

From World Trade Center to Freedom Tower: Toward a New Symbolic Economy?

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Executive Summary: Though 9/11 was a watershed event in world history, rhetoric about the attacks changing America's course is obfuscatory. The "forward strategy of freedom"¹—embodied in the colossal Freedom Tower—is undergirded by a continuation and intensification of the market-fundamentalist policies which have laid the foundation for global resentment of American foreign policy, most extremely expressed through terrorism, and most acutely felt by those with the least ability to alter the policies. Though those charged with rebuilding Lower Manhattan have recalled the idealism about world peace which informed the WTC's planners, the symbolic economy of the Freedom Tower presents a gigantic obstacle to world peace, and, indeed, is evidence that the agents of globalization refuse to learn from their mistakes.

Introduction: The Symbolic Economy of Globalization

At the time of its conception, the World Trade Center (WTC) was envisaged as a practical home for New York's various businesses and bureaucratic organizations involved in international trade and, perhaps more importantly, as a symbol of an irenic project of world peace and international fellowship manifested through the exchange of commodities across borders. It would fail spectacularly in both respects, as the local and global preconditions for its success were superseded by the technological advances and economic agenda of globalization. Globalization's "concentrated decentralization"² of the rhizomes of world trade, which increased six-fold from 1948 to 1973,³ meant that the WTC was functionally outmoded even as it opened its doors; rather than serve as the locus of the administration of world trade, the towers would instead come to be populated with the vogue business sectors of globalizing capital. Despite the failure of the WTC to centralize the apparatus of world trade, however, the soaring buildings would remain an internationally recognized symbol, "the very physical heart of the global economic system,"⁴ even as that system was reaching ever-farther corners of the globe and penetrating deeper into everyday life. The next thirty years of globalization, marked by the violence of anticommunism and structural adjustment, transformed the WTC from, as

¹ Bush 2003.

² Marcuse, 2003, 276.

³ Hoogvelt, 73. As Hoogvelt points out, trade *intensity* should not be conflated with trade "extensity" (the degree of integration of developing economies into world trade): When taking into account Eastern and Central Europe, the "extensity" of world trade has not increased markedly since the 1950s, and indeed, has even shown some moderate declines. In 1953, the developing world and the communist/post-communist countries accounted for some 34.9% of total world trade, while today—even as trade *growth* has been accelerating the developing world—Latin America, Eastern and Central Europe, Africa and Asia (excluding Japan) account for only 33.4% of world trade, with the former "Asian Tigers" and China accounting for more than 43% of all developing country trade. See *UNCTAD Trade and Development Report*, 2004; and *WTO International Trade Statistics*, 2004

⁴ Marcuse, 2003, 272.

its architect Minoru Yamasaki envisioned, “a living and active monument to world peace,”⁵ to an embodiment of the American orchestration of globalization. The terrorist attack of September 11, 2001 consummated of this symbolism.

The Freedom Tower (FT), the skyscraper of unprecedented proportions that will be built at Ground Zero to replace the WTC, will, like its predecessor, carry the enormous symbolic weight of its political and economic context. The construction of the tower, one politician has argued, will “unmistakably signal to the world the unwavering strength of this nation, and our resolve to fight for freedom.”⁶ In effect, the Freedom Tower will embody the Bush administration’s “*single sustainable model* for national success: freedom, democracy, and free enterprise.”⁷ For the Bush administration, there is no alternative.

Two important concepts used in this paper need clarification: globalization, and anti-politics. We use here Peter Marcuse’s definition of globalization, which characterizes it as a particular form of late capitalism marked by: “an expansion of capitalist relationships both in breadth (geographically) and in depth (penetrating ever-increasing aspects of human life),”⁸ and “the use of technological advances, particularly in communications and transportation, in the service of the increased concentration of power and profit.”⁹ This globalization, we will argue, has the effect of subordinating social and political processes to the interests of capital. What’s more, by cloaking the interests of capital in a language of moral rectitude or uncompromising techno-rational superiority, powerful political actors—including governments, international financial institutions, and the private sector—have been able to obfuscate their power, creating what James Ferguson calls “anti-politics.”¹⁰ Anti-politics, he asserts, has the effect of “depoliticizing everything it touches, everywhere whisking political realities out of sight, all the while performing, almost unnoticed, its own pre-eminently political operation.” Here, that operation is the accumulation of capital and the expansion of its power to move freely, at the whim of those who stand to benefit from such movement. The anti-politics of capital is dangerous, we argue, because it professes a righteous universality by structuring the boundaries of not only the economically correct, but indeed, the economically possible—it abrogates alternatives. This is a defining feature of the anti-political: just as al-Qaeda’s anti-political program is “based on a fundamentalist morality that allows no room for any real debate or argument,”¹¹ so too is the neoliberal program of globalization. It is no coincidence that its agents have been called “market fundamentalists.”¹²

Moreover, there loom over this essay a number of larger questions to which we can construct only fallible answers. We may never know, for example, the 9/11 attackers’ specific rationale, and can only analyze those targets against which the attacks were successful—the Pentagon and the World Trade Center. While we deal here with only the latter, the economic and political processes we analyze are inextricable from the military

⁵ “New World Trade Center for Manhattan,” 8.

⁶ Pataki.

⁷ Bush 2002. Emphasis added.

⁸ Marcuse, 2001, 1.

⁹ Marcuse, 2003, 272.

¹⁰ Ferguson, xv.

¹¹ Jayasuria, 132.

¹² Soros, xx.

might, or its threat, which has enabled their spread. Our visceral reaction to the attack on our home city is separate from our belief that the towers and the project they symbolized were misguided. Posthumous reflections on the WTC's significance and symbolism abound, and, taken with the planners' intentions, we hope to construct an interpretation of the twin towers and the Freedom Tower based upon their particular situation within the history of capitalism: an analysis of their "symbolic economy" and its underlying reality.

The World Trade Center: Peace through Commerce

The history of the World Trade Center begins in the 1930s, when Lower Manhattan began its modern decline. The Depression's effects were acute on real estate in the capital of world finance. David Rockefeller, vice chairman of Chase Manhattan bank and private banker to The Shah of Iran, was afraid the southern tip of the island was losing its prestige and reputation in the geography of finance. In 1958, Rockefeller encouraged a revitalization of Lower Manhattan by founding the Downtown-Lower Manhattan Association (DLMA). Postwar suburbanization, combined with inadequate commuting facilities, meant that other parts of Manhattan, if not satellite towns and cities, were becoming the new homes of financial institutions; vacancy rates in Lower Manhattan's office buildings were climbing steadily. Additionally, the ports, which had sustained Lower Manhattan for decades, were losing out to those in New Jersey, Brooklyn, or other coastal cities.

The Port Authority of New York and New Jersey (PA)—a peculiar, semi-public organization that is known best to those who sit in traffic waiting to fund it through bridge and tunnel tolls—answers to the governors of both New York and New Jersey, though they do not control its budget. The PA was chartered in 1921 to maintain the infrastructure of international commerce, neutralize interstate competition, and most significantly, to build a cross-harbor rail tunnel. While the waterways around New York City seemed ideal early on in the city's history, the railroad revolution introduced a new problem: goods could travel all the way across the US by rail, but to cross from New Jersey to Manhattan or Brooklyn and points northeast, they had to be loaded onto ferries or barges, and the efficiency of the system was compromised.

As *The Great Gatsby* teaches us, the 1920s was an age enamored with new technology, specifically the automobile, and so, in addition to seaports, the PA devoted its efforts to bridges and tunnels for cars not trains. By the 1940s, the Port Authority had turned to airports, which its director, Austin Tobin, thought would be the centerpieces of a new wave of international trade. The rail tunnel was never built, despite the Port Authority's financial success. Instead, the PA dodged the issue by shifting 95 percent of the region's containerized shipping (an invention of the 1950s) to Port Newark, seven miles, as the seagull flies, from Lower Manhattan.

It was the DLMA that resuscitated a PA plan from the late 1940s for a commercial venture which would centralize businesses related to international trade, to be located on the east side of Manhattan. After some backdoor negotiations, which focused on the revitalization of a nearly bankrupt commuter train line from New Jersey, the site for the World Trade Center was chosen on the west side, next to the Hudson River. There were two main catalysts for the construction of the World Trade Center. The first was the gubernatorial election of Nelson Rockefeller in NY; the second, Tobin's

realization that the center would not interfere with the agency's charge of facilitating interstate commerce if it turned a profit. Unlike the cross-harbor rail tunnel, which Tobin viewed as a money-losing proposition, real estate, especially if the venture were the cornerstone of a wholesale revamping of the market, would be an excellent use of the PA's budgetary surplus and bonding powers. In 1960, David Rockefeller's DLMA announced formally that it had enlisted the Port Authority to undertake studies for a world trade center as the centerpiece of Lower Manhattan's redevelopment. In 1966, Tobin presented the case to the city council: "The City will receive greatly increased revenues not only from the WTC itself, but by virtue of the increased values of real estate and the new construction which will result from the Trade Center's transformation of the downtown area."¹³ Thus, Tobin re-imagined the role of the Port Authority; no longer would it focus on the infrastructure of maritime commerce. Instead, it would be the vanguard agency in a transformation of the Ur-New York City, Lower Manhattan.

The City Planning Commission announced in 1966 that, "The prime objective of the WTC is to simplify and expand international trade services and activities. . . . The Center will contain only government agencies and private firms which play a part in international marketing and in the administrative process of world trade."¹⁴ The ingenious design of the WTC, which placed the supportive steel columns on the exterior, opened up the floors so they could be modified and partitioned as the tenants saw fit, or so they could be left empty to become trading floors, as many commodity markets had at the time. With importers and exporters, freight forwarders, a trade information library, an institute for trade-related education, and EXIM banks in the seven connected buildings comprising the complex, the thinking was that traditional delays in communication would be eliminated and additional firms would be lured to the WTC. Contrary to free-market ideology, for which Lower Manhattan is often a synecdoche, the Port Authority would use its own bonding power and seemingly limitless public funds to aid private business. That the market's will seemed to prescribe a decline for Lower Manhattan was of little concern to the Rockefellers. They had big plans.

Minoru Yamasaki was not an obvious choice as chief architect, not least of all because he had never designed a skyscraper, but he nevertheless managed to convince the PA that, in spite of his acrophobia, he was the best man for the job. Mariana Mogilevich writes: "Yamasaki saw a direct relationship between the size of the towers and 'a society such as ours, which is one of large-scale and grand achievements'."¹⁵ He believed his architectural humanization, which Ada Louise Huxtable called "the world's daintiest architecture for the world's biggest buildings,"¹⁶ would lead to ideological humanization. He said, "The great scope of [the WTC] project demands finding a way to scale it to the human being so that, rather than be an overpowering group of buildings, it will be inviting, friendly, and humane. . . . To be symbolic of its great purpose, of the working together in trade of the Nations of the World, it should have a sense of dignity and pride, and still stand for the humanity and democratic purposes in which we in the United States believe."¹⁷ This vision of the WTC as embodying essential national principles grew even

¹³ Darton, 110.

¹⁴ Darton, 191

¹⁵ Mogilevich, 2.

¹⁶ Huxtable, 14.

¹⁷ Robins, 27.

more important as the Cold War turned momentarily hot in October 1962, with the Cuban Missile Crisis, just a couple months after Yamasaki was chosen to be the architect. In early 1964, Yamasaki said that his project was to create “a living and active monument to world peace.”¹⁸ The rhetoric was intended to transform the building into a transcendent project, to place it on the stage of world history, as Marshall Berman might say, but it also had the effect of aggrandizement: if the critics of the plans for the WTC were opposed based on local concerns, the Port Authority could depoliticize the argument with idealism on a much larger scale. What’s the importance of, for example, a few mom-and-pop stores in a unique commercial district bulldozed in the name of world peace?

Globalization, Anti-Politics, and the Obsolescence of the World Trade Center

Unfortunately, neither downtown revitalization nor world peace through commerce would materialize with the construction of the World Trade Center. Indeed, the WTC came to embody precisely the opposite of each of these idealistic ambitions, for one reason: deference to the anti-politics of capital. At the local level, the Port Authority invested its resources in speculative real estate, ignoring its charter to maintain the infrastructure of international seaports in New York. At the global level, the WTC came to symbolize not peace and cooperation through international trade, but the ascendancy and imperiousness of highly-mobile capital. At both levels, government, armed with the rhetoric of moral or technical rectitude, intervened in the political process to protect the interests of capital.

As a microeconomic project situated in Lower Manhattan, the WTC caused more problems than it solved. The DLMA wanted two contradictory shifts in the neighborhood: it wanted sleek new skyscrapers, in place of narrow streets and so-called “slums,” to lure businesses to the area, but it also wanted a vibrant street culture. Yet the WTC failed to introduce an organic street culture to the area, not least of all because its superblock erased several streets from Manhattan’s grid. A few restaurants and stores in a concourse, which was not even accessible at street level, did not catalyze the round-the-clock culture that was lacking in Lower Manhattan and that had led to its decreasing desirability in the decades prior to the WTC’s completion. The Port Authority, unlike the DLMA, was unconcerned with issues of urbanism or the local population and low-level commerce. Instead, its leaders were motivated by protecting the area’s concentration of private capital, the reputation of the agency, and their own legacy. Due to the PA’s lack of sensitivity and its certainty that the lumbering bureaucracy was best equipped to decide the future of the urban environment, the organic street culture of the west side of Lower Manhattan was erased for the supposed benefit of the city’s economy.

Moreover, as a cure for a depressed real-estate market, the ten-million-square-foot WTC was exactly the wrong medicine. Many of the elites in Manhattan’s real estate world opposed the construction of the WTC because they feared the sudden glut of office space would destroy the market. For that reason, the PA was forced to open the towers to tenants incrementally over six years. Nevertheless, the world-trade tenants did not materialize. When the World Trade Center opened, 22 percent of all jobs in Manhattan were downtown; by the time of its destruction, the figure had fallen to 19 percent.¹⁹

¹⁸ “New World Trade Center for Manhattan,” 8.

¹⁹ Goldberger, 133

Despite the PA's intentions, the WTC did not turn a profit until 1979.²⁰ The State of New York, following Governor Rockefeller's lead, was the tenant renting the most space throughout the towers' history. The CIA, Secret Service, FBI, US Customs, and New York City's Office of Emergency Management all maintained large offices in the complex (even after the 1993 bombing had shown it to be a target for terrorists).

In spite of the innovative, spacious construction, the trading floors envisioned, wherein exporters and importers would bid on shipping rates or even display goods, never existed. Competition between shipping outfits was often so acrimonious that they would not share office space with each other, so the wide-open floor plans, which made the WTC's design architecturally unique, were inconsequential. Furthermore, the trading floor was becoming an anachronism due to high-speed computers. The New York Stock Exchange's venerable trading floor is today one of the last of its kind, perpetuated by tradition more than need. Eric Darton writes, "According to its own 1993 occupancy survey, the Port Authority found that trade service and import-export tenants accounted for only 5 percent of its leases."²¹

The most galling aspect of the WTC's failure is simple: if the Port Authority had not invested so many resources into speculative real estate, it would have been better able to maintain the ports and related infrastructure—the very reason for the WTC's existence. Although ships crossing oceans might not call to mind the latest in technology, like any other business, shipping continues to avail itself of each era's technological improvements. The PA, without its pre-WTC budgetary surplus, could not keep up with new technology. Moving most of the containerized shipping under its auspices to New Jersey solved one problem but introduced another: the shallow and curvy shoals and kills off Ports Newark and Elizabeth are not easily navigable by state-of-the-art gigantic ships, some of them a quarter of a mile long. The largest ships cannot carry their full load if they dock at Port Newark because they would run aground at full displacement. Instead of wasting money by running a half-empty ship, companies send their cargo to ports south of New York, in Nova Scotia, or on the west coast. In 1985, just twelve years into the WTC's short existence, New York lost its position as the world's busiest container port due to overall neglect and underfunding.²²

In Ric Burns's documentary about the World Trade Center, one Port Authority executive claims that the dot-com boom of the late '90s validated the World Trade Center because there was such a rapid increase in Manhattan's need for versatile office space, which the twin towers were able to provide. It must be noted that twenty-five years is a long time indeed for the WTC to find its purpose. If the WTC had been able to fulfill its original, intended purpose—had the ports remained successful—the partially vacant twin towers could not have been pressed into emergency use by the dot-com boomers. Furthermore, despite the increase in tenancy, the dot-com boom actually meant an explosive decentralization of capital around the world: Internet technology supports the instantaneous transfer of data, allowing its production to occur anywhere. Architecture critic Cynthia Davidson asks, "When a vertical commute takes longer to complete than a

²⁰ Tomasky, 5.

²¹ Darton, 191.

²² Lipton, 2.

high-speed link that accesses the world at the touch of a key, does the tower become obsolete?"²³

The ascendancy of the Internet was but one of a series of economic shifts that occurred during the WTC's existence. Even as the WTC was nearing completion, the world economy was undergoing changes that would usher in the era of globalization—an era that would transform Lower Manhattan from an envisioned “center” of world trade into the heart of a global financial system marked by free-market dogma and the unfettered flow of capital. Of course, globalization, as a process, has been far from monolithic, proceeding unevenly around the world, its fits and starts punctuated by social and political resistance that continues to gain currency amongst both protesters and policy-makers. But the primacy of the interests of ever-more-mobile capital has been a constant thread in the fabric of globalization's recent history, and has become its defining feature. In this aspect, the World Trade Center became globalization's most recognizable symbol.

The early 1970s saw a number of changes in the global economy. While the United States emerged in the aftermath of WWII as the dominant economic superpower, by the early 1970s, the US was not only running a balance-of-payments deficit, but, for the first time in the 20th century, a trade deficit, as well. The dollar overhang and the trade deficit, combined with inflation spurred by increased social spending at home and military spending abroad, caused a crisis of credibility in the US dollar.²⁴ In the face of a mounting threat to the dollar's hegemony (and with it the hegemony of the US economy), President Nixon terminated the gold exchange standard, and two years later, in 1973, annulled the remaining currency cooperation regime known as the Smithsonian Agreement. All pretense of international cooperation regulating capital flows was jettisoned, and the era of deregulation, both at home and abroad, was launched.

1973—the year that the US withdrew from Vietnam, Henry Kissinger was awarded the Nobel Peace Prize, and the WTC was completed—was a watershed year in globalization's history, and not just in the United States. It was in 1973 that the US-backed Pinochet coup toppled the democratically elected Allende government, launching a regime that would undertake the some of the first and most austere neoliberal reforms of the era, aided by Milton Friedman and his Chicago colleagues. It was also in 1973 that OPEC, in the face of the falling value of the dollar, imposed an embargo on those nations that supported Israel in the Yom Kippur War, quadrupling oil prices overnight, and triggering a severe recession in the oil-importing countries.

The OPEC embargo had a number of critical effects for the evolution of globalization and the concentration of power. In the UK, the rise in energy prices, continued labor militancy, and the speculative attacks of the Sterling Crisis forced the Labor government to turn in 1976 to the IMF, which, in exchange for a balance-of-payments loan, called for a series of strict cuts on social spending, coming to nearly £8

²³ Davidson, 114.

²⁴ The dollar overhang made increasingly frightening the prospect of foreign governments actually attempting to convert their dollar reserves to gold. Indeed, as Yergin and Stanislaw write, “In the second week of August 1971, the British ambassador turned up at the Treasury Department to request that \$3 billion be converted into gold” (60-64). This prompted Nixon's decision, broadcast on August 15th, to close the “gold window,” effectively ending the Bretton Woods system.

billion over a five-year period.²⁵ Such drastic cuts in spending, together with rising unemployment, led to widespread discontentment with Labour and helped to broker the path to power for Margaret Thatcher. In the other nations targeted by the embargo, the oil crisis is widely cited as an impetus for the shift away from heavy manufacturing, facilitating the development of new technologies. In the US, as productivity plummeted, manufacturers were forced to lay off workers; unemployment skyrocketed, particularly in automotive-related industries, many of which never recovered. In Japan, the energy crisis is largely credited for the shift into electronics manufacturing and away from oil-intensive production.

In the oil-producing countries, the OPEC embargo of 1973 and its attendant price increases over the next decade meant a newfound wealth, much of which was invested in Western banks. These private banks, now awash in “petrodollars,” were eager to lend, and, with the domestic market flagging, found in the governments of many developing countries willing and ready recipients of enormous private loans, many of which were, for the first time, made not for productive investments, but for balance-of-payments deficits.²⁶ Additionally, massive amounts were lent to private investors and corrupt parastatal organizations with government guarantees, much of which resulted either in huge (and often politically connected) infrastructure projects—what James Henry has called “debt elephants”²⁷—or in increasingly speculative capital flight, much of which returned to the coffers of the banks that had lent the money originally. In many developing countries, and particularly in Latin America, foreign debt grew immensely. For example, in 1970, total foreign debt in Latin America amounted to \$29 billion; by 1978, it had grown to some \$159 billion, 80 percent of which was sovereign.²⁸ The grave instability of such high levels of debt was compounded by the extreme volatility of massive capital movement in recently deregulated markets, particularly the newly established Eurodollar market, where dollar holdings were (and continue to be) unregulated by the US Federal Reserve.

The 1980s, of course, brought the simmering preconditions for neoliberal globalization to a boil, as the US raised interest rates and oil prices once again surged. By 1981, it became devastatingly clear that the imprudent lending of the Western banks, which had been so certain of their repayment, had precipitated a crisis. Debt-service ratios, measuring the proportion of debt payments to export earnings, were skyrocketing as the value of the dollar rose.²⁹ Even as regulators repeatedly warned of trouble to come, Western banks continued to lend, and developing countries continued to borrow.³⁰ It was not a surprise to those who had been paying attention, then, when Poland and Turkey stopped making interest payments on their loans. In August 1982, when Mexico notified its lenders that it would be unable to make its interest payments, it triggered a global crisis; some 40 countries were in arrears by the end of the year, with 27 dramatically “rescheduling” their debt. But the Western banks that had made the loans could not be

²⁵ See Holmes, 1985.

²⁶ In other words, the loans were earmarked for funding current consumption, not future development.

²⁷ Henry, 1.

²⁸ Cline, 4, and Grosse and Goldberg, Table 1.

²⁹ Madrid, 76, and FDIC, 205: “It was estimated that for every percentage point increase in [the US interest rate], debt-service costs for all developing countries rose by \$2 billion. For these countries, interest payments almost tripled during 1978-80, rising from \$15.8 billion to \$41.1 billion.”

³⁰ Henry, 276, and FDIC, 200-201.

left to face their mistakes on their own, lest global capital in its entirety come to a standstill, plunging the world economy into chaos. Instead, the Federal Reserve intervened to shore up those banks with the greatest investments in countries threatening default, and granted regulatory forbearance with regard to the establishment of reserves for lending to developing countries. Moreover, the international financial institutions were quick to step in and restructure private sovereign debt, converting much of the debt to private lenders into long-term debt held by the Bank. In other words, the global financial system intervened to save the capital, not the countries.

The debt restructuring and balance-of-payments loans offered by the World Bank, and backed by the IMF, were conditioned upon dramatic structural reforms that included trade, interest rate, and exchange rate liberalization; privatization of state-owned industries; fiscal “discipline” and the redirection of public expenditure toward high-return fields; and the reinforcement of property rights. These policies constituted the so-called “Washington Consensus” of economic policy advice to developing countries—what John Williamson described as the “lowest common denominator” of policy reforms.³¹ The first structural adjustment loan was made in 1984 to Turkey, where market reforms were seen as a necessary component of containment, and then spread throughout Asia, Latin America, and Africa during the next decade. Even as the Cold War was drawing to a close, the ideology of free markets was exported throughout the world by Western-trained technocrats in search of economic growth—the key that would unlock the development door. Structural adjustment, a phrase which has all but dropped from the development lexicon today, was perhaps the first visible manifestation of the new neoliberal world order that was emerging. But it was surely *only* the first. After structural adjustment came under fire from non-governmental organizations and activists, the neoliberal project underwent a number of facelifts, but in each iteration, the underlying policies remained, and remain today, largely the same. As countries around the world privatized interests, liberalized trade regimes, and deregulated industries, the world’s powerful began to declare that there was no alternative, and that history was coming to an end.

The truth, of course, is that the neoliberal project of globalization has largely failed in its most basic objective: to generate economic growth. As Ha-Joon Chang emphasizes, “Countries at every level of per capita GDP performed worse on average during the neoliberal era than in the two preceding decades.” Moreover, he notes, “that neoliberalism does not deliver economic growth is just the beginning of the problem. Even worse is the fact that the anaemic growth achievements of this regime have been accompanied by numerous adverse consequences in other areas,” namely increased vulnerability to financial crises, higher levels of poverty and inequality, a reduced government ability to compensate those whose livelihoods are eroded by the neoliberal system.³² To be sure, there have been defectors from the neoliberal program, and in many instances, those nations which resisted following the policy prescriptions managed to avoid some of globalization’s most deleterious effects. And the unfortunate converse is true as well: those which followed its policy prescriptions the most closely have often suffered the most serious setbacks: Argentina is the most prominent recent example.

³¹ Williamson, 251.

³² Chang and Gabel, 18-19.

But the most important development to be extrapolated from this cursory history of globalization is that it has created a worldwide system in which the agents of global capital—private and public—are able to bypass traditional, and, indeed, democratic, modes of political decision-making, under the cover of a fundamentalist faith in free markets. Globalization has largely removed economic debate from the political sphere by fostering the anti-politics of capital, in which the boundaries of the possible have been constrained within the framework of neoliberalism. This does not mean, as has been posited, that the power of national governments is in decline relative to the power of the agents of capital (some of which are, of course, the states themselves). On the contrary, what we witness is what Marcuse has called “an abdication of state power”: “If states do not control the movement of capital or goods, it is not because they cannot, but because they will not.”³³ Indeed, neoliberal policy-makers around the world have eschewed the contestation and debate of the political process of economic policy-making and thereby reinforced the anti-political power of the interests of capital. Cracks in this power are, of course, starting to show, and the boundaries of the possible, and indeed, of the correct, are starting to expand, desperately attempting to reverse the spectacular failures of the neoliberal project. Curiously, however, the attacks on the World Trade Center, directed at the symbolic heart of the neoliberal system, may have hampered this expansion, as the anti-politics of capital have taken on, since September 11, a new, unimpeachable rhetorical disguise: freedom.

The Freedom Tower: Tragedy into Triumph?

The WTC, like any large construction project, captured an idealistic economic, political, and architectural zeitgeist. Because its design and construction stretched across two rather different political and economic eras (the mid-1960s and the early 1970s), the planners’ intentions specific were outmoded quite quickly. Today, the Freedom Tower expresses political aspirations of the current moment. Though the building has not yet been built, and, indeed, because its plans have changed considerably since their unveiling, we cannot be certain of its final architectural form or practical function. But we can make some predictions, beginning with its name, which was attached to it not by its original architect, Daniel Libeskind, but instead, by the Republican governor of New York, George Pataki.

Recently revealed to have national political ambitions, Pataki is a calculating politician but not an arresting orator. When the Libeskind plan was announced as the winner of the design competition in early 2003—Pataki, it should be noted, over-ruled the agency overseeing the competition, which had selected another proposal—the governor said the tower was, “an inspiring spire that will stretch 1776 feet as a symbol of our love for this great city and our confidence in its future.”³⁴ Within a few months, Pataki had given the Freedom Tower its name. (Despite its sentimental height, an idea attributed to Libeskind’s wife, the tower was nameless originally.) Like Governor Rockefeller, Pataki announced that gubernatorial offices would be the first tenant of the new world’s tallest skyscraper. Even though a fierce battle over control of the FT’s design was beginning between Libeskind and David Childs, the chosen architect of the

³³ Marcuse, 2001, 3.

³⁴ Goldberger, 169.

WTC's leaseholder, Larry Silverstein, Pataki continued to move forward with his own designs, discernibly more political.

By mentioning plans for the governor's offices in a building that would not be completed until 2008, at the earliest, he telegraphed the idea that he might still be governor by then. Certainly donors to his campaign were paying attention: three of the largest among them were businessmen directly involved in the rebuilding process.³⁵ But both Pataki and Libeskind, like Rockefeller and Yamasaki before them, saw broader ideals in a local project. As he presided over the unveiling of the Freedom Tower, Pataki, again with characteristic inelegance, called it "a symbol of our confidence in our freedom and our belief in tomorrow."³⁶ Libeskind, for his part, noted how the 1776-foot tower would echo the Statue of Liberty and called it a "global symbol of optimism."³⁷ The strongest symbolism of the Freedom Tower, though Libeskind surely could not have predicted it, would be conferred upon it indirectly, as its name became the *modus operandi* of the second George W. Bush administration.

The Republican National Convention was set to be held in Manhattan in the summer of 2004, less than two weeks before the third anniversary of 9/11, and Pataki, whether because of his own political acumen or at the White House's behest, made certain the link between a new beginning at Ground Zero and President Bush was self-evident. Paul Goldberger writes, "If Pataki could get the world's tallest skyscraper started by the time of the convention, it could symbolize to President Bush and the rest of the party his ability to get things done and turn tragedy into triumph."³⁸ Analysts believe that President Bush's re-election can be attributed to a combination of feelings of insecurity and a macho response to those fears.³⁹ The quick construction of a giant skyscraper on the very physical scar left by 9/11 is a perfect representation of the political engine driving Bush's presidency. Of course, the delicacy of Americans' emotions after the attack required suppression of the expediency of connecting 9/11 to partisan political gain. Martin Filler recalls a signal episode: "Silverstein caused a furor when he blurted out—whether knowledgeably or not—that the ceremony was to be held during the convention itself; he had to retract his remark, and the consecration was carried out earlier that summer to avoid charges that it was being exploited for partisan purposes."⁴⁰ Nevertheless, the RNC relentlessly, if indirectly, tied 9/11 to the war in Iraq and triumph overseas to renewal at home. And Bush won the election.

Freedom's Forward Strategy and Backward Reality

References to freedom and liberty have always been a part of the American political lexicon, but from the 1970s forward, and especially after the end of the Cold War, this language is inextricable from the privatization and liberalization that define neoliberal globalization. The drive toward "freedom" has become the hallmark of the Bush foreign policy (in his twenty-minute inaugural speech in 2005, he used the word

³⁵ Healy, B1.

³⁶ Goldberger, 199.

³⁷ Goldberger, 200.

³⁸ Goldberger, 178.

³⁹ Hacker et al, 49.

⁴⁰ Filler, 8.

twenty-seven times), even eclipsing the prosecution of the so-called “war on terror,” which predominated in the immediate aftermath of 9/11. Thus, the blatant failure of the search for Osama bin Laden is not the only reason one hears few mentions of *his* name today from administration officials. The economic and political transformation of the Middle East is where this project of “freedom” obtains, and disingenuous references to al-Qaeda pepper administration discussions only when necessary for rebuking opposition. President Bush might still hope to exact his cowboy revenge on bin Laden, but Bush and his political cronies—some of the most powerful among those with a fundamentalist faith in free markets—stand to benefit more from a “liberalized” Middle East than from a martyred terrorist leader in the inhospitable Hindu Kush.

The two cases in which the Bush administration claims freedom’s most resounding successes are Afghanistan and Iraq, where wars waged in the name of liberation have quickly been followed by classic neoliberal economic restructuring, executed with the oversight of the IMF and World Bank. In Afghanistan, this process has begun in the reconstruction of a country torn by more than 20 years of war. While the UNDP reports that Afghanistan ranks 173rd out of 178 nations in terms of “human development,” (coming in ahead of only Burundi, Mali, Burkina Faso, Niger, and Sierra Leone),⁴¹ the new government has asserted that “the central pillar of the government’s reform agenda has been close adherence to sound macroeconomic policies.”⁴² Monetary and fiscal policy have, in their early stages, set the classic goals of neoliberal restructuring: an independent central bank, liberalized exchange rates, anti-inflationary interest-rate policy, and the establishment of free trade agreements with neighboring countries. It is clearly too early to pass judgment on the efficacy of these reforms in the Afghan context, but history belies optimism on this front.

The Iraqi story is a similar one. In May of 2003, the *Wall Street Journal* revealed the contents of a document created by the Treasury Department and USAID titled “Moving the Iraqi Economy from Recovery to Sustainable Growth,” which described the extent to which the Bush Administration would rely on private contractors for Iraq’s economic recovery. The article asserted that “For many conservatives, Iraq is now the test case for whether the U.S. can engender American-style free-market capitalism within the Arab world.”⁴³ Peter Galbraith, in an article entitled “Iraq: The Bungled Transition,” has detailed conservative know-how in this field: “The privatizing of Iraq’s economy was handled at first by Thomas Foley, a top Bush fund-raiser, and then by Michael Fleisher, brother of President Bush’s first press secretary. After explaining that he had got the job in Iraq through his brother Ari, he told the *Chicago Tribune*—without any apparent sense of irony—that the Americans were going to teach the Iraqis a new way of doing business. ‘The only paradigm they know is cronyism.’”⁴⁴ Since then, the Allawi-appointed Ministry of Finance has taken this project up as its own. In a “Memorandum of Economic and Financial Policies” addressed to the IMF, Finance Minister Adel al-Mahdi and the Governor of the Central Bank write:

We are determined to confront . . . challenges by implementing a sound macroeconomic program and have begun planning and undertaking the

⁴¹ UNDP, 18.

⁴² Memorandum (Afghanistan), 1.

⁴³ King.

⁴⁴ Galbraith, 71.

structural reforms necessary to advance Iraq's transition to a market economy and establish the basis for sustainable growth. Iraq has great economic potential, but requires reforms to restructure the public sector, develop a sound banking system, modernize the central bank, establish a market-oriented legal framework conducive to private sector development, strengthen good governance and transparency, and continue efforts to increase domestic revenue and strengthen expenditure management.⁴⁵

This is, of course, a classic program of structural adjustment; the Bush Administration, despite its self-congratulatory rhetoric, has hardly introduced a new model for post-crisis development. Indeed, the rhetoric of freedom has served particularly well in this case to obscure the anti-political economic reality in Iraq. It is not the case that, as the Bush administration claims, a free and democratic Iraq will choose its economic future. Indeed, many of the reforms driven by the IMF, World Bank, and the US government were already in progress at the time of the Iraqi national election in January 2005. Foley and Fleisher were on the job long before the election was even an Iraqi proposition to which the Administration would begrudgingly accede. Furthermore, as Naomi Klein writes, al-Mahdi, "told a gathering of the American Enterprise Institute [in October of 2004] that he planned to 'restructure and privatize [Iraq's] state-owned enterprises,' and in December he made another trip to Washington to unveil plans for a new oil law 'very promising to the American investors.' It was al-Mahdi himself who oversaw the signing of a flurry of deals with Shell, BP and ChevronTexaco in the weeks before the elections."⁴⁶ "If it all works out," *The Economist* declared, "Iraq will be a capitalist's dream."⁴⁷

For the neoliberal project in Iraq to "all work out," however, the agents of global capital must first deal with a few important obstacles. Unlike the violent insurgency, one obstacle that the Bush administration dealt with handily was Iraq's odious foreign debt. A decade of war with Iran, financed by the West and other Gulf states, meant that Saddam Hussein was faced with a shattered economy, marked by a demobilized military leading to massive unemployment, devastated infrastructure, and \$42.1 billion of official debt at the end of 1990.⁴⁸ Saudi Arabia, Kuwait, and the First World banks refused to reschedule the debts. As James Henry writes, "This policy was not calculated to encourage him to be a good neighbor"⁴⁹; Hussein soon invaded Kuwait. Even today, with the dictator locked up, the effects of a decade of sanctions following the first Gulf War have meant that Iraq has been unable to repay its loans, which, with compound interest mounting, total at least \$120 billion, seven times Iraq's GDP.⁵⁰ The World Bank stated in 2004, "Iraq has no possibility of economic and social sustainability" unless the debt is mitigated.⁵¹ Such a dire warning commanded the attention of the Bush administration, whose very project of freedom was riding on the possibility of not just sustainability, but economic transformation. Bush chose a most trusted family confidant and former Secretary of State,

⁴⁵ Memorandum, 7.

⁴⁶ Klein, 12.

⁴⁷ "Iraq's economic liberalization."

⁴⁸ Henry, 344-5.

⁴⁹ Henry, 362.

⁵⁰ Memorandum (Iraq), 6. It should be noted that there was a question of whether it was fair to charge interest while sanctions were in effect.

⁵¹ Poortman, 1

James A. Baker III, as US Envoy on Iraq's debt. Baker convinced the Paris Club, a consortium of First-World countries, to forgive 80 percent of Iraq's approximately \$40 billion of Western bilateral debt and export credits.⁵² The bulk of Iraq's debt, however, continues to reside with Saudi Arabia, Kuwait, and the other Gulf States, and the IMF has recommended that those nations follow the Paris Club's lead and restructure up to 95 percent of their debt⁵³ in order to give the nascent free market a fighting chance.

It is still very early to discern what a postwar Iraq will look like. But we can be sure that the Bush project of freedom in Iraq and in the greater Middle East is inextricable from the history of neoliberalism, with its bulwark of anti-politics. By presenting the project of freedom as a world-historical responsibility, Bush has deepened neoliberalism's anti-political operation. On top of the rational superiority afforded neoliberalism by technocrats who possess an unflagging fealty to the end of history, Bush's rhetoric further obfuscates the political with a veil of morality. The anti-political nature of market fundamentalism is thereby compounded by Bush's faith in the universality of freedom, a concept against which there can be no protest. What remains at the core, however, is the deeply political project of development, one that, when left to the tenets of neoliberalism, has historically failed. Today, for the majority of Iraqis, freedom is just another word for nothing left to lose.

Standing in the Ideological Footprints of the Past

"Freedom" has unmistakably become the central tenet of the Bush administration's self-imposed mandate. Not only is it inscribed in the National Security Strategy, but even the bipartisan National Commission on Terrorist Attacks upon the United States (Commission) has joined the chorus of free-marketeers in its recommendations for the prevention of future terrorist attacks. In its prescriptions for the prevention of future attacks, the Commission trots out many of the truisms of the market-fundamentalist ideology. "Economic openness is essential," they write. "When people lose hope, when societies break down, when countries fragment, the breeding grounds for terrorism are created. Backward economic policies and repressive political regimes slip into societies that are without hope, where ambition and passions have no constructive outlet."⁵⁴ Clearly, the project of freedom is constrained not by a dearth of idealism, which flows like a gusher from Washington policy-makers, but by on-the-ground realities. The fervent belief that economic openness will bring prosperity to the world's most impoverished has surely been disproved by the last thirty years of globalization's history, during which growth has stagnated, inequality has risen, and poverty has been rapidly urbanized, with "a staggering 78.2 per cent of the urban population of the least developed countries and fully a third of the global urban population" residing in slums.⁵⁵

Furthermore, as if unaware that the WTC itself had been intended to promote harmony across the globe through economic openness, the Commission writes, "The policies that support economic development and reform also have political implications. Economic and political liberties tend to be linked. Commerce, especially international

⁵² See www.clubdeparis.org/rep_upload/PrIraq21nov04.pdf

⁵³ Memorandum (Iraq), 6.

⁵⁴ 9/11 Commission, 378.

⁵⁵ Davis, 13.

commerce, requires ongoing cooperation and compromise, the exchange of ideas across cultures, and the peaceful resolution of differences through negotiation or the rule of law.”⁵⁶ In contrast, Osama bin Laden, echoing even America’s one-time pal the Shah of Iran,⁵⁷ has complained of the US, “They rip us of our wealth and of our resources and of our oil.”⁵⁸ Did it not give pause to the Commission that their recommendation for unfettered commerce across the globe is an echo of already existing globalization, with its structural adjustment and resource extraction, the very same policies bin Laden considers a “rip”?

Just as the relatives of those killed in the WTC believe the physical “footprints” of the towers to be sacred, the Western economists planning the new Iraqi economy believe the ideological footprint of the WTC—the unfettered flow of capital—to be sacred. By rebuilding both Manhattan and Iraq around the footprints of the WTC, the project of freedom will continue to cast the long shadow of globalization over the scars of its previous failures. Perhaps we should not be surprised that capitalists continue to dream of a successful neoliberalism, as, despite its egregious failures for the vast majority of the world’s population, those in control of global capital have continued to benefit from “freedom’s march.” To be sure, the new Iraq offers tremendous opportunity for the agents of global capital, not least in the oil industry. But the oil infrastructure, like the rest of Iraq’s economy, bears terrible scars from twenty-five years of war, sanctions, and mismanagement. Beyond the infrastructure, the Iraqi people themselves bear scars of war and tyranny. Their resilience is probably greater than we can imagine. It may “all work out” in Iraq, but building a new society is not as simple as building a skyscraper that is supposed to represent one.

⁵⁶ 9/11 Commission, 378.

⁵⁷ See Walter LaFeber. *Russia, America, and the Cold War*. New York, 2002: 292.

⁵⁸ Bin Laden, Interview May 1998 with ABC’s John Miller.

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