

Recasting geopolitics: the discursive scripting of the International Monetary Fund

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ABSTRACT. This paper draws on an emerging critical geopolitics, an approach which attempts to denaturalize the global order by portraying it as socially and historically constructed. One means of this construction is discourse, sets of rules and practices by which we interpret and give meaning to the world around us. Such discourses provide for the possibility of certain practices and institutional arrangements, and thus have material effects, serving to 'script' both actors and roles within the international community. This approach is brought to bear on the International Monetary Fund, in order to examine how its role within the international monetary system has come to be defined and legitimated. This role, based in the material conditions existing after the Second World War, has increasingly come to be scripted through the discourse of US security. This discourse relies on the notion of freedom, and on specifying political and economic threats to the American way of life. In addition, the IMF itself draws on discourses, in order to script the role of the countries with which it interacts. Grounded in a development discourse which creates the need for 'modernization', the IMF disseminates a form of power/knowledge by casting itself as the sole authority over a wide range of issues. This power/knowledge is put into play through the IMF's surveillance and structural adjustment programs, which rely on a discourse deflecting blame for monetary problems away from the industrialized nations and onto the nations of the Third World.

Introduction

In April 1993, representatives to the International Monetary Fund (IMF) held their joint annual meeting with the World Bank in Washington, DC. The statements, communiqués and press releases emanating from this meeting were replete with references to a new era of global cooperation. The Interim Committee of the Fund's Board of Governors invited all member countries to 'strengthen their efforts in carrying out and supporting mutually reinforcing policies' (Interim Committee, 1993: 146). These policies included completing the Uruguay Round of the GATT negotiations, intensifying adjustment programs in developing countries, and completing the transition to a market-based system in the former centrally planned economies. Above all, the Committee noted, the world should 'strengthen collaboration with the Fund as the central monetary institution' (Interim Committee, 1993: 147).

To those directly experiencing hardships due to unfair terms of trade, IMF austerity programs, or the 'shock therapy' of market-based reforms, any talk of a 'common global perspective' fostering 'cooperative efforts' can only appear overly simplistic. Yet the IMF has succeeded in maintaining hegemony over the international monetary system, and in ensuring that nearly every nation is bound to its principles through membership. As the former Soviet republics undertake IMF reform programs one by one, the time seems ripe to question the universal acceptance of the IMF's authority, and to examine the strategies by which the Fund legitimates its actions.

This paper, drawing on an emerging literature in critical geopolitics, will question 'the important quality of being unremarkable' in the IMF (Ó Tuathail, 1987: 197). The significance of critical geopolitics for this examination lies in its attempt to denaturalize the geopolitical order—to portray it not as a given, but as a social and historical construction, formed out of contextually specific material conditions, and maintained and legitimized through particular linguistic and discursive structures. This perspective is brought to bear on the IMF in order to examine the discourses which have come to define and legitimate the Fund's role in the international community, and which create the conditions for the IMF's actions in certain countries. First, however, it is necessary briefly to describe the project of critical geopolitics.

Toward a critical geopolitics

The development of critical geopolitics has been occurring simultaneously in both geography and international relations. Informed by recent trends in poststructuralist social theory, critical geopolitics attempts to problematize both the objects of analysis and the traditional methods of inquiry in the study of international politics.

In international relations, these ideas have come out of what is known as the 'third debate'. While there is little agreement on the precise definition of this debate, it has involved a general critique of the realist tradition within which much recent work in international relations has been conducted (see Keohane, 1986). Realism here refers to a theoretical and epistemological stance which divides the world into a system of sovereign states in competition with one another. Realists place their focus on power politics, in which the state is accepted as the primary territorial entity, and its functions are defined in terms of protecting the 'national interest' in the arena of international politics. This perspective has recently come under attack from both critical theory and poststructuralist perspectives (Dalby, 1991; see also the debates in *Alternatives* [1988], and *International Studies Quarterly* [1990]). The terms of this debate are highlighted in an early critique by Ashley (1987) who challenges two aspects in particular of the realist tradition. First, he says, the realists construct 'a relatively autonomous field of international political practice' and second, they 'administer a silence regarding the historicity of the boundaries it produces' (pp. 415, 419). In opposition, Ashley suggests that we consider the realist tradition as an 'historically specific political relation' (1987: 423). One of the basic tenets of critical geopolitics is that theories of international relations, realist or otherwise, should be seen as *aspects of* contemporary world politics, rather than explanations for them (Walker, 1993).

A parallel, if less developed, movement has been taking place in political geography, which has historically concentrated on the classical geopolitical texts of intellectuals of statecraft such as Mackinder and Spykman and of practitioners such as Kissinger and Brzezinski. This form of geography, haunted by the memory of Haushofer and *geopolitik*, has shied away from the *practice* of statecraft as an accepted realm of study, and instead, like realism, 'takes the prevailing social and power relationships and institutions into

which they are organized as the given frames for action and research' (Ó Tuathail, 1991: 15).

The beginnings of a critical geopolitics can be seen in an exchange in the pages of *The Professional Geographer* between O'Loughlin and van der Wusten (1986; van der Wusten, 1987) on the one hand and Ó Tuathail (1987) on the other. Ó Tuathail's response to a call for more emphasis on war and peace studies in political geography was to critique the entire 'empirical-analytical' tradition in the discipline, which has framed the way we perceive the 'commonsense' notions and practices of peace, violence, war and the 'realities' of the state system (Dalby, 1991). This traditional form of geopolitics, and the practices upon which it has been based, should instead be seen as historically constituted perspectives which assert privileged forms of representation, thus actively constructing the subjects, objects and themes of the political world. Rather than accepting these constructions as natural, critical geopolitics examines the historical imposition of the conditions for their possibility. These conditions are governed and maintained by discourse.

Discourses are plays of power which assert a particular understanding through the construction of knowledge. 'Because they organize reality in specific ways that involve particular epistemological claims, they provide legitimacy, and indeed provide the intellectual conditions for the possibility of particular institutional and political arrangement' (Dalby, 1988: 416). In doing so, discourses make these socially constructed arrangements appear natural, so as to 'foreclose political possibilities and eliminate from consideration a multiplicity of possible worlds' (Dalby, 1990: 4).

This is so because discourses provide the rules and procedures by which we interpret and give meaning to the world around us. Included in these rules are the socially constructed linguistic practices through which discourses are employed and received (Shapiro, 1990). Whereas traditional geopolitical studies treat language as transparent, discourse analysis is concerned with the way language helps to create meaning and value, a value that is not defined by truth content, but by a statement's 'capacity for circulation and exchange', its ability to gain acceptance and attain prominence (Foucault, 1972: 120). The effects of a discourse are not merely textual, however; they are material. By determining the rules of interpretation, discourses provide for the possibility of certain practices, which carry with them specialized forms of knowledge and particular institutional configurations.

Geopolitical discourses, emanating from institutions such as the IMF, supply the interpretive framework by and through which the political world is comprehended. In doing so, they define the limit of what is possible, normalizing the existing geopolitical structure (on whose behalf they are deployed). Put another way, geopolitics can be seen as a series of 'writings', as rules and practices which construct a particular view of the world. These constructions can be thought of as a 'scripting'—the writing of a script, which defines the issues, assigns specific roles and creates and legitimates the actors within the geopolitical community. These 'scripts then become the means by which hegemony . . . is exercised in the international system' (Ó Tuathail, 1992: 438). This is not a realist notion of hegemony, based on the coercive dominance of a given geopolitical power, but rather a Gramscian notion, which focuses on ideological and cultural practices. These practices shape preferences and the perception of what is possible, leading to the unproblematic acceptance of certain scripts over others (Gill and Law, 1988; see also Cox, 1987).

In addition to scripting actors, issues and roles, geopolitical discourse also serves to delimit space. Spatial delineation and boundary formation are an inherent part of any discursive formation, thereby scripting spatial entities as democratic or totalitarian, developed or underdeveloped, East or West, civilized or barbaric, and ultimately, based on

these dichotomies, as friendly or hostile. These spatial divisions create the possibility and justifications for certain types of intervention—political, military and, in the case of the IMF, economic.

So, critical geopolitics concerns itself with the study of the various discourses within which international politics takes place, and seeks to deconstruct the ways in which politicians employ these discourses spatially, thus writing the world in certain deeply political ways (Ó Tuathail, 1989). The focus becomes one of tracing the historical construction and imposition of discourses and how they actively constitute worlds, subjectivities and boundaries. Its emancipatory potential lies in its denaturalizing of the geopolitical order, thus opening space for alternative discursive formations.

To concretize these ideas, I consider the implications of this theoretical framework for the study of the International Monetary Fund. In particular, I discuss two intertextual moments within the IMF's discursive field. First, I will examine how the Fund itself has been scripted—how its role has come to be defined within the international community. This role was primarily a product of the material conditions which existed at the time of the Bretton Woods agreement, conditions which left the USA as the primary architect of the international monetary system. The legitimization of the Fund's role as natural has been accomplished discursively through the concept of freedom. 'Freedom' serves as the underlying principle of US foreign policy discourse, and also as the base of a free trade discourse, both of which are legitimized as necessary for US security. Next, I examine the way in which the IMF itself scripts the roles of the countries with which it interacts. The discursive forces at work here relate to the roles of the 'expert' in disseminating the IMF's power/knowledge, based on the primacy of economic data. This power/knowledge is disseminated through strategies which script the IMF as the expert on an increasingly wide range of issues. The programs of the IMF, the means by which the power is exerted, are justified through a narrative constructing the countries concerned as ignorant and ultimately at fault for their situations.

The view from above: American foreign policy discourse and the scripting of the IMF

Structures of power: the history of the IMF

In 1944, at Bretton Woods, New Hampshire, a group of men signed an agreement which laid the foundations for the international monetary system, and created the system's watchdog, the International Monetary Fund. From its very inception, the IMF was not a neutral institution, but based in relations of power. At the end of the Second World War, it was the USA that held world power. The war had ravaged the economies of Europe, and the USA—standing alone as economic hegemon—'was entrusted with the primary responsibility for ordering the world economy' (Wachtel, 1986: 35). Thus, the USA had the ability to form a global monetary system conducive to its interests.

That meant rejecting the proposal put forth at Bretton Woods by Britain's representative, John Maynard Keynes. Keynes suggested that balance-of-payments imbalances be converted into a new world currency, which he called the Bancor, and be balanced out in a central clearing union. Under this system, the IMF would operate more like a bank, providing lines of credit on which countries could draw without conditions. In addition, Keynes suggested that the accounts of the surplus countries finance balance-of-payments deficits, thus sharing the burden of adjustment with the deficit countries (Körner *et al.*, 1986).

But the USA, sure to have high balance-of-payments surpluses into the foreseeable future, had little to gain from a shared-adjustment model. Furthermore, the USA was

hesitant to relinquish the newly acquired dominance of the dollar. So, American Harry Dexter White successfully introduced a counter-proposal which shifted the burdens of adjustment onto deficit countries alone, and retained the dollar as *de facto* world currency (Block, 1977). In addition, while the IMF would still grant needed credit to deficit countries, its dispersal would now be tied to conditions in order to induce members to live by the US-imposed rules of the global monetary game.

The USA was guaranteed future control over these rules by the quota system designed at Bretton Woods. Under this system, all members are allowed to vote on IMF matters, but the number of votes given to a country is directly related to the size of its economy. The fact that every country votes on IMF policy allows the fund to deny responsibility for its actions:

...the Fund is [not] an institution of great authority and independence... the membership itself sets down, to the last detail, the policies the Fund follows. The chain of command runs clearly from the governments of the members to the Fund and not vice versa. (Driscoll, 1992a: 6)

But such rhetoric only obscures the fact that all members do not have equal say, due to 'a quota system which breaches the "one country-one vote" system otherwise common in UN organizations' (Körner *et al.*, 1986: 43). Today, for instance, the USA controls 28 percent of the votes in the Fund, and is the only country capable of single-handedly vetoing most measures; and although developing countries comprise a majority of the members in the IMF, they have no significant influence on Fund policies. According to Körner *et al.*:

...the quota system today still largely reflects the political balance of power of the 1940s. Bretton Woods merely bestowed the respectability of an ostensibly neutral formula on a pecking order previously agreed among the industrial nations. (1986: 43)

The power of threat: freedom and US security discourse

The construction of the international monetary system in this fashion was both an economic and a political victory for the USA. Because the US dollar, rather than Keynes's Bancor, had been given the status of world currency, dollars were much in demand. This provided the USA with the *political* leverage it needed to induce the acceptance of American multinational corporations overseas, as well as the build-up of US military bases in Europe. Thus, Calleo and Rowland argue that 'America's role in the monetary system and America's role in the military alliance have been two sides of the same imperial coin' (1973: 87).

These material circumstances had an effect on the discursive landscape within which the IMF's role was to be scripted in subsequent years. As Daudi has stated, 'discourse, as everything else, is the object of a struggle for power. It reflects... political disputes' (1983: 277). The political dominance of the USA after Bretton Woods meant that the IMF came to be scripted through the discourses of US foreign policy. Foreign policy here refers not merely to the relationship between sovereign states, but to the active establishment of the boundaries which constitute those states and define the international system (Campbell, 1992). These boundaries are most often created in the interests of security, for the specification of danger serves to constitute the identities of both those who are the threat and those said to be at risk. US foreign policy has repeatedly justified interventions by specifying external threats to the American way of life, specifications which serve at the same time to rearticulate American identity (Campbell, 1990, 1992).

This identity, and the political and economic statecraft (re)defining it, are the construction of a small cadre of political, economic and military 'experts'. These experts are privileged storytellers who, in defining the terms of geopolitical discourse, construct the identities of the citizenry which they represent (Dodds, 1993). In the USA, these storytellers have been part of an orthodox alliance of cold warriors, private capitalists, and traditional economists, creating 'a club of like-minded people that marginalizes or excludes heretics' (Kuttner, 1991: 20).

The foreign policy this 'club' has followed, and the central feature of American identity throughout the post-Second World War period, has been the notion of political and economic freedom. Kuttner explains:

Since the 1940s, the American stance in the world has been built on two bedrock premises: that communism must be contained and that world commerce and finance must be organized according to principles of *laissez-faire*. The corollary of resolute anticommunism seemed to be an equally fierce unreconstructed capitalism. (1991:9)

Both of these premises have been used to justify intervention by the IMF. The threat of Communism has traditionally been defined in terms of the Cold War, a discourse which enacts a division of geopolitical space into sovereign states whose identity is defined according to a realist notion of strategy—the definition and control of particular territorial spaces. US support for IMF arrangements often reflects this scripting of geopolitical space rather than the characteristics of the international monetary system.

The connection between the IMF and security discourse can be seen in the words of former Treasury Secretary Donald Regan:

... [the IMF] serves ... U.S. political and security interests. ... well, by containing economic problems which could otherwise spread through the international community... and supporting open, market-oriented economic systems consistent with Western political values. Judged on this criterion, U.S. appropriations for the IMF can be an excellent investment if they can help avoid political upheaval in countries of crucial interest to the United States. (Regan, 1983)

Here 'economic problems'—those which contravene the free trade position championed by the USA—are defined as a political danger. IMF interventions in the affairs of other states become justified and supported in the USA by a discourse emphasizing threats to 'western values'.

The connection between the specification of danger and the constitution of identity should be re-emphasized here. The 'values' invoked as western can only be defined by various 'orientations to difference', differences often articulated through an Orientalist discourse (Campbell, 1992: 230). For instance, by linking Communism to characteristics such as irrationality, fanaticism and untrustworthiness, 'Cold War discourse mapped certain traditional Orientalist stereotypes onto the Russians' (Pietz, 1988: 69). In the post-Cold War era, it has been the Third World which has served as the primary source of danger, particularly 'the vigilance that is exercised towards new forms of violence such as "terrorism" or "Islamic Fundamentalism"' (Campbell, 1992: 7). These locations depend upon an 'othering' of Muslims as fanatic, licentious and despotic (Gordon, 1988). It is in this way that an Orientalist discourse emphasizing East–West differences has been transformed and brought into a security discourse, specifying external (eastern) threats to the western way of life. These threats are then defined as political dangers, justifying the economic disruptions caused by the International Monetary Fund.

The link here between the political and the economic is maintained discursively through the invocation of the mythical 'Free Man'. This was a defining textual strategy of the Reagan-Bush era, as George Bush demonstrated in a speech at the IMF/World Bank annual meeting in 1989:

In the end, both economic freedom and political freedom are essential and inseparable companions on the road to national prosperity. . . we know how to secure a more just and prosperous life for man on earth—through free markets, free speech, free elections, and the exercise of free will unhampered by the state. (Bush, 1989)

This type of rhetoric serves 'to enframe, limit and domesticate a particular meaning of humanity' (Campbell, 1990: 272). It is a meaning based not on freedom from poverty or inequality, but freedom to realize the full worth of one's skills and abilities in the market-place. It is the market alone that is moral, for only it can ensure that hard work and innate ability do not go unrewarded (Corbridge, 1992).

This sentiment is now serving as part of a new security discourse, based on threats not to sovereignty, but to economic security. Recent events in Europe and Asia have all but eliminated the political 'Other' against which both foreign policy and American identity have traditionally been defined. Political power and economic power are no longer congruent, and 'methods of commerce are displacing military methods' as the primary basis for foreign policy; geopolitics has become geo-economics (Luttwak, 1990). On the basis of this change, Agnew and Corbridge have called for a 'geopolitical economy' as an approach to understanding the changing geography of 'geopolitical disorder' (Agnew and Corbridge, 1989; Corbridge and Agnew, 1991). They argue that 'the links between economic expansion, military power, and political empire. . . appear to have been cut,' resulting in 'a new "order" wedded to the anarchy and disorder of the market' (Agnew and Corbridge, 1989: 280, 289). The changing material context of greater international trade and the increasing mobility of capital has given rise to a new discourse, one which attempts to specify the sources of disorder as threats to 'the system'. Thus, along with balance-of-payments problems, trade deficits, international competitiveness and unfair trade practices are all being deployed as reasons for imposing IMF conditionality (Campbell, 1990). The danger is no longer Communism, but government subsidies and protectionist barriers, actions which threaten the economic security guaranteed by a neutral global market. Japan, for instance, has recently been the common focus of a discourse emphasizing closed Japanese markets and the 'buying of America' (Campbell, 1992).

This valorization of the free market scripts the role of geopolitical entities in terms of their relationship within a system of exchange relations, one's standing within it based on the possibility of generating export earnings. In the North, this means exporting high-value manufactured goods, while countries in the South, which entered the game late, are forced to rely on the exploitation of their natural resource base.

This discourse of free trade substitutes the abstract space of the economy for the underlying social and political spaces within which it is constituted. It is a discourse which deflects attention away from transference of wealth, basic human needs and destruction of the environment by emphasizing balance sheet improprieties which pose a danger to US economic security (Shapiro, 1988). The globe becomes reduced to a web of trade flows, simplifying the diversities among nations to momentary 'imbalances.' As Stuart Corbridge has commented, 'an optimistic quantification rides roughshod over a more pessimistic and qualitative account of a world economy in crisis' (1992: 293).

The scripting of the IMF

Thus, we can see that the Fund's role in the world economy arose out of the material conditions existing after the Second World War, but has been rewritten and legitimized discursively. The political and economic pre-eminence of the USA during and after Bretton Woods resulted in a scripting of the IMF through the discourses of US (and western) security. The need for security has been justified through the specification of two main threats to freedom: the threat of Communism articulated throughout the Cold War; and, more recently, threats to the free market such as 'unfair' trade practices. These discourses have in part created the conditions which allow for IMF interventions in particular countries. This is not to revert to a functionalist explanation, in which the Fund is subordinate to US or western 'interests'. The Fund has a material and institutional form, and is an active participant in constructing the need for its programs. In doing so, the IMF draws on certain discursive formations of its own, scripting roles for the countries with which it interacts. It is these discourses that I will examine in the remainder of the paper.

The Third World and the IMF: the discourse of development and the power of knowledge

The scripting of the 'other': creating the Third World

Michael Shapiro writes, 'although it tends to operate implicitly, the separation of the world into kinds of space is perhaps the most significant kind of practice for establishing the systems of intelligibility within which understandings of global politics are forged' (1989: 12). The discourses of the IMF rely on such divisions in order to specify the spaces needing intervention. The most powerful of these scripts is the separation of the earth into three worlds, a division which structures the discourses of geopolitics and provides the intellectual and institutional landscape within which the Bretton Woods institutions function.

This separation is predicated upon an 'othering', a specification of difference. During the Cold War, the Soviet Bloc was mobilized as an Other against which western, and particularly American identity could be constructed. The Third World, however, did not fit into the dichotomy; it was an-other Other, scripted as extra, residual. It was also increasingly associated with terms like traditional, underdeveloped and backward, since it could not be associated with either of the two 'primary' worlds which provided the basis for defining the family of modern nation-states. Thus, the three-worlds concept both created and is a condition for the discourse of development, particularly the modernization orthodoxy espoused by both the World Bank and the IMF. 'Modernization theory is not merely some adventitious appendage to the idea of three worlds, it is constituent to the structural relationship among the underlying semantic terms' (Pletsch, 1981: 576).

This development discourse has provided the conditions for certain practices, carried out within institutions such as the World Bank, the IMF and the US military. It is through these practices that 'Western developed countries have been able to manage, control and in many ways create the Third World politically, economically, sociologically, and culturally' (DuBois, 1991). The result is the constitution of individuals whose mode of self-perception evolves in terms of a developed/undeveloped dichotomy—individuals who live a self-fulfilling prophecy, whereby 'the perception of poverty... induces poverty' (DuBois, 1991: 26). This has been a scripting in which an underdeveloped Third World seeks the help of institutions like the IMF in the process of 'modernizing'. Such

perceptions lead to an acceptance of the USA as hegemon, as rule-writer, and the acceptance of a power structure such that 'peripheral and semi-peripheral states actively adopt and use the geopolitical reasoning of the hegemon' (Ó Tuathail and Agnew, 1992: 195).

This notion of power owes much to Foucault. That is, it is not a repressive power that seeks to limit, forbid, punish or subjugate, but a positive and productive power, conceptualized as a set of relations rather than as a commodity (DuBois, 1991). The aim of this power is the production of human subjects and a disciplinary society.

[For Foucault] individualizing techniques (in military barracks, schools, factories and hospitals) lead to the production of 'docile bodies'; the practices of surveillance, examination and scientific classification, on the other hand, result in the production of 'normalized subjects.' Finally, confessional techniques and the processes of self-subjugation (e.g. as in psychiatry, psychoanalysis and sexuality) lead to objectifying processes in which people turn themselves into objects. (Escobar, 1985: 379)

If we extend this to the geopolitical realm, then we can begin to trace out how power works through the international monetary system. Membership in the IMF produces 'docile states'; like schools, the IMF provides socialization and indoctrination—in this case creating the 'citizenship' necessary for a smooth-functioning global economy. Part of this process is the routine surveillance of each nation's economic activity, producing 'normalized nations'. And, if countries stray from the doctrines of the Fund, they must subject themselves to the 'therapy' of IMF-dictated adjustment programs. Attendant on this is the confession of sins to one's citizenry, and the objectification which accompanies the relinquishing of one's sovereignty to the 'experts' of the IMF. These instances of power discursively construct the international monetary system.

Power also works through channels of knowledge. The quantification of economic phenomena is a specialized form of knowledge which carries with it relations of power for, as Foucault has shown, power and knowledge directly imply one another. As DuBois states, 'the acquisition of knowledge does not merely justify an intrusion of power, it *is* an intrusion of power' (1991: 7). This power/knowledge is enacted through development discourses, supported by stylized facts which purport to represent the 'real world'. As an IMF brochure states it, 'the principles of the Fund's Articles, which support liberal trade and payments practices. . . are soundly based on reality' (IMF, 1992: 2).

Thus, unlike its sister organization, the World Bank, IMF narrative is grounded in the material realm of economic truth and need not deal with the subjective issue of 'development': '[The Fund] is supportive of the development efforts of its member countries, yet is not a "development institution"' (Nowzad, 1992: 1). But of course, the 'reality' of the IMF is based on particular interpretive practices, namely those of neoclassical economics. The Fund refuses to recognize that economic truth is not discovered but made; it is constructed within 'a space of possibilities dominated by a proliferation of discourses' (Daly, 1991: 88). The prominence of economic discourse is not based in its 'truth', but in the power residing in it as a form of expert knowledge.

Discursive strategies: authority and the casting of the expert

Following Escobar's (1985) discussion of development, we can identify two main strategies for the employment of the power/knowledge of the IMF. The first is the increasing incorporation of issues and problems into the jurisdiction of the discourse. This is clearly

evident in the case of the IMF. Originally conceived as an institution for dealing solely with balance-of-payments problems, the role of the IMF has increased substantially. It has been called upon to manage the debt crisis, and now, through its newly created Systemic Transformation Facility, is to play a central role in steering the former Soviet republics toward the transition to a free-market system (*IMF Survey*, 1993). The Fund's presence has increased to such an extent that former Under Secretary of the Treasury David Mulford could proclaim during a congressional hearing that 'the IMF is the cornerstone of the world economy' (Mulford, 1991). In addition, the IMF has increasingly involved itself in formulating countries' long-range fiscal and economic policy. The Fund explains that 'the IMF has... recognized that unsound financial and economic policies are often deeply rooted in long term inefficient use of resources that resists eradication through short-term adoption of financial policies' (Driscoll, 1992b: 13). This long-term presence of the Fund allows increasing opportunities to construct the international monetary system in terms agreeable to the North.

One result of this increased role is that there are few countries which have not had at least some contact with the IMF. At the time of the Bretton Woods agreement, most of the developing countries had not gained independence, but the dominant powers managed to construct the system such that 'new states could be effortlessly integrated through the Bretton Woods system into the capitalist economic system and bound to its principles' (Körner *et al.*, 1986: 43). Of course, membership in the system is voluntary, but the structure of the system ensures that few countries can exist outside it. As Paul Volcker (1983) puts it, 'the need for credit is a pretty powerful enforcer'. That need is particularly great for the newly independent states of Europe and Asia which have little choice but to abide by IMF prescriptions if they want access to scarce multilateral aid. As Britain's former Chancellor of the Exchequer, Norman Lamont, has declared, 'the IMF has at last become a truly global institution' (Greenhouse, 1992).

A second strategy through which IMF discourses are deployed is the increasing professionalization and institutionalization of (economic) knowledge. This strategy limits access to truth/knowledge to a small group of experts, whose texts become inaccessible due to highly specialized languages. These experts lend the credibility of authority to the policies through which power/knowledge is disseminated by the Fund. The IMF's term for this power/knowledge is 'technical assistance', and it is described this way: 'Because they sometimes lack the personnel trained in highly technical areas of public finance and central banking, many countries turn to the Fund for assistance in solving problems in these areas' (Driscoll, 1992a: 19). This was frequently the case during the 1960s and 1970s, when a large number of newly independent countries faced the prospect of setting up economic systems. Through this tutoring, the IMF helps to ensure the hegemony of its own brand of economic truth.

The need for expert assistance is scripted through a narrative emphasizing ignorance. IMF Managing Director Michael Camdessus recently had this to say about the former Soviet Republics:

They lack a competent public administration in many fields essential to good management of a market economy. There is no more central planning to dictate what to do, to people who have become unused to the responsibility of taking the initiative... they have little or no experience of market mechanisms, and no enterprise culture. (Camdessus, 1992)

This type of narrative depicts those without access to the Fund's truth/knowledge as incompetent, and closes off discursive space to traditional and local knowledges. The

result is an objectification of people and places; problems become reduced to statistical data, abstracted from their social, historical and spatial contexts. The IMF claims that this appears so because 'there are common elements in the problems of many countries that come to the Fund' (IMF, 1992: 2). But, the perception of 'common problems' is in part due to the reduction of the complex social characteristics of a country to measurable economic data.

Sites of power: from panopticon to structural adjustment

These strategies have served to construct a global monetary regime in which all countries must participate, and cast the IMF as the sole authority on an increasing range of issues and problems. Still to be examined are the specific facilities through which the IMF imposes authority, discipline and punishment. These programs are the institutional sites through which power/knowledge is exercised in the international financial system, sites which are governed by discourses, ensuring that the IMF's policies become the only available alternative.

One such site is the regulation of countries through what the Fund calls its 'surveillance function'. As the Fund describes it, the 'membership nations. . . are prepared in a spirit of enlightened self-interest, to relinquish some measure of national sovereignty by abjuring practices injurious to the economic well-being of their fellow members' (Driscoll, 1992b: 2). This takes the form of biannual consultations with member countries in order to 'help draw attention to the international implications of policies and developments in economies of individual countries' (IMF Survey, 1992: 11). This amounts to economic panopticonism, a strategy for the industrial nations to induce in the developing world 'a state of conscious and permanent visibility that assures the automatic functioning of power' (Foucault, 1977: 201).

While extensive pressure is put on developing countries to change policies seen as threatening, IMF consultation with developed countries results in a series of recommendations which are generally ignored:

The view from the Third World is that. . . [despite] the formal consultations with large industrial countries. . . protectionism continues unabated, fiscal policies. . . continue to be inappropriate, interest rates remain excessively high and the volatility of exchange rates persists. (Ossa, 1988: 2)

The outward appearance of *universal* surveillance is belied by the economic policies of the North, particularly the burgeoning US budget deficit, which is perhaps the greatest threat to world economic stability (George, 1989).

Despite the IMF's surveillance activities, some countries inevitably stray from the Fund's dictated economic path. When this happens, the Fund steps in with both feet, imposing its structural adjustment programs. Fund rhetoric suggests that the countries have only themselves to blame: 'countries typically find themselves forced to adopt programs of economic adjustment because they have been living beyond their means' (IMF, 1992: 4). Another Fund publication states that 'countries, like people. . . can spend more than they take in' (Driscoll, 1992a: 14).

In contradistinction to the 'system' discourse underlying surveillance, in which the actions of one member have a direct effect on the others, structural adjustment is scripted as the fault of individual countries. Like the unruly child or the credit card junkie, the problems of these countries are the result of certain avoidable actions against which they have been cautioned. By emphasizing individual responsibility, the IMF deflects attention

away from the harmful policies of the industrialized nations and, at the same time, provides justification for the draconian measures which are endemic to structural adjustment programs.

These austerity programs are depicted by the IMF as inevitable consequences of a country's past mistakes. If the country chooses to do nothing, 'disorderly adjustment' will be forced on it, with concomitant economic hardships. The country can, however, choose to take what the IMF calls an 'active role'. Ironically, this active role consists of turning over the economic reins to the IMF. But, says the IMF, 'in the final analysis, the costs of disorderly adjustment will always be greater than those of orderly adjustment' (IMF, 1992: 4). In this way, the Fund is merely helping certain countries to weather tough economic times; it is 'the messenger of unwelcome news, not the implementer of programs' (IMF, 1992: 15). Here, the Fund has scripted a universe where IMF doctrine is the only possible solution—where local knowledges and alternative actions become displaced within a dichotomy which poses the IMF's solution against a decision to do nothing. This sets up a straw man against which austerity measures can be scripted in a positive light.

As I have already suggested, these programs are supported by the specialized knowledge of neoclassical economics, which remains silent regarding the social and political consequences of austerity programs, as well as the distribution of these consequences among various segments of the population. It is widely noted that Fund structural adjustment programs disproportionately impact upon the poorer segments of society, while it is in fact the élite class which is responsible for the debt to begin with (see, for example, George, 1989; Hoogvelt, 1987; Stewart, 1989). The Fund, however, claims no responsibility for such things: 'contrary to widespread perception, the Fund has no control over the internal economic policies of its members. It is in no position to suggest, for example, that a member spend more on constructing schools and hospitals and less on buying military jets' (Driscoll, 1992a: 1). While the IMF does not hesitate to encroach upon state sovereignty in dictating economic policies, 'the flimsy pretext of nationhood and national independence enables [the IMF] to make the impoverished masses pay for the debts incurred by the rich' (Hoogvelt, 1987: 25). There is no logical reason why the IMF could not 'target' its conditionality toward human development, distribution of wealth or protection of the environment (Carera, 1990). In fact, owing to its influence, the IMF is in a rare position to do so (George, 1989). As Schechter argues, 'the issue is whether IMF programs could be restructured to include policies that have been ruled out (because they are defined as political and social) but that could lead to a more equitable distribution of sacrifices among various population groups' (1987: 57). But since these factors are outside the jurisdiction of IMF discourse, these calls inevitably fall on deaf ears.

The scripting by the IMF

In this portion of the paper, I have shown how the IMF, in addition to being scripted through discourse, draws on its own discourses to script certain countries as targets for its programs. Based in a discourse of development, itself constitutive of the Three Worlds division, the Fund creates normalized countries which seek help from the IMF in 'modernizing'. Power is vested in the Fund's expert (economic) knowledge, knowledge which is controlled by the IMF as the sole authority over an increasingly wide range of issues. The discursive sites through which power/knowledge is disseminated include the Fund's surveillance and structural adjustment programs, practices which rely on a discourse emphasizing fault, creating the conditions for the acceptance of IMF programs.

Conclusion

My purpose has been to disclose some of the discursive practices and power relations underlying the international monetary system, by examining the discursive relationships between the USA, the IMF and the countries in which Fund programs are implemented. These relations are not innocent for, as I have shown, discourses create the conditions for geopolitical practices which have material consequences. These consequences are especially dire for the two billion people living in countries currently under IMF programs.

By challenging the taken-for-granted nature of global political and economic relations, the approach exemplified here fosters a project which seeks to problematize the vast disparities in wealth and resources across the globe. The promise of a critical geopolitics lies in its ability to open the discursive field to admit alternative voices, and to create the possibility for new institutional arrangements which can disrupt relations of power, and allow people to write their own worlds.

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