate as a result of rising capital inflow into banks in developed countries from oil producers forced developed countries to loosen lending conditionality so that this money could be pumped out of their countries and recycled in developing countries immediately. These economic constraints faced by developed countries opened opportunity for developing countries to exert their leverage to make some changes in favour of their interests in the world economic order (Thomas 2006). This era saw the enhanced relative power of developing countries over developed world.

However, the debt crisis of 1980s reversed the situation. The economic failure of developing countries impacting on their balance of payments crisis started to undermine their relative power thus weakening their bargaining position in relation to their developed counterparts. This crisis also increasingly strengthened the new belief on the primacy of market mechanism rather than state intervention as the best way of economic management (Gore 2000). The economic turmoil in these countries corroborates that inward-looking economic model is amenable to crisis because of inefficiencies it entails. It thus justifies the insistence from developed countries that structural reform be immediately implemented.

The need for economic reconstruction in these countries opened the opportunity for economic intervention by developed countries into their domestic economic management (Broad and Cavanagh 1999). Developed countries, led by the US began to press developing countries into this free-market paradigm as a condition for new loan. Through their loan provided to these countries, they influence their direction of economic development by setting the agenda for development policy in these countries. Control over financial structure enables developed countries to exert their power on LDCs while their control over knowledge structure and ideas legitimate this intervention.

One of the main instruments usually used in this strategy is structural adjustment program designed by the IMF and the World Bank on behalf of developed countries' interest. Structural adjustment program is a policy package imposed on debtor countries applying for financial assistance from the IMF and/or the World Bank to overcome their balance of payments difficulties (Weissman 2001; Gilpin 2001). Initiated by US Secretary of Treasury James Baker in 1985, this program assumes that debtor countries' persistent trade and fiscal imbalances have deep structural causes in need of a number of stringent economic and structural reforms.

Underlying the doctrine of structural adjustment was the neoliberal ideas commonly adopted by advanced economies and international financial institutions under what John Williamson called the 'Washington Consensus' (Williamson 1993). Emphasizing on the importance of free market mechanism and efficiency of the state, this doctrine prescribes three stages of economic reform (Thomas 2006). The first stage is macroeconomic stabilization through both fiscal and monetary contraction. In these policies, the money supply has to be reduced by cutting public spending and raising interest rate. Second stage is structural adjustment aimed at expanding the role of the market by privatizing public enterprises, liberalizing trade, investment and finance. The third stage is export-led growth that involves encouraging foreign investors to bring in capital and technology without any impediments by government regulation. The implementation of these policies meant that the conditionality was expanded from requirements of changes in macroeconomic policy to fundamental changes in microeconomic policies and in overall economy (Gilpin 2001; Gualerzi 2005). This ultimately leads to modification in state's internal organizational structure in response to market demand (Cerny 2000).

Structural adjustment program is obviously a means to impoverish and weaken the economies of LDCs. This is true in the case of the Asian crisis. Inspired by debatable success of its implementation in Latin America, similar nostrum was applied in Asian crisis the problems of which are different from those in Latin America (Thomas 2006). This made almost all the policies imposed by the IMF and the World Bank have negative consequences for development of these countries (Stiglitz 1999). First, fiscal stabilization through sharp decrease in public spending has precisely exacerbated inflation rate. This inflationary pressure results from the sudden increase in the price of certain products that previously have been subsidized. On the other hand, monetary stabilization through raising interest rate to cope with inflation stifles real investment because the cost of borrowing grows higher making investment more expensive. Even though in the short run, it can attract foreign capital, as what the IMF and the World Bank expect, its potential volatility inherent in portfolio investment nullifies its positive effect. In short, stabilization program suggested by conservative neo-liberal paradigm deteriorates economic problems. Second, structural adjustment policy through privatization of state-owned enterprises and liberalization of trade, investment and finance contribute to increasing foreign controlling of domestic economies. Finally, export encouragement augments world supply leading to tighter competition and depressed price level (Ravenhill 1990; Gowan 2001). This benefits the consumers in developed economies because they have to pay less for the same quantity of goods. Overall, this situation help stabilize price level in developed countries. This analysis to some extent can explain the US economic boom in the 1990s (Gowan 2001).

Despite their negative effects on development process, these countries cannot repudiate this reform program owing to their desperate need to access source of fund controlled by developed countries. Their inability to access this global financial powerhouse is not only true in time of crisis but also in time good economic growth. This is attributable to their lack of unity so that their collective bargaining is frail (Ravenhill 1990). This is in contrast to more unified developed countries with their long-standing cooperative experience in managing economic relation (Webb 2000). This difference in collective voices in turn stems from relative interdependence among individual countries that subsequently distinguishes their interest from one another. A palpable instance can be seen from the US different treatment to Mexico and South Korea during their critical situation. Because of greater interdependence between the US and Mexico compared to the US and South Korea, the US shows more concern over Mexican crisis than Korean (Weiss 1999). Similarly, this can explain the different interest between Mexico and South Korea to the US. In short, different interests among LDCs in relation to developing countries account for their fragile collective power leading to their inability to have a voice in global financial structure.

Developing countries' weak bargaining position is also evident in knowledge structure, that is, in the debate on development strategy. This is especially true in their inability to prove the robustness of their erstwhile development policies. State developmentalism model adopted by East Asian countries has been questioned as alternative path to successful development. The elements of 'crony capitalism' inherent in it is regarded as causes of its failure thus unreliable strategy to development. This provided springboard for the revival of modified neo-liberal paradigm. Predicated on the analysis of government failure, this new idea expands its focus to the importance of good governance as a correcting mechanism for social imperfections (Payne 2005). Doing this, its proponents (the IMF, the World Bank and G-20) legitimize their broader intervention in LDCs' domestic structures including political and social policies reform.

Significant control of the knowledge structure in development and economic issues by developed countries is inextricably linked to the role of epistemic community in the form of transnational network of neoliberal economists in national economic policy-making process in both developed and developing nations (Haas 1992). The emergence of the community in turn derived from the influx of young intellectuals from a number of developing countries to learn economics under scholarship programs provided by developed countries after the WWII. In these developed countries, especially western ones, these young scholars were exposed to not only technical and scientific methods of economics but also development paradigms adopted by these countries. Training them in such Though the ethical foundation of the scholarship programs is said as western responsibility to enlighten newly independent nations and provide their leaders with the capacity for state-building process, it is undoubtedly that the programs have also long term impacts on the future model of a state superstructure.

The influence of this epistemic community on policy discourse is very significant actually. This is due to their role as policy advisers that have to give not only objective explanation about some economic problems faced by a state, but also policy prescriptions on how to tackle the problems. And given that this network of economists share many epistemological characters ranging from 'normative and principled belief' as a basis for their understanding of the problems to notions of validity and common policy enterprise, it is easy for them to influence policy paradigms adopted by state leaders (Haas 2002, p. 3). Indonesian experience under Soeharto's New Order with neoliberal economists called 'Mafia Berkeley' as the regime's economic advisers is one obvious example of the case (Mallarangeng 2002). While some of these neoliberal economists serve as faculty members of leading universities in their countries, some of them also occupy leading positions in state bureaucracy and directly involved in policy-making process. Yet, obviously some policy dialogues always occur among them. In addition, those policy advisers serving as faculty members often help government in communicating policy options to public as well.

In this regard, they also act as government's public relations officers. Collaboration can easily occur among them because of their shared epistemological principles.

Western capitalist states dominate knowledge structure not only through a network of epistemic community whose members have a stake in policy making process, but also through their power in organizational structure of the IMF and World Bank on which many developing countries depend either for temporary financing to correct economic problems they face or for development fund. But, what is more important in this respect is that some of the IMF and World Bank's programs in developing economies are in the form of technical assistance for capacity building. These programs manifest in training and short courses for officials in state bureaucracies. This is surely a good means for transferring ideas on how to manage an economy from liberal perspective. In short, the monopoly of knowledge structure by western capitalist states has enabled them to condition development agenda in developing nations. Through scientific and rational instruments provided by neoliberal economists to policy-makers, neoliberal agenda seems to be more legitimate intellectually and this certainly facilitates the imposition of neoliberal policies from above (the IMF and World Bank) in the sense that making them acceptable to most developing states.

CONCLUSION

This essay clearly shows how the opportunities and constraints created by contemporary global economic structure have altered the balance of power among state actors in the global economy. The advent of financial globalization characterized by enhanced capital mobility has exposed states to the specter of economic crises (Gill and Law 1989). Because the brunt of the crises have frequently befallen developing countries (LDCs) rather than developed countries, it has been the gateway for developed countries to intervene into domestic economies of these countries. Using their leverage in financial and knowledge structures, developed countries previously clustered into G-7/8 designed development agenda for LDCs in favour of their interest. Structural adjustment program with its three main features that is, macroeconomic stabilization, structural reform and export-led growth turns out to increasingly weaken their economies vis-á-vis their developed partners. These weakening effects are not fortuitous. In fact, they are deliberately designed to produce the expected results, namely protecting developed countries' relative power in the global economy. Hence, this essay supports Payne's argument that contemporary global politics of unequal development is embedded in and dependent upon 'hierarchies of power' (Payne 2005: 246).

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