THE RISE AND COLLAPSE OF FINANCE-WAR HEGEMONY: AS ANTONIO GRAMSCI DEFINED ITS RISE AND AS DR. MAHATHIR MOHAMAD SPELLS ITS COLLAPSE

By:

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Thesis Submitted to the Centre for Graduate Studies, Universiti Utara Malaysia in Fulfillment of the Requirement for the Degree of Master of Arts (International Relations)
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ABSTRAK


Kata Kunci: hegemoni, counter-hegemony, war of position, bloc sejarah, kapital kewangan, dinar emas, penjenayah perang, politik ekonomi antarabangsa.
This is a breakthrough in the study of Antonio Gramsci’s (1891 – 1937) political thought, in its comparison with a leading Malaysia statesman named Mahathir Mohamad (1925-), as well as linking them to International Political Economy dynamics. The purpose of this study is to draw rich access to Gramsci’s pre-Prison Notebooks and his articulation on the historical trajectory of connections of finance capital and war as the basis of the emerging Anglo-Saxon world hegemony. It covers Gramsci’s lifetime and to the current era. It identifies the contradiction within the Neoliberal historical bloc; and the potential of Mahathir-initiated movement in organizing a new form of counter-hegemony as a new historical bloc. The study employs the qualitative research method underpinning the dialectics of Gramscian epistemology of ‘philosophy of praxis’. There are two major assertions of Mahathir’s counter-hegemony; first is the construction of a Gold Dinar historical bloc; and second is the movement to Criminalize War. These movements are considered as Gramscian war of position toward the formation of a new form of alternative historical bloc. Although these movements remain at an early stage, they offer the possibility of change in the prevailing world order.

Key Words: hegemony, counter-hegemony, war of position, historical bloc, finance capital, gold dinar, criminalize wars, international political economy.
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<table>
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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>ASLI</td>
<td>Asian Strategy and Leadership Institute</td>
</tr>
<tr>
<td>BA</td>
<td>Barisan Alternatif</td>
</tr>
<tr>
<td>BN</td>
<td>Barisan Nasional</td>
</tr>
<tr>
<td>BIS</td>
<td>Bank of International Settlements</td>
</tr>
<tr>
<td>BPA</td>
<td>Bilateral Payments Arrangements</td>
</tr>
<tr>
<td>CEOs</td>
<td>Chief Executive Officers</td>
</tr>
<tr>
<td>DAP</td>
<td>Democratic Action Party</td>
</tr>
<tr>
<td>EAEC</td>
<td>East Asia Economic Caucus</td>
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<tr>
<td>EAEG</td>
<td>East Asia Economic Grouping</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>G-7</td>
<td>Group of Seven Industrialized Nations</td>
</tr>
<tr>
<td>G-10</td>
<td>Group of Ten Nations</td>
</tr>
<tr>
<td>G-15</td>
<td>Group of 15</td>
</tr>
<tr>
<td>G-77</td>
<td>Group of 77</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>HPAEs</td>
<td>High-Performing Asian Economies</td>
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<tr>
<td>ICC</td>
<td>International Chamber of Commerce</td>
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<tr>
<td>IFI</td>
<td>International Financial Institutions</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>IPE</td>
<td>International Political Economy</td>
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<tr>
<td>IR</td>
<td>International Relations</td>
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<tr>
<td>ISA</td>
<td>Internal Security Act</td>
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<tr>
<td>KLFCW</td>
<td>Kuala Lumpur Foundation to Criminalize War</td>
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<tr>
<td>KLSE</td>
<td>Kuala Lumpur Stock Exchanges</td>
</tr>
<tr>
<td>MCA</td>
<td>Malaysian Chinese Association</td>
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<tr>
<td>MIC</td>
<td>Malaysian Indian Congress</td>
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<tr>
<td>MFP</td>
<td>Malaysia Foreign Policy</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>MPA</td>
<td>Multilateral Payment Arrangement</td>
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<tr>
<td>MPS</td>
<td>Mont Pelerin Society</td>
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<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
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<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<tr>
<td>NAM</td>
<td>Non-Alignment Movement</td>
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<tr>
<td>NEAC</td>
<td>New Economic Action Council</td>
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<tr>
<td>NEP</td>
<td>New Economic Policy</td>
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<tr>
<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<tr>
<td>NOC</td>
<td>National Operations Council</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<tr>
<td>OEEC</td>
<td>Organization for European Economic Co-operation</td>
</tr>
<tr>
<td>OIC</td>
<td>Organization of the Islamic Conference</td>
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<tr>
<td>OPEC</td>
<td>Organization of the Petroleum Exporting Countries</td>
</tr>
<tr>
<td>OPP</td>
<td>Outline Perspective Plan</td>
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<tr>
<td>PAS</td>
<td>Pan-Islamic Party of Malaysia</td>
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<tr>
<td>PPP</td>
<td>People’s Progressive Party</td>
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<tr>
<td>PRM</td>
<td>Malaysia People’s Party</td>
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<tr>
<td>SAMA</td>
<td>Saudi Arabian Monetary Authority</td>
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<tr>
<td>SAPs</td>
<td>Structural Adjustment Programs</td>
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<tr>
<td>SIPRI</td>
<td>Stockholm International Peace Research Institute</td>
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<tr>
<td>SMIs</td>
<td>Small Medium Industries</td>
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<tr>
<td>TC</td>
<td>Trilateral Commission</td>
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<tr>
<td>TCC</td>
<td>Transnational Capitalist Class</td>
</tr>
<tr>
<td>TINA</td>
<td>‘There Is No Alternative’</td>
</tr>
<tr>
<td>TNC</td>
<td>Transnational Corporations</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UMNO</td>
<td>United Malays National Organization</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNGA</td>
<td>United Nations General Assembly</td>
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<tr>
<td>USA</td>
<td>United States of America</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>WBCSD</td>
<td>World Business Council for Sustainable Development</td>
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<td>WCF</td>
<td>World Chamber Federation</td>
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<tr>
<td>WEF</td>
<td>World Economic Forum</td>
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<tr>
<td>WSF</td>
<td>World Social Forum</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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<tr>
<td>YMCA</td>
<td>Young Men’s Christian Association</td>
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CHAPTER ONE

INTRODUCTION

Capitalism is a world historical phenomenon and its uneven development means that individual nations cannot be at the same level of economic development at the same time.

Antonio Gramsci, ‘The Return to Freedom . . .’, Avanti!
(26 June 1919)

1.1. Objective of the Study

This is a study of Antonio Gramsci’s theory of hegemony and counter-hegemony. It will elaborate on the significance and relevance of his theory in the understanding of international relations. The study will depict Dr. Mahathir Mohammad’s prime international agenda covering both his critique of international financial order, the returning gold dinar exchange economy and war as an international crime, all as major parts of an international hegemony move.

This study attempts to apply and expand Gramsci’s concept of hegemony. Hegemony is defined as the leadership of any given dominant social force through the consensual and coercive means within a given historical bloc, which explains further the relations among the social forces which are mainly depicted with the concept of hegemony and counter-hegemony. Furthermore, at the national level, hegemony is exercised by the dominant class. The international relations is recognized as the competition of national dominant class in order to establish a certain of global historical bloc that consists connections of ‘national’ politico-economy formation (the national
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