Globalization, Imperialism and the Nation State

Irma Erendira Sandoval B.

Academic Committee:

Prof. Sonia Alvarez, Politics Department
Prof. Michael Brown, Politics Department
Prof. Barbara Epstein, History of Consciousness Department
Prof. Helen Shapiro, Sociology Department

University of California, Santa Cruz
August 9th, 2002
Analytical Structure

Introduction
I. Classic Perspectives on the World Capitalist System
II. Contemporary Debates about Globalization
   A. Market Triumphantism vs. Political Governance: The End of the Nation-State?
   B. Empire and the End of Imperialism
   C. A Brief Excursus on War and Natural Resources
III. Concluding Thoughts

Introduction

“Un fantasma recorre el mundo, el fantasma del comunismo...”
K. Marx

Instead of the specter of communism, it is the specter of “globalization” that haunts us today. The problem with specters and phantoms is that they easily lead the analyst into groundless fascination or automatic rejection. It is therefore important to distinguish between an exploration of the real historical processes that have come to be categorized under the label of globalization and the superficial and shallow manifestations of these processes that only fascinate the eye. The confusion of these two levels of analysis leads one to accept various “theories of globalization” which in reality are only ideological cover-ups for neoliberalism. This field statement therefore looks to explore the real social, political and economic processes of what I will call “Actually Existing Globalization” (AEG) and distinguish them from the particular ideology (or ‘ideological specter’) that has emerged out of those same processes, which I will refer to as the “Ideology of Neoliberal Globalization” (ING).

The dominant discourse of ING has used the AEG as an excuse to advance its own ends and agenda. The ING highlights integration, unity and homogeneity within and between nations and ignores polarization, exploitation and exclusion at the national, regional and international levels. I will try to show how the neoliberal understanding of globalization, in its dogmatic attempt to destroy any form of social planning and state intervention, has emphasized the ineluctable elimination of nation-states as the principal units of analysis.
In order to fully differentiate the real from the ideological aspects of globalization it is crucial to historicize the new tendencies and to explore the conceptual roots of today’s globalization discourses. Therefore, in the first part of this Field Statement I will explore the historical and theoretical genesis of the concept and reality of globalization through the lens of four masterpieces on the topic: The Great Transformation, Civilization and Capitalism, The Modern World System and The Long Twentieth Century. As we will see, Polanyi’s ‘double movement’, Braudel’s longue durée, Wallerstein’s “world-system” approach and Arrighi’s “systemic cycles of accumulation” each help us analyze capitalism as an historical social system and hence bring us closer to a better understanding of the real dynamics of today’s globalization.

After this discussion of four classic perspectives, in my second section I will discuss the contemporary debates that exist on the nature of the “globalization” the world has undergone since the early 1970s. Here I will first focus on a discussion and critique of “market triumphalism”. Has AEG strengthened or weakened the nation-state? Has the world economy been entirely transformed by new technological discoveries or are these discoveries just a continuation of a relatively constant process of capitalist innovation? In this first part I will discuss texts by Kenichi Ohmae, Malcolm Waters, Susan Strange Oscar Ugarteche, Samir Amin, Manuel Castells, Paul Hirst, Graham Thompson, Linda Weiss and David Held, among others.

In the second subsection, I will then explore various theories of “empire” and “imperialism” with the intention of seeing whether such terms can still be legitimately applied to the contemporary world political conjuncture. Here I will begin with a discussion of Antonio Negri and Michael Hardt’s recent work on Empire and then proceed to critique it by bringing in texts by Itzván Mészáros, Giovanni Arrighi, Joseph Schumpeter, Vladimir Lenin, Rudolf Hilferding and Harry Magdoff. Finally, in the third subsection, I will discuss the issues of natural resources and war, with particular reference to today’s war in the Middle East. Here the principal text to be examined will be Michael Klare’s recent text on Resource Wars. I will then conclude this Field Statement with some general summary remarks and some initial thoughts about possible scenarios for the future of international relations and the world economy.
I. Classic Perspectives on the World Capitalist System

In this section I will discuss the work of four classic analysts of the historical development of the world capitalist system, Karl Polanyi, Fernand Braudel, Immanuel Wallerstein and Giovanni Arrighi. Although each one of these authors uses distinct analytical strategies and historical periodizations and arrives at their own specific conclusions, all of them put history at the forefront of their analysis. This is the principal reason why I have decided to open this Field Statement with an engagement with these authors. Regardless of whether one ascribes to “world-systems theory”, is a fanatic of Karl Polanyi or considers oneself to be a “Braudelian” or a “Regulationist”, it is of the utmost importance to examine the processes of historical development of the capitalist system in order to understand contemporary processes of “globalization”. The texts written by these four authors offer theoretical frameworks and empirical evidence that simply cannot be ignored.

Polanyi’s understanding of the destructive forces hidden behind the label of the “self-regulating” market is particularly relevant today. The annihilation of nature, alienation of society and the threats of financial collapse continue being the leit motives of today’s “globalized” world. In this respect, it is important to mention the powerful prescience of the arguments about the paradoxes of globalization that this Hungarian produced over half a century ago. In his visionary The Great Transformation (1944), Polanyi explored the socially disruptive and polarizing tendencies of the nineteenth century world economy driven by the “self-regulating market”. In addition, he does not conceive of this market as a spontaneous occurrence but as the result of coercive power at the service of “a stark utopia”.

Polanyi examined the global political economic tendencies that generated the world political and economic crisis of the 1930s and produced –out of a breakdown in liberal economic structures- the phenomenon of depression, fascism, unemployment, resurgent nationalism, and world war. His notion of the “double movement” refers to,

---

1 Although Giovanni Arrighi’s work, The Long Twentieth Century, is not strictly speaking a “classic” yet, since it was only written in 1994, the similarity of its general historical approach to the other three authors merits its inclusion in this first section.
2 Something that Wallerstein himself has claimed we should escape from.
3 For more on the importance of Polanyi’s analysis for an understanding of the present wave of globalization see among others: James H. Mittelman The Globalization Syndrome Princeton, 2000.
first, unprecedented market expansion entailing massive social dislocation and, second, a sharp political response in the form of society’s demands on the state to counteract the harmful effects of the market. In his analysis of the incredible devastation caused by the development of what he identifies as “a revolution of the rich against the poor” Polanyi points out that:

Our purpose in evoking the plight of the people brought about by enclosures and conversions will be on the one hand to demonstrate the parallel between the devastations caused by the ultimately beneficial enclosures and those resulting from the Industrial, and on the other hand—and more broadly— to clarify alternatives facing a community which is in the throes of unregulated economic improvement.4

For Polanyi, the take-off of the capitalist system began with the Industrial Revolution. In his account, the development of “the machine” and the establishment of a market economy pattern are the central new phenomena that characterize capitalism.

Polanyi focuses his attention in the “fantastic” mechanism of the self-regulating market which forces society to run as an “adjunct” to the market. In Polanyi’s view, with the activation of the Self Regulating Market, for the first time gain and profit come to occupy the central role in society:

The transformation implies a change in the motive of action on the part of the members of society: for the motive of subsistence that of gain must be substituted. The market system ... once it is established, must be allowed to function without outside interference…. Prices must be allowed to regulate themselves.

Market economy implies a self-regulating system of markets... an economy directed by market prices and nothing but market prices... gain and profit made on exchange never before played an important part in human economy.5

For Polanyi, the Industrial Revolution in the XIX century along with the establishment of a self-regulating market led to the rise of a new system governed by the search for profits. Nevertheless, as we will see later on, the image of a world market ruled by its own “laws” has been questioned by scholars like Giovanni Arrighi (see discussion below) for whom this idea is rather a fiction fabricated by the third of a long chain of world hegemonies (e.g. the United Kingdom). According to Arrighi, the fiction of the self-

---

4 Polanyi, K. The Great Transformation, Beacon Press, 1944 P. 34.
5 Polanyi, K. Ibidem, P. 41-43. My emphasis.
regulating market was used as a new instrument of world governance and coercion. In contrast, Polanyi doesn’t question the existence of this self-regulated market but rather points out its destructiveness. For him the fiction is not the autonomy of the market but the premises on which it operates (e.g. “fictitious commodities”).

These contrasting understandings of the development of capitalism can be better understood when we notice that while Arrighi explicitly uses Marxist categories in Polanyi we find a clear rejection of Marx’s contributions. Nevertheless, it is interesting to note that this reluctance to incorporate a Marxist analysis doesn’t prevent Polanyi from coming to conclusions highly similar to the Marxist interpretation of capitalism. Arrighi and many other Marxist-friendly scholars consistently borrow from and use Polanyi’s text to support their views. In any case, it is important to note the crucial differences between Polanyi’s and Marx’s original positions in order to distinguish Polanyi’s specific contributions.

The first notable difference is that for Polanyi there is a striking divorce between the social and the economic realms. He notes that with the implementation of the logic of the “market pattern”, instead of “the economy being embedded in social relations, social relations are embedded in the economic system”. (p.57) While Marx uses dialectics to analyze economic relations of production as social relations, for Polanyi there is a split between the social and the economic spheres.

A self-regulating market demands nothing less than the institutional separation of society into an economic and political sphere… Neither under tribal, nor feudal, nor mercantile conditions was there a separate economic system in society. Nineteenth century society, in which economic activity was isolated and imputed to a distinctive economic motive, was, indeed, a singular departure(P. 71).

The vital importance of the economic factor to the existence of society precludes any other result. For once the economic system is organized in separate institutions, based on specific motives and conferring a special status, society must be shaped in such a manner as to allow that [economic] system to function according to its own laws (P. 57).

This methodological difference also explains why Polanyi replaces the Marxist terminology of “commodity fetishism” with his own conceptualization of “commodity

---

6 With regard to the self-regulated market, Arrighi notes: “By presenting its world supremacy as the embodiment of this metaphysical entity, the United Kingdom succeeded in expanding its power in the
fictions”. For Polanyi, labor, land and money are never real commodities. In addition, Polanyi doesn’t differentiate the activity of labor from the substance of labor or “labor-force”, and simply describes the commodification of labor as “entirely fictitious”.

Labor, land and money are obviously not commodities… Labor is only another name for a human activity which goes with life itself, … land is only another name for nature, … actual money is merely a token of purchasing power. None of them is produced for sale. The commodity description of labor, land and money is entirely fictitious (P.72).

Another important feature of Polanyi’s analysis is that he thinks the emphasis Marxists put on the exploitative aspects of capitalism “hides from our view the even greater issue of cultural degeneration” (P.159).

The catastrophe of the native community is a direct result of the rapid and violent disruption of the basic institutions of the victim (whether the force is used in the processes or not does not seem altogether relevant). These institutions are disrupted by the very fact that a market economy is foisted upon an entirely differently organized community; labor and land are made into commodities, which again, is only a short formula for the liquidation of every and any cultural institution in an organic society(P.159).

Here we see that the path to a Victorian “new world order” was built with the bodies of the poor and was premised on the destruction of indigenous societies. Indeed, his multifaceted understanding of the process of the development of European capitalism allows him to analyze the (de)‘construction’ experience of millions of persons who died, not outside the “modern world system”, but in the very process of being forcibly incorporated into its economic and political structures. Polanyi shows us how many were murdered by the fanatic application of the sacred principles of Smith, Bentham, Mill and Malthus, the fathers of the “Liberal Creed”. “The actual source of famines in the last fifty years”, he writes, “was the free marketing of grain combined with local failure of incomes” (P.160).

Therefore, Polanyi’s work has the admirable merit of pulling apart the various myths of the “liberal creed”. Nevertheless, it is important to point out that there is one important fetish that remains alive in Polanyi’s exploration: the Self-Regulated Market. At times it seems that Polanyi sees the “market” as if it were a huge machine that

inter-state system well beyond what was warranted by the extent and effectiveness of its coercive apparatus.” G. Arrighi, The Long Twentieth Century, P.55.
destroys everything that it finds in its way or its “autonomous evolution”. For example, Polanyi explains the way in which the commodification of agriculture eliminates village-level “reciprocities” that traditionally provided welfare to the poor during crises. But in his account there is no one that is directly responsible for the millions of deaths that such processes generated. It sounds as if in the XIX century this huge and all powerful machine of the Self-Regulated Market just didn’t have the “right code” in its “hardware” to identify death and destruction. At times it sounds as if social annihilation were a matter of a postmodern “system failure” of a massive computer:

Indian masses in the second half of the nineteenth century did not die of hunger because they were exploited by Lancashire; they perished in large numbers because the Indian village community had been demolished. That this was brought about by forces of economic competition, namely, the permanent underselling of hand-woven chaddar by machine-made piece goods, is doubtless true; but it proves the opposite of economic exploitation, since dumping implies the reverse of surcharge (P.160).

Nevertheless, we all owe to The Great Transformation a highly prophetic vision of our current globalization, particularly with its powerful metaphor of “the double movement” which refers to the “avalanche of social dislocation” that leads to emergence of actions of self-protection of society against the self-regulated market.

Social history in the XIX century was the result of a double movement: the extension of the market organization in respect to genuine commodities was accompanied by its restriction in respect to fictitious ones…. A network of measures and policies was integrated into powerful institutions designed to check the action of the market relative to labor, land, and money” (P76) (My emphasis).

As mentioned above, Polanyi argued that industrializing England experienced the “double movement” through the destruction of established social relations and practices by the commodified economy and through the simultaneous and spontaneous effort to resist the deleterious consequences of this commodification. A highly similar dialectic or “double movement” is happening nowadays between globalization and resistance. Polanyi was right to highlight the intimately intertwined nature of globalization (or what he identified as the expansion of the Self-regulated market) and counterglobalization (or what he would call the Self-Protective impulses of society). Although in Polanyi’s view the role of intellectual movements as such are not necessarily central.
Intellectual fashions played no role whatever in this process; ... it is incorrect to say that the change to social and national protectionism was due to any other cause that the manifestation of the weaknesses and perils inherent in a self-regulating market system (P145).

There is, however, more to The Great Transformation than the “double movement”. Polanyi underscores the role of free market ideology and the concomitant absence of economic governance in hastening the collapse of the pre-World War II international economy. He therefore shows us that the claims about the imminent demise of the nation state and the euphoric reign of laissez-faire on a global scale are today more prescriptive than descriptive, and not only wrong but also dangerous. As we will see later, particularly with the work of Hirst and Thompson, the current globalization requires some form of governance and Polanyi’s work is highly enlightening in this respect. The opening chapters of The Great Transformation, outlining the collapse of the international economic system, tell a cautionary tale that is as relevant today as it was in 1944. We should recover Polanyi’s advice and remain skeptical about the ideological nature of and the hype surrounding globalization.

The French historian Fernand Braudel’s work (La Méditerranée et le monde méditerranéen à l’époque de Philippe II, Paris, 1953, and Civilization and Capitalism, 1981, 1982, 1984) is at once highly similar and profoundly different from Polanyi’s analysis of capitalism. Like Polanyi, Braudel is interested in analyzing the paradoxes of the capitalist system through a careful commitment and respect for history. Unlike Polanyi, instead of starting his analysis with the Industrial Revolution, Braudel goes much further back in history (to thirteenth-century Italy) to begin his historical exploration of capitalism.

For Fernand Braudel there are three different temporalities in History: geographic, social and individual. Generally speaking, each one of these corresponds to a different kind of analysis. The individual or “brief temporality” which Braudel calls the “history of occurrences” is a temporality used, par excellence, by the journalist. The social or “short temporality” is the “history of cycles” and is the time in which “major events” of History occur that have political meaning. But there is still another temporality, the geographic or “long temporality”, that is usually forgotten by historians and social scientists. This perspective looks at secular trends which are almost timeless because from the point of
view of the *longue durée* history goes at such a slow pace that time itself almost disappears.

The great contribution of Braudel to the social sciences is precisely to have shown that the workings of capitalism can be truly understood only through a “macro”, “structural” and *longue durée*–oriented approach. According to this author, only in this way can we meaningfully engage with capitalism as a *historical system*. Braudel’s most crucial contributions can be grouped into three closely related claims. The first is that the essential feature of historical capitalism over its *longue durée* is its “flexibility” and “eclecticism” rather than the concrete forms it has assumed at different places and at different times. The second claim is that, world-historically, rather than the commercial or the industrial arenas the financial has been the real home of capitalism. The third claim is that the alliance and identification with states (coercive institutionalization) rather than markets (economic institutionalization) is what has enabled capitalism to triumph in the modern era. In what follows I want to focus on the first two claims. I will engage with the third claim later on in this Field Statement.

With regard to the first claim, Braudel strongly emphasizes that “unlimited flexibility” and “capacity for change and adaptation” are the most essential features of the general history of capitalism. “If there is, as I believe, a certain unity in capitalism, from thirteenth-century Italy to the present day West, it is [in its flexibility] above all that such a unity must be located and observed” (1982:433). In certain periods, even long periods, capitalism did seem to “specialize”, as in the nineteenth century, when “[it] moved so spectacularly into the new world of industry.” This specialization led many “to regard industry as the final flowering which gave capitalism its ‘true’ identity”. But, in contrast to Polanyi, for Braudel this is a short term view.

After the initial boom of mechanization, the most advanced kind of capitalism reverted to eclecticism, to an indivisibility of interest so to speak, as if the characteristic advantage of standing at the commanding heights of the economy, today just as much as in the days of Jacques Coeur (the fourteenth century tycoon) consisted precisely of not having to confine oneself to a single choice, of being eminently adaptable, hence non-specialized (1982:381; emphasis in the original).

Although the emphasis here is on rejecting the practice of identifying capitalism with industrialism, Braudel’s remarks apply also to the identification of capitalism with
commerce. This is evident from the following quotation that implies that what today we call the “financialization of capital”, far from being a newborn child of the early (let alone late) twentieth century, has been a constant of capitalist history.

Hilferding… sees the world of capital as a range of possibilities, within which the financial variety- a very recent arrival as he sees it- has tended to win out over the others, penetrating them from within. It is a view with which I am willing to concur, with the proviso that I see the plurality of capitalism as going back a long way. Finance capitalism was no newborn child of the 1900’s; I would even argue that in the past—in say Genoa or Amsterdam- following a wave of growth in commercial capitalism and the accumulation of capital in a scale beyond the normal channels from investment, finance capitalism was already in a position to take over and dominate, for a while at least, all the activities of the business world (Braudel 1984: 604) (My emphasis).

Precisely because financial capital is able to take over and dominate, Braudel identifies “financial expansion” as a symptom of maturity of a particular phase of capitalist development. He says that, “[every] capitalist development of this order seems, by reaching the stage of financial expansion, to have in some sense announced its maturity: it [is] a sign of autumn” (Braudel, 1984: 246, My emphasis).

Braudel’s characterization of capitalism as the top layer of a three-tiered structure is also especially thought-provoking and constitutes another point of differentiation from Polanyi’s analysis. The lowest and until very recently broadest layer is that of an extremely elementary and mostly self-sufficient economy, he called this the layer of material life, “the stratum of the non-economy, the soil into which capitalism thrusts its roots but which it can never really penetrate” (1982:21-22, 229). Then, he goes on to explain that,

Above [this lowest layer], comes the favored terrain of the market economy, with its many horizontal communications between the different markets: here a degree of automatic coordination usually links supply, demand and prices. Then along side, or rather above this layer, comes the zone of the anti-market, where the great predators roam and the law of the jungle operates. This –today as in the past, before and after industrial revolution- is the real home of capitalism (Braudel, 1982: 229-30).

As Braudel underscores, the top layer that constitutes “the real home of capitalism” is less transparent and less explored than the intermediate layer of the market economy. The transparence of the activities that constitute the layer of the market economy and the wealth of data (particularly quantitative data) that these activities generate, have made
this intermediate layer the “privileged arena” of historians and social scientists. The layers below and above the market economy are instead “shadowy zones” (zones d’opacité). The bottom layer of material life is “hard to see for lack of adequate historical documents” while the upper layer, in contrast, is hard to see because of the actual invisibility and complexity of the activities that constitute its substance (Braudel, 1981:23-24).

All of these levels constitute different and coexisting realities of world trade in its broadest sense. Because of this, Braudel’s text has been compared by the French scholar Michel Morineau to “a historical-geographical map of economic life” that can help us see what economists and social scientists in general have not been able to consider in analyzing the capitalist system. Morineau rightly observes that economics “has not been able to throw light on the future, nor has it managed to provide the key to changes that took place in the past,” because it “developed from intuitions that were ‘genial’ but from the start ill-adapted to real situations and owing to the force of circumstances, became more and more ill-adapted as the years pass by”7. According to Morineau, Braudel’s work, fulfills an essential function. It helps us to impugn obsolete economic theories, the historians’ reflex in bowing down before magical formulate and their cosy refuge in studying a narrow event in a narrow time span and within a narrow geographical area. Thus the merit of Civilisation matérielle, économie et capitalisme may lie in stimulating a real dialogue among historians, economists, and sociologists, in a tightening up of research and a better grasping of issues; in short, the pursuit of a grand design8.

Immanuel Wallerstein’s work (The Modern World-System I and II, 1979, 1982) develops in an intimate dialogue with Braudel’s longue durée–oriented approach. Clearly inspired by Braudel’s commitment to a deep grasp of history in the study capitalism, Wallerstein’s masterpieces are of particular relevance today in so far as they help us to realize that many of the processes that are usually referred to when we speak of globalization are in fact not new at all. Along the same lines as Braudel, Wallerstein

7 Good examples of such “genial intuitions” are the ideas of “comparative advantage”, “perfect competition” “Self-Regulated Market” or the “rational expectation of the economic actors”. Michael Morineau “A Fresh Look at Fernand Braudel” in Journal of European Economic History, XXVI, 3, P 627. (My emphasis).
8 Ibidem Page 630.
proves that some of these processes have in fact existed for some 500 years or more. As a result, he invites us to lengthen the time frame for the present situation (globalization) in order to fruitfully analyze capitalism.

The main contribution of Wallerstein and his world-system perspective is the fact that he recognized that national "development" could only be understood contextually, as the complex outcome of local interactions with an aggressively expanding European-centered "world" economy. In terms of historical periodization, Wallerstein can be placed between Polanyi and Braudel. Like Polanyi, Wallerstein focuses on the development of modern capitalism in Western Europe, but like Braudel he refuses to reify the Industrial Revolution and searches instead for the roots of capitalism in the agricultural developments of 16th century Europe. Thanks to Wallerstein's remarkable study of the sixteenth century, the global nature of economics was examined more than twenty years before the globalization lingo entered popular and academic discourses.

In pioneering this radical reorientation of social research, Wallerstein advanced a theoretical and historical account of the origins, structure and eventual demise of the modern world system. Central to this account is the conceptualization of the Eurocentric world-system as a single capitalist world-economy. The world system is defined as a spatio-temporal whole, whose spatial scope extends as long as the division of labor continually reproduces the “world” as a social whole.

Wallerstein defines a “world economy” as a “world system” that is not encompassed by a single political entity. Historically, world-economies have tended towards disintegration or conquest by one group and hence transformation into a world-empire—a world system encompassed by a single political entity. The world-economy that emerged in sixteenth century Europe, in contrast, displayed no such tendency. Not only did it survive but it became the only world-system “that has ever succeeded in expanding its outer boundaries to encompass the entire world”, thereby transforming itself “from being a world to becoming the historical system of the world” (1979 P.120).

The unprecedented and unparalleled expansionary force of the European world-economy arose out of its capitalist nature—the fact that it was not just any old world-economy but specifically a capitalist one. Along the lines of Polanyi, for whom capitalism activates gain and profit for the first time in society, Wallerstein singled out
“production for sale in a market in which the object is to realize the maximum profit” as the essential feature of a capitalist world-economy. “In such a system, production is constantly expanded as long as further production is profitable, and society constantly innovates new ways of producing things that will expand the profit margin” (1979 P.15).

For some authors this portrayal of the transformation of the European world-economy into the capitalist world-economy is both a great strength and a great weakness of Wallerstein’s account of the origins and evolution of the modern world-system. It is a great strength because –if it can be convincingly demonstrated— it provides a highly plausible explanation of the uniquely expansionary thrust of the Eurocentric world-system over the last 500 years. But it is also a major weakness because Wallerstein has no convincing explanation for precisely how and why the transformation occurred when and where it did.

Very different historical starting points lead Braudel and Wallerstein to look in different directions for the origins of world capitalism. On the one hand, Wallerstein looks to the organization of agricultural production in the states of northwestern Europe—the states that in the seventeenth and eighteenth centuries emerged as the leading locales of capitalist production. On the other hand, Braudel looks to the organization of long-distance trade and high finance in the city-states of thirteenth-century northern Italy. These city-states were intermediate formations, which by the seventeenth and eighteenth century had lost out in the intercapitalist competitive struggle, but for most of what Braudel calls the "extended" sixteenth century (1350-1650) had been the leading capitalist organizations of the European world-economy.

Nevertheless, whatever their differences there are many more points of agreement than of divergence between Braudel’s and Wallerstein’s perspectives. We should remember that one of the crucial strengths of the Braudelian framework is in the unambiguous correlation that it establishes between coercive institutions (states) and capitalism as a social system. Wallerstein also acknowledges that the coercive element has a central role within the modern world-system. Specifically, he emphasizes the phenomenon of the “hegemonic sequence”, or the rise and fall of hegemonic core states (e.g. seventeenth century Netherlands, nineteenth century Britain, and the United States
in the twentieth century). Hence, the hegemonic structures of the modern world-system are of crucial importance politically as well as economically.

It is also important to point out that for Wallerstein the “world-system” includes all of the economic, political, social, and cultural relations between the people of the earth. Thus, the world system is not just “international relations” or the “world market”. It is the whole interactive system, where the whole is greater than the sum of the parts.

One of the most important structures of the current world-system is a power hierarchy between core and periphery in which powerful and wealthy “core” societies dominate and exploit weak and poor “peripheral” societies. Within the current system, the so-called “advanced” or “developed” countries constitute the core, while the “less developed” countries are in the periphery. The peripheral countries, rather than developing along the same paths taken by core countries in earlier periods (the assumption of “modernization theory”) are instead structurally constrained to experience developmental processes that reproduce their subordinate status. Put simply, it is the whole system that develops, not simply the national societies that are its parts.

Giovanni Arrighi draws on the tradition of Fernand Braudel’s concept of the longue durée in his interpretation of capitalism. Arrighi analyzes capitalism as a concrete “historical social system” which can be fruitfully analyzed by taking a careful look at the secular trends that have distinguished the entire life of world capitalism. This is why he writes about the existence of a Long Twentieth Century (LTC). This LTC is the fourth systemic cycle of accumulation that has existed in the history of capitalism.

Like Braudel and Wallerstein, for Arrighi capitalism is not a “newborn baby” that came to life with the Industrial Revolution in the nineteenth century. For him, the real roots of this amazingly “eclectic” system can clearly be traced back to the “medieval system of rule” where the “regional sub-system of capitalist city-states” of northern Italy developed. In his own words:

The accumulation of capital from long-distance trade and high finance, the management of the balance of power, the commercialization of war, and the development of residential diplomacy (…) complemented one another and, for a century or more, promoted an extraordinary concentration of wealth and power in the hands of the oligarchies that ruled the northern Italian city-states (P. 39).
Arrighi’s most crucial theoretical contributions for our understanding of capitalism are, on the one hand, the concept of “systemic cycles of accumulation” which help us to follow the genesis, consolidation, and disintegration of the successive regimes of the capitalist world-economy and, on the other hand, the notion of “endless accumulation of capital” (or overaccumulation of capital) which have generated financial expansions throughout the history of capitalism.

For Arrighi, each of the systemic cycles of accumulation have consisted of a phase of commercial and industrial (“material”) expansion followed by a phase of financial (“speculative”) expansion. To elucidate this he uses the Marxist general formula of capital (MCM’).

Marx’s general formula of capital (MCM’) can therefore be interpreted as depicting not just the logic of individual capitalist investments, but also as a recurrent pattern of historical capitalism as a world system. The central aspect of this pattern is the alternation of epochs of material expansion (MC phases of capital accumulation) with phases of financial rebirth and expansion (CM’ phases). In phases of material expansion money capital “sets in motion” an increasing mass of commodities (including commoditized labor-power and gifts of nature); and in phases of financial expansion an increasing mass of money capital “sets itself free” from its commodity form, and accumulation proceeds through financial deals (as in Marx’s abridged formula MM’). Together, the two epochs or phases constitute a full systemic cycle of accumulation (MCM’) (P.6).

Arrighi puts together Marx’s formula of MCM’ with Braudel’s metaphor of a sign of autumn to describe the maturity that capital shows once it reaches the stage of financial expansion or the CM’ phase. He also points out that historically the financial rather than the commercial or industrial has been the realm in which capital feels more comfortable. This because this realm allows for better “flexibility”, “velocity” and “liquidity”.

It is important to note that when the author talks about finance capital he refers to it in terms of a constant rebirth and expansion as opposed to a phenomenon particular to the 20th Century. In the same way that he contests those interpretations that define capitalism as a result of the so-called “Industrial Revolution”, he also challenges those perspectives that identify the rise of finance capital as an outcome of our time. To the contrary, he portrays financial expansion as a “recurrent phenomenon” that has been present in the capitalist system from its very beginning.
For Arrighi, the capitalist world system has had four systemic cycles of accumulation. Genoa, Holland, Britain, and the U.S. have been their respective organizational centers.

A Geonese cycle, from the fifteenth to early seventeenth centuries; a Dutch cycle, from the late sixteenth century through most of the eighteenth century; a British cycle, from the latter half of the eighteenth century through the early twentieth century; and a US cycle, which began in the late nineteenth century and has continued into the current phase of financial expansion.

Each one of these four systemic cycles of accumulation (SCA) has been characterized by an initial expansion of world trade and production (in these periods cooperative tendencies between capitalists prevail). Nevertheless, each of these SCA has also ended in a crisis of overaccumulation that activates interstate rivalries and heightens interenterprise competition.

Tension between the cooperative and competitive tendencies of processes of world market formation long preceded the emergence of modern industry. Indeed, … a tension of this kind has underlain the recurrence since the late Middle Ages of phases of material expansion of the capitalist world-economy in which cooperative tendencies prevailed, and of phases of financial expansion in which competitive tendencies prevailed (P. 252).

These periods of financial expansion have led to an eventual breakdown of the organizational structures on which the preceding expansion of trade and production had been based. This organizational breakdown or hegemonic crisis is what Arrighi has baptized as “systemic chaos”.

From my point of view, Arrighi’s description doesn’t pay enough attention to the class struggle that generates and arises out of each systemic transition. Nevertheless, he does mention the social polarization brought about by the ongoing processes of concentration of capital and therefore his analysis leaves plenty of room to assess social conflict. Indeed, he does acknowledge that “systemic chaos [has also been a] result of the intrusion of social conflict into the power struggles of rulers” (P51).

Along the same lines, it is important to note that just as the evolution of the different cycles has occurred through the emergence of organizing centers of “greater complexity”, each transition has also had antisystemic social movements of greater efficacy. For example, in the first half of the seventeenth century the Dutch hegemony
had to face innumerable urban and rural revolts (Arrighi mentions the Puritan Revolution as the best example of this) In the late eighteenth and early nineteenth centuries the hegemonic transition experienced the torrent of social rebellions whose greatest epitome was the French Revolution. In the early twentieth century, the level of social agitation reached its highest level of intensity under the international labor movement that arose after the Russian Revolution. In this respect, it is very important today to identify and assess the perspectives of the current anti-systemic social movements around the world.

Arrighi reveals the important differences that exist between the unilateral free trade policy of the British Empire (the so-called “free-trade imperialism”) and the “auto-centric nature” of US centered imperialism. This helps us understand the concrete and theoretical differences between liberalism and neoliberalism. Arrighi masterfully demonstrates how the US government “… never ever considered adopting the kind of unilateral free trade that Britain practiced from the 1840s right up to 1931” (P.71). This historic fact clarifies the antithetical nature of neoliberalism with respect to liberalism.

The free trade ideologized and practiced by the US government throughout the period of its hegemonic ascendency has been, rather, a strategy of bilateral and multilateral intergovernmental negotiation of trade liberalization, aimed primarily at opening up other states to US commodities and enterprise (P.71).

Related to this issue, Arrighi’s differentiation between the US transnational companies and the joint-stock chartered companies of previous hegemonies also clarifies the specific nature of the social and political relations of the twentieth century. In the past, the joint-stock chartered companies served the territorial interests of the European system of sovereign states, just as Hegel’s slave serve the interests of the master. Today, the former “slaves” have outdone their masters. The incredible proliferation of “large scale” and “vertically integrated” transnational corporations of our days has transformed the terms of this relation. These corporations are now the masters and have undermined the strength of the interstate political system. I found Arrighi’s allegory of the US corporations as “Trojan horses” attempting to take over domestic markets of other states to be particularly ingenious.

By expanding transnationally as soon as they had completed their domestic continental integration, US corporations became so many “Trojan horses” in the domestic markets of other states as to mobilize
foreign resources and purchasing power to the benefit of their own bureaucratic expansion (P.294).

The joint-stock chartered companies were highly malleable instruments of the expansion of state power, whereas twentieth century transnational corporations are not. Far from being malleable instruments of state power, the latter soon turned into the most fundamental limit of that power (P.307).

In addition, Arrighi’s understanding of the role of Third World countries totally differs from vulgar world-systems interpretations. These views see the social dynamics in the “peripheral” countries as mechanically and fatally determined by the dependency structures that connect the metropolis with the so-called Third world. From this perspective the engine of history is supposedly found only in the “core”, thereby diminishing these “other” countries to passive actors in history. Arrighi openly challenges this stance at the end of the last chapter of LTC when he mentions how the emergence of the famous movement of non-aligned states in 1955 was a huge threat to US hegemony, even potentially more dangerous that communism itself.

In this way, he acknowledges the incredible power of sovereignty of Third World states vis a vis US corporations in so far as they can confront the flexibility that those conglomerates would love to maintain over the natural and human resources of the Third World countries.

The full sovereignty of Third World states constituted a latent and growing challenge to US world power, potentially far more serious than Soviet power itself. This challenge was both economic and political (P.321).

Nevertheless, I also think that Arrighi’s theoretical construction of the concept of hegemony gets caught up in political issues such as “leadership” and “governance” and sidesteps more material issues. His theoretical construction of hegemony recovers the Gramscian understanding and incorporates the moral component of “legitimacy” (i.e. hegemony understood as the claim of the dominant group to represent the general interest). Nevertheless, I think a more full understanding of hegemony would also include reference to direct control over material resources like energy sources. These questions will be discussed further in the next section concerning the contemporary debates about globalization.
II. Contemporary Debates about Globalization: Market Triumphalism, Nation-States, Imperialism and War

The world economic downturn of the 1970s marked a crucial turning point in the development of the capitalist system. It simultaneously launched processes of social, economic, political and financial restructuring that included deep changes in production, international trade and the world financial system. Undoubtedly, the ideological factor has played a major role in the “success” of this restructuring. As noted in the introduction, the impressive propagandistic display of the ING that sustains the dogma of the no intervention of the state in economic matters, the attack on labor-unionism, the open restriction of social and economic rights, and the total deregulation and privatization of the economy has adopted the term *globalization* as the principal category aimed to give scientific value and a sense of ineluctability to neoliberal changes. As a result, for many analysts in the late eighties and early nineties, “globalization” was seen as little more than an ideological ploy linked to the *triumphalism* of the capitalist expansion on a world scale –a neoliberal apology by another name. However, if properly framed, the concept of globalization refers to authentic and important changes in the global economic structure and even in social consciousness and identity (Castells 2000, Melucci 1996, Cohen and Rai 2000, Alvarez 1997) and therefore can help us in our understanding of contemporary capitalism.

This section is divided into three subsections. First, I will examine the debate concerning market triumphalism that raged in the literature on globalization throughout the 1990s. Here I will pay particularly close attention to the issue of the continued relevance (or sudden obsolescence) of the nation state in the contemporary world. Second, I will discuss various theories of imperialism and consider whether it is still worthwhile to examine the contemporary world order through this analytical lense. Finally, I will discuss the role of war in general in the formation of the contemporary world order and briefly discuss the present day international political conjuncture.
A. Market Triumphalism vs. Global Governance: The End of the Nation State?

At the peak of the triumphalist discourse during the early nineties the optimistic view of globalization highlighted what appeared to be its major benefits, including gains in productivity, technological advances, higher standards of living, more jobs, broader access to consumer products at a lower cost, and the widespread dissemination of information and knowledge. Ohmae’s work, which will be analyzed below, is the best example of such an “optimistic” perspective. Eric P. Peterson, vice-president of the Center for Strategic and International Studies of the Massachusetts Institute of Technology, is another typical triumphalist author. His article aptly entitled “Surrendering to Markets” is an excellent example of such a way of thinking. Here the author expresses his alarm for the resurgence of trends of “economic nationalism” in the US. According to Peterson, governments should acknowledge a new reality in which:

There is reason to believe that by definition governments are ill-equipped to maintain their traditional sovereign prerogatives with respect to decision-making on economic policies. Technology and information streams are outpacing them. The new complexities and time frames are stretching their capacity to respond. And growing linkages with other financial systems dramatically limit their capabilities in fashioning national responses to what is a global phenomenon. The countdown to the surrender to the new global markets is under way (P.108) P.172 (My emphasis).

During the height of global triumphalism such positions were by no means rare. The vast majority of authors -including many intellectuals of the old and new left- had the message clear: the only responsible strategy within the new global capitalism is the one that promotes the surrender to markets.

Even less clearly ideological perspectives tend to affirm the idea that there is only one possible form of globalization and that the triumph of the “market” over the “nation-state” and “regional cultures” is ineluctable. Malcolm Water’s book, straightforwardly entitled Globalization, is a good example of such a relatively more moderate approach that stills ascribes to this myopic view of globalization. Waters’s discussion of globalization attempts to capture the more directly experiential side of world integration. He defines globalization as “a social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding” (P3). He offers an enthusiast’s guide to the growing literature on
globalization. In his exploration of the nature and impacts of globalization on the
economy, politics, and culture, globalization opens up nation states and unleashes political democratization. For him, the new global culture is one based in consumer sovereignty and “jet-setting”. Waters envisions globalization as the interrelated combination of three principal processes of change: “economies trend towards liberalization… polities trend towards democratization… and culture towards universalization …” (P159). Waters asserts that all of these processes,

are carried forward through history by changes in the relative efficacy of these three arenas. Historical time is … largely a Western European periodization, since Western European societies and their derivates and mimics are the source and the leading edge of globalization (P.160).

It is interesting to see how Waters’s view of globalization –economic liberalism, political democracy, and cultural universalism- sounds familiar to the modernization theory that back in the 1960s promised that the poverty of the Third World could be alleviated by emulating the example of the First World (Rostow, 1968). As we saw in the other Field Statement, although modernization theory was never a homogeneous or coherent project, in general it does presume the shape of modernity to be Western or, more accurately, American: economic liberalism, political democracy, and cultural universalism. This is the very substance that constitutes Waters’s vision of contemporary globalization.

The symbolic appeals centre on human rights, the planetary environment, liberal democratization, consumption rights, ethnic diversification, and cosmopolitanism, each of which institutionalizes globalization practices and phenomenologies. Cultural action is now disrupting states, especially where they are most highly organized, and party politics is being disrupted by universalizing and diffuse social movements. Territorial boundaries are thus becoming dominated by lifestyle choices, both in terms of the displacement of production by consumption as the central economic activity and in terms of the diversification of possible occupational experiences. The economy is becoming symbolically mediated and reflexive which detaches it from locality (P.161).

This understanding of contemporary globalization as an increase of cultural interconnections, an intensification of economic of interdependence, and a rise in transnational flows, has led some scholars to conclude that the world has become a single place. A typical example of this belief is the work of Kenichi Ohmae The Borderless World (1990). Ohmae’s study of globalization is an analysis based on the evolution of communications (“internet”) and the strengthening of multinational companies, basically
in rich countries. In the mid nineties, his work became the dominant background for the mainstream of theories of globalization. His basic argument is that large companies have to adjust their operations to global industries and businesses, where worldwide economies of scale can be achieved with products made for global consumers in world niche markets. He believes that globalization is a “time for big companies to relearn the art of invention” at a different scale (P. XV).

According to Ohmae, the new role of the state should be restricted to protect the environment, to educate the labor force and to build comfortable and secure social infrastructure. Some governments don’t understand that their role has changed, away from protecting the population and their natural resources from external threats, and towards ensuring that citizens have the broadest possible range of choice among the best and cheapest products and services available in the world. From this perspective, citizenship is equated to being an “informed” and “demanding” consumer.

For this author, an “island” that he calls the “Inter-Linked Economy” (ILE) – made up of the United States, Europe and Japan along with the Asian Newly Industrialized Economies- is emerging and consequently the rules of the game in the global age have changed. According to Ohame, with the emergence of the ILE the isolationism of the pre-global era is untenable:

This forced isolation was ever harder to enforce with the emergence of what I call the interlinked economy (ILE) of the Triad (the United States, Europe and Japan), a long-standing, trilateral economy alliance that recently has been joined by such aggressive economies as Taiwan, Hong Kong, Singapore, and Ireland. This ILE has become so powerful that it was swallowed most consumers and corporations and made traditional national borders so faint as to be almost invisible. What’s more, it has pushed bureaucrats, politicians, and the military toward the status of entities in decline (P. XVI).

In Ohmae’s view, with the “decline” of politicians and bureaucrats, traditional Keynesian macroeconomic theory has proved to be invalid. For example, a traditional “Keynesian economist”, hoping to see growth in employment as a result of economic growth, would be disappointed today, since employment could well be created abroad instead; or if a government restricts the money supply international lending will replace domestic lending. Also, if a central bank raises interest rates, cheaper international credit will replace it. In this case, Ohmae tell us, ILE has made the traditional instruments of the central bank obsolete.
The traditional way of studying the trade statistics, based on a nation’s balance with another nation, has become obsolete, because the flow of funds is largely invisible as ILE members have learned to move their production and other functions around the world. Old-fashioned bureaucrats, trying to correct the trade imbalance figures, make decisions that are comparable to pouring oil on a fire. They create barriers and artificial controls over what should be the free flow of goods and money (P. XVII).

Since most of the world’s wealth is created, consumed and distributed within the ILE (“with a resident body of approximately one billion people, enjoying on average $10,000 per capita gross national product”), for Ohmae, all that really matters is to be located in this space where there are no losers. Indeed, even outside of this triad, what traditionally is described as a loser becomes a candidate to be a winner as its currency weakens and unemployment makes its labor attractive:

In this interlinked economy, there is no such thing as an absolute winner or loser. The so-called loser becomes relatively attractive (as long as the government is open-minded and stable) as its currency gets weaker and an unemployed workforce becomes available at reasonable cost. Winners’ economies, on the other hand, are adjusted downward toward the mean of the ILE by changes in their currency and wage rates. (P.XVIII)

In addition, the interdependence that Ohmae observes in the ILE leads him to believe that the notion of security based on armies will soon be overcome. Ohmae believes that the global economy will be led by the richest economies in an interdependent fashion and that other countries will have no alternative but to accept the new rules of free trade or try to survive through the international trade that remains outside of the ILE. For him, inward-looking mercantilists are out of touch with an economic reality which makes engagement with the dynamic of the world economy the only possible path for development. In short, globalization is bringing about “denationalization” of economies through the establishment of the ILE or the “Borderless Economy”. From this perspective, national governments are relegated to little more than transmission belts for global capital. They only exist in the limited space left in-between powerful local and global mechanisms of governance.

Typical of this genre of thought is the following statement: “Where states were once the masters of markets, now it is the markets which, on many crucial issues, are the masters over the governments of states” (Strange, 1996). Along the same lines as Ohmae, Susan Strange argues that,
Strange analyzes the declining authority of states and notes that the adherence to “obsolete theories” and “concepts” such as the nation-state belong to a more stable world than the one we live in, a world she says in which “the territorial borders of states meant something” (P.4). For her, the declining competence of the modern state as the central manager of social, political and economic life leads states to face growing challenges from an increasingly diverse array of social forces. For example, Strange notes, economic globalization has enhanced the bargaining power of internationally mobile capital vis-à-vis state authorities while also complicating the task of managing increasingly integrated national economies.

Now, returning to Ohmae and his ILE, we should be aware that in many respects he is quite accurate when he states that globalization is really a rich-country phenomenon (over $10,000 per capita GNP). There is no doubt that globalization as currently framed excludes a large part of the world (Africa and almost all of Central America are the best examples) and confers significant purchasing power and a high level of productivity to only a few countries. In addition, I would say that it is a phenomenon that really only involves and benefits the richest sectors within these rich countries, since it strengthens the position of capital vis-a-vis labor in both the North and the South.

The Latin American scholar Oscar Ugarteche (2000) takes such an analysis as his starting point. He has argued how the greater interrelation between northern countries is intimately intertwined with the exclusion of the South, including the many Souths (minorities, women, youth, indigenous, and so on) within the North itself. Revisiting Ohmae’s metaphor of the ILE as an “island” we can say that while today’s globalization includes some important islands of stability and wealth these islands are surrounded by oceans of instability and poverty. In Globalization, the False Dilemma: Opportunity or Threat?, Ugarteche has argued that Ohmae’s theory of globalization is “not a real theory” since the “borderless” realities are only possibly applicable for a few Westerns European states, the U.S. and Japan. He therefore proposes ‘The Growing Borders’ as the title of
another book that would describe the rest of the world that has been left out of Ohmae’s supposedly *Borderless World*.

Another author who is on the opposite side of the political and academic spectrum from Ohmae is Samir Amin (*Delinking: towards a Polycentric World*, 1990). While Ohmae focuses on the lack of options in opposing the inescapable fate of the “globalization age” and poses a natural march towards the fantastic ‘island’ of the ILE, Amin argues that those countries that constitute the ocean (or periphery) of the rich islands (or centers) should exercise their agency to delink from the rules imposed by the nature of global capitalism, thereby pushing the world towards a genuine “polycentrism”.

As is well known, the crucial categories of Amin’s intellectual framework are those of *center* and *periphery*. He is always careful to remind us that centers are a product of history. For instance, only in some regions of the capitalist system has “history allowed the establishment of a national bourgeoisie hegemony and a state that we should also categorize as national capitalist” (P.10). Since there is no capitalism abstracted from the state, for Amin the bourgeoisie and the bourgeois state are indivisible.

For example the decision to raise interest rates, the economic foundation of the American counter-offensive, is a *decision of the state* and not, as Reaganomics presents it, the spontaneous expression of market forces. The bourgeois state is national when it controls the process of accumulation, admittedly within the limits of external constrains, but only when these constrains are rendered highly relative by virtue of its own capacity to react to their action, or to participate in their creation (P10).

The periphery is therefore made up of countries that don’t have national control over the process of capital accumulation, and are accordingly highly vulnerable to external restrictions. Nevertheless, peripheries are not necessarily ‘stagnant’ regions, although their development is not at all similar to that of the centers. Amin observes that the bourgeoisie and national capital are not really out of the picture and peripheries are not necessarily backwards or pre-capitalist societies:

The bourgeoisie and local capital are not necessarily absent from the local political and social scene, and the peripheries are not synonymous with ‘pre-capitalist societies’. The state may be absent in the formal sense (the colonial case), but is no necessarily so (today nearly all the countries of the Third World are constituted as independent states). But the existence of the state in the formal sense is not synonymous with the national capitalist state, even if the local bourgeoisie is broadly in control of the apparatus, in so far as it does not control the process of accumulation (P.10).
Amin highlights five necessary conditions for the installation of a successful process of accumulation: First, *reproduction of the labor force*; which presupposes food security and policies of agricultural development. Second, the *centralization of the surplus* through a strong financial system autonomous from transnational currents of capital and able to guarantee national financial capacity for direct investment. Third, the promotion of a market fundamentally reserved for national production, even when tariffs are low and there is no protectionist policy, along with the complementary capacity to be competitive in the world market, at least with selected products. Fourth, the control over natural resources, not necessarily as ownership but definitely as national capacity to exploit them or to maintain them as reserves. And finally, control over technology, in the sense that technologies, whether nationally generated or imported, can be reproduced rapidly without long-term dependence on imported essential inputs. The author argues that:

The state and bourgeoisie that control these five elements of social reproduction—and only such—deserve to be described as national bourgeoisie and state. … The historical establishment of the national bourgeoisie state is not the rule, but so far the exception in the world capitalist system. The establishment is synonymous with the formation of an ‘autocentric national economy’, to use the expression we thought it useful to put forward. As can be seen, autocentric economic construction is in no way synonymous with autarky, as still too many commentators appear to think. It merely means that relations with the exterior are subject to the logic of internal accumulation and not to the reverse.

The thesis that the contradiction center vs. peripheries is intrinsic to the world capitalist system leads Amin to an important conclusion. If the formation of a national bourgeois state and the construction of a self-centered capitalist economy are impossible in the periphery, then some other model of development is necessary: de-linking and eventually socialism. Nevertheless, although self-centered development is defined by national control over accumulation according to the five elements indicated above it does not necessarily mean an “anti-capitalist strategy”. Amin notes that:

Delinking is not synonymous with autocentric development. It indicates another phenomenon: a demand imposed by the system. It is the condition for autocentric development, on the basis of a legacy of peripheral capitalism. Here again it is useful to recall that the expression has been misused as a synonym for many things, such as autarky, or the cultural retreat to obsolete utopias, which have nothing to do with the concept put forward (P18).
In Amin’s framework there are three possible directions for the development of the global system: (1) a continuation of old patterns set by the narrow demands of capital on a world scale; (2) the collapse of the system that operates under the “law of value”, and (3) the reconstruction of the system on a new regionalized polycentric basis. These three directions translate into two basic and “dramatic” alternatives for the Third World: Delinking or Adjustment. Nevertheless, *Adjustment* to the demands of the world system is not even always possible. Perhaps for some semi-peripheries to which one will return, at the cost of great wretchedness and great suffering for the whole swathes of society, perhaps the majority. But for the rest adjustment is perhaps merely to agree to perish, sometimes in the literal sense of the word, as the famine shows. … The retreat to obsolete utopias, fueled by a cultural nationalism that has the wind in its sails, represents for us a choice of this kind. Delinking… remains the only acceptable answer to the challenges of our time (P.19 emphasis in the original).

Manuel Castells has developed a quite different and more eclectic perspective on globalization in his famous trilogy entitled *The Information Age: Economy, Society and Culture*. In his first volume *The Rise of the Network Society* (2000), Castells’ most salient achievement is his theoretical amalgamation of quite different perspectives: the politics of identity (*The Self*), the newness of what he calls “the information technologies” (*The Net*) and an eclectic Marxism that fortunately is still concerned with problems of accumulation, social exclusion, modes of development, modes of production, state policies and coercion. The outcome is uneven but definitely attractive.

Castells’s work is packed with extensive evidence, data and historical and contemporary examples that provide us with highly compelling details that the author uses to support his main theoretical assumptions. Castells’s central contention is that a “new form of capitalism” has emerged at the end of this century. This new economy he notes is: *global* in its scope, *informational* in its nature and *networked* in its organization. In his prologue, entitled “The Net and the Self”, he asserts,

*This book studies the emergence of a new social structure, (…) associated with the emergence of a new mode of development, informationalism, historically shaped by the restructuring of the capitalist mode of production towards the end of the twentieth century* (P.14) (My emphasis).

He later elaborates further on this characterization when in the second chapter he analyses the “new economy”: 
A new economy emerged in the last quarter of the twentieth century on a worldwide scale. I call it informational, global, and networked to identify its fundamental distinctive features (P.77).

For Castells this new economy (the Net) is being challenged by new and different social movements that are articulating their resistances around identities (the self). The clear tension that exists between these two poles is generating what Castells defines as the “structural schizophrenia between function and meaning” (P.3).

In his framework, the Net is made up of new organizational arrangements based on the use of networked communication media. Network patterns are available for the most advanced economic sectors of the population everywhere, for transnational corporations as well as for communities and social movements. In his article: “Social Movements against the New Global Order” he exemplifies these patterns with the Zapatistas in Chiapas, the North Americans militias and the Japanese movement of Aum Shinrinkingo. Although these movements have “sharply contrasting ideologies” they all share the symbolic searching of the Self. In this way new social configurations emerge around primary identities, which may be sexual, religious, ethnic, territorial or national in focus.

The Rise of the Network Society offers highly insightful theoretical tools to analyze the way in which the emergent global economy operates within various social and regional contexts. Unlike Ohmae, Castells doesn’t fall into the fashionable attitude of proclaiming the reality of economic “interdependence”. He affirms that rather than creating the same conditions everywhere the global economy is characterized "by its asymmetry, its regionalization, the increased diversification within each region, its selective inclusiveness, its exclusionary segmentation, and, as a result of all those features, an extraordinarily variable geometry that tends to dissolve historical, economic geography" (P.106). He comments:

The new economic system is at the same time highly dynamic, highly selective, highly exclusionary, and highly unstable in its boundaries ... while dominant segments of all national economies are linked into the global web, segments of the countries, regions, economic sectors, and local societies are disconnected from the processes of accumulation and consumption that characterize the informational, global economy (P135).

Theoretically, one of Castells’s most important contributions is his differentiation between modes of production and modes of development. He complements the traditional
Marxist understanding of mode of production (defined by capitalist social relationships of production and the logic of surplus value) with the new concept of mode of development. This latter concept is defined by technical relationships of production.

Modes of development are technological arrangements through which labor works on matter to generate the product... Thus [we have had] the agrarian mode of development, (...) the industrial mode of development, [and] the new informational mode of development, [in which] the source of productivity lies in the technology of knowledge generation, information processing, and symbol communication (P.17).

Castells’s analysis is driven by the idea that social development is intimately tied to technological infrastructure. Indeed, his analysis equates these two variables: “technology is society” (P.5). Nevertheless, the problem with this perspective is that it leads us to the conclusion that social changes are technological changes and that the engine of social movements consists of technological innovations, as if the internet were the answer to the ‘old problems’ of a “new society”.

The information technology revolution, because of its pervasiveness throughout the whole realm of human activity, will be my entry point in analyzing the complexity of the new economy, society, and culture in the making. (P.5)... To a large extent, technology expresses the ability of a society to propel itself into technological mastery through the institutions of society, including the state. The historical processes through which this development of productive forces takes place earmarks the characteristic of technology and its interweaving in social relationships... Thus, the new society emerging from this process of change is both capitalist and informational...” (P.12) (My emphasis)

Unfortunately, within the current world capitalist society the role of technology has been much more complex than the evolutionary and at times teleological model that Castells suggests. For instance, the use of technology in today’s tragic “war on terrorism” gives a radically different twist to Castells’s idea of a liberating “informational technology revolution”. Just as Theodore Adorno (Dialectic of Enlightenment, 1960) and Herbert Marcuse (One-Dimensional Man, 1964) suggested during the 1960’s, under capitalism technology is often more part of the problem than of the solution, and under certain conditions it can lead to new forms of control.9 Paraphrasing C. Wright Mills’s classic notion, today we need sociological imagination much more than “technological innovation”. With this, of course, I don’t intend to overlook the important role of

---

technology in itself. Nevertheless, I consider that the real solutions are always also sociological and political, not merely technological. In fact, according to many authors – notably Arrighi–, throughout the history of the capitalist system there have been many other technological innovations, such as the press and the railroads, that have had far more revolutionary economic and political impacts on processes of both liberation and accumulation than the internet has today.

When Castells analyses the social context and the dynamics of technological change he observes that a particular time-space “clustering” of the “discoveries” in new information technologies developed around the 1970s at the United States. He is reluctant to relate this time-space “clustering” to its immediate social context characterized by the major economic crisis of 1973-74. The author rhetorically inquires,

> Was the new technological paradigm a response by the capitalist system to overcome its internal contradictions? Or, alternatively, was it way to ensure military superiority over the Soviet foe, responding to its technological challenge in the space race and nuclear weaponry? (P.59).

The author wisely argues that neither explanation is very convincing. Nevertheless, his own elucidation of the emergence of the new technologies as part of an “autonomous” and synergistic process unrelated to any social, economic or political dynamic is also quite controversial:

In fact, it seems that the emergence of a new technological system in the 1970s must be traced to the autonomous dynamics of technological discovery and diffusion, including synergistic effects between various key technologies. Thus the microprocessor made possible the microcomputer; advances in telecommunications enabled microcomputers to function in networks, thus increasing their power and flexibility. Applications of these technologies to manufacturing enhanced the potential for new design and fabrication technologies in semiconductor production. New software was stimulated by the fast growing microcomputer market which, in turn, exploded on the basis of new applications and user-friendly technologies churned out from software writers’ minds. Computer networking could expand by using software that made possible a user-oriented world wide web. And so on (P.60).

At times it seems as if Castells were embarking on a dangerous shift away from social science to embrace pure science-fiction. Later on, in his exultant description of the autonomy of technology he claims, without providing any evidence, that,

> the first information technology revolution clustered in America, and to some extent in California, in the 1970s, building on developments of the two preceding decades, and under the influence of various institutional, economic, and cultural factors. But it did not come out of any pre-established necessity: it was technological induced rather than socially determined (P.60).
Castells’s tendency to mystify social changes by seeing technology as the engine of history is particularly visible in this citation.

Another risk of Castells’s framework is that his analysis tends to confuse “information” with “knowledge”. In fact, he argues that the new economy that he sees emerging out of the “last quarter of the twentieth century” is informational in so far as it “…fundamentally depends upon their capacity to generate, process, and apply efficiently knowledge-based information.” (P.77). It is nevertheless paradoxical that the so-called informational society has turned out in reality to be one of the most ignorant and brainless societies ever to exist in history. My contention here is that from Castells’s notion of a “new economy” made up of “new technologies” and a generalized “newness” of everything one gets the impression that to know the past is worthless and that to study history is outdated. In this case we would have millions of people with access to billions of bytes of “information” but who don’t know the first thing about history or anything of substance…Might we be lost today in an ocean of “ignorant information”? Lots of information doesn’t make for intelligence. Witness, for instance, the “brilliance” of the “Silicon Valley Boys”.

But beyond this critique of Castells’s excessive emphasis on the influence of technological infrastructure it is only fair to say that Castells work is still crucial for the understanding of new economic and social trends presently taking place within the capitalist system. Castells is acutely aware that capitalism is characterized by its “relentless expansion” and its continuing attempt to overcome the limits of time and space. In Castells’s appraisal, capitalism has only reached this final goal in the late Twentieth Century when finally “the world [capitalist] economy was able to become truly global on the basis of the new infrastructure provided by information and communication technologies” (P.101).

I will define more precisely the global economy as an economy whose core components have the institutional, organizational, and technological capacity to work as a unit in real time, or in chosen time, on a planetary scale (P.102) (Emphasis in Original).
Along the same lines as Castells’s inclination to study ‘global networks’, ‘global flows’ ‘global infrastructure’ and ‘socio-temporal dimensions’, the work of David Held et. al. (Global Transformations 1999) systematically examines the political, economic and cultural aspects of globalization. Held et. al. outline three different schools of thought on globalization. First, there are the ‘hyperglobalists’ (Wriston 1992, Guéhenno 1995, Strange 1996, Albrow 1996, Reich 1991) who claim that the nation-state is being rendered obsolete by the dynamics of an emerging single global market based on free trade and competition. Second, there are the ‘skeptics’, (Hirst and Thompson 1996, Krugman 1996, Gordon 1998, Weiss 1998) who defend the sovereignty and regulatory role of the nation-state and hold that globalization is a myth. These thinkers point out that the present levels of international economic integration are by no means unprecedented and are perhaps even lower than during the late nineteenth century. Third, there are the ‘transformationalists’ (Castells 1996, Giddens 1990, Mann 1997, Held 1991) who take a middle-of-the-road position and argue that ‘globalization is a central driving force behind the rapid social, political and economic changes that are reshaping modern societies and world order’ (ibid: 7).

With respect to the first current of thought that affirms the triumphal victory of markets and the installation of minimalist states in the fashion of Ohmae, the authors write:

Such a view of globalization generally privileges an economic logic and, in its neoliberal variant, celebrates the emergence of a single global market and the principle of global competition as the harbingers of human progress. Hyperglobalizers argue that economic globalization is bringing about a ‘denationalization’ of economies through the establishment of transnational networks of production, trade and finance. 10

On the other hand, according to Held, et. al., the representatives of the “skeptical” thesis:

Drawing on statistical evidence of world flows of trade, investment and labor from the nineteenth century, maintain that contemporary levels of economic interdependence are by no means historically unprecedented. [For skeptics] rather than globalization, the historical evidence at best confirms only heightened levels of internationalization (P.5).

Finally, at the core of the third, ‘transformationalist’, thesis endorsed by the authors of Global Transformations lies the conviction that the world is indeed presently undergoing
an epochal change. Nevertheless, for Held et. al., instead of falling into blind celebration we should conceive of this radical transformation “as an essentially contingent historical process replete with contradictions” (P. 7). For instance, since today’s global processes can just as well expand the state as shrink it, the future is entirely open. While the emergence of a hegemonic world market that marginalizes states is definitely possible, so is the development of a new world state that aggressively regulates world markets. Their projections about the future are therefore far more modest than those inherent in the other two schools of thought. “In comparison with the skeptical and hyperglobalist accounts, the transformationalists make no claims about the future of trajectory of globalization” (P.7).

Nevertheless, the transformationalists’ effort to maintain an “objective” “middle ground” between the hyperglobalists and the skeptics is ultimately unsuccessful. This becomes evident when they reveal their opinion about the authority of national governments and the role of the nation-state more generally.

Globalization is transforming or reconstructing the power and authority of national governments, … a new ‘sovereignty regime’ is displacing traditional conceptions of statehood as an absolute, indivisible, territorially exclusive and zero-sum form of public power. Accordingly, sovereignty today is best understood less as a territorially defined barrier than a bargaining resource for a politics characterized by complex transnational networks (P.9).

Such a radical rethinking of the notion of sovereignty comes dangerously close to the “hyperglobalist” speak that they criticize so much throughout their book. And, perhaps even more importantly, this entirely deterritorialized conception of national sovereignty prevents the authors from fully analyzing many crucial elements of the “new world order”, such as the “debt crisis” of the 1980s. As I have pointed out in my other field statement, the “debt crisis” was not a spontaneous result of an abstract worldwide economic downturn nor have “structural adjustment” policies been applied independently of the national security and development interests of the northern countries. Both debt and structural adjustment were helped along by northern banks and governments as well as “multilateral” institutions like the IMF and the World Bank. To assume that sovereignty has today become only a “bargaining chip” is both to fall into a naive

---

perspective on the policies of the North and to accept the subordination of the South as somehow natural, as simply part of a worldwide “transformation”.

The authors of *Global Transformation* give the following account of the debt crisis of the early 1980s:

As the debt crisis of the 1980s shows, when banks get into difficulties the most economically powerful states (mainly the US) alongside international public authorities, such as the IMF, *have to step in* to prevent financial collapse. In response to various *banking failures and the unprecedented volume of international financial transactions*, national financial authorities have cooperated extensively over the establishment of a common framework for international banking (P.214) (My emphasis).

Although the rise of private global financial is not simply a product of the triumph of markets and technology, but rather has been encouraged and facilitated by states, this is not to imply that governments can control these markets or reintroduce effective capital controls just as easy as they were eliminated. Liberalization among countries and the establishment of common international regulatory standards represents as much a response to the unprecedented levels of international financial activity and the diminishing effectiveness of national controls as they do a direct cause of financial globalization (P.210).

But financial realities are more complex than an automatic “failure” or an “unprecedented volume of financial transactions”. It seems important to me to view international institutions (and the underlying -and vs. Held *territorial-* national powers) not merely as mediating obstacles of an essentially market-driven process, as the transformationalists end up doing, but as major causal agents for the 1980s implementation of international market processes.

David Held, *et. al.* put up Paul Hirst and Grahame Thompson as the paradigmatic exponents of the skeptical thesis on globalization. Indeed, the “skeptic” label itself was most likely drawn directly from Hirst and Thompson’s text entitled *Globalization in Question* (1996). Nevertheless, this characterization of the authors as purely skeptics is a bit unfair since in their book Hirst and Thompson explicitly point out that they are both *skeptics* and *optimists*. They are skeptics about the whole rhetoric of globalization, which they think has developed more as an ideology than as a real theoretical tool, and optimists about the possibility that “national political strategies” can shape a political framework for governance for the international economy of our times (P.1).

The great merit of Hirst and Thompson’s book is to show that there is no grounding at all for the fashionable notions that depict the globalized world as a self-
regulated system or claim that there is an automatic tendency towards the natural elimination of the nation-state. As we saw above, according to some authors (Ohmae, Strange, Guéhenno, etc.) it seems as if in the contemporary world the economy has successfully broken away from politics. Hirst and Thompson’s analysis pioneered the critique of such “strong versions of globalization” that tend to depoliticize economic trends. Hirst and Thompson warn us that,

There are very real dangers in not distinguishing clearly between certain trends toward internationalization and the strong version of the globalization thesis. It is particularly unfortunate if the two become confused by using the same world, ‘globalization’, to describe both. Often we feel that evidence from cautious arguments is then used carelessly to bolster more extreme ones, to build a community of usage when there needs to be strict differentiation of meanings. It also confuses public discussion and policy-making, reinforcing the view that political actors can accomplish less than is actually possible in a global system (P.4).

Hirst and Thompson demonstrate on the basis of a wide pool of statistical evidence that the current intensity of world flows of trade, investment and labor had its origins as far back as the nineteenth century. Rather than proving the existence of “globalization” (described as an integrated world-wide economy)11 the historical evidence only demonstrates the existence of heightened levels of internationalization, that is, interactions between predominantly national economies. The authors contend that current levels of economic integration fall short of the “global ideal type” and that in some respects the recent integration remains much less significant than in the late nineteenth century (the classic era of the Gold Standard). For instance, they observe that “the evidence suggests greater openness to capital flows in the period before the First World War when compared with more recent years” (P.27).

According to the authors, the relationship between growth in output and growth in trade is a central one for international economic analysis. Accordingly, data offered by them indicates that “trade growth from 1853 to 1872 was already faster than the growth in world production while from 1872 to 1911 it grew at about the same rate” (P. 21). On

11“A globalized economy is an ideal type distinct from that of international economy and can be developed by contrast with it. In such a global system distinct national economies are subsumed and rearticulated into the system by international processes and transactions. The inter-national economy, on the contrary, is one in which processes that are determined at the level of national economies still dominate and international phenomena are outcomes that emerge from the distinct and differential performance of the national economies.” (P.10 Grahame & Thompson)
the basis of this same data it is also clear that between 1913 and 1993, levels of international integration observed in the latter year were quite similar to the former one. For example, in 1913 international trade as a percentage of GDP for France, Germany, Japan, Netherlands, the UK, and the US was 35.4, 35.1, 31.4, 103.6, 44.7 and 11.2 percent respectively; in 1993 the levels of integration for the same countries in the same order were of 32.4, 38.3, 14.4, 84.5, 40.5 and 16.8 percent. Therefore, the evidence shown by Hirst and Thompson proves that in comparison with 1913, the rates of integration of 1993 were substantially smaller for Japan, slightly smaller for France, Netherlands and the UK and barely superior for Germany and the US.

The international economy was in many ways more open in the pre-1914 period than it has been at any time since, including that from the late 1970s onwards. International trade and capital flows, both between the rapidly industrializing economies themselves and between these and their various colonial territories, were more important relative to GDP levels before the First World War than they probably are today (P.31).

With respect to Hirst and Thompson’s optimism, *Globalization in Question* advocates for the enhancement and further development of mechanisms of international political governance and regulation. Opposing the “hopeless” myth of globalization that the authors see as emerging out of a “world without illusions” they advocate for the feasible enlargement of the scale and scope of more governable economic relations, at both the national and international levels.

One can only call the political impact of ‘globalization’ the pathology of over-diminished expectations. Many over-enthusiastic analysts and politicians have gone beyond the evidence in over-stating both the extent of the dominance of world markets and their ungovernability. If this is so, then we should seek to break the spell of this unconforming myth. The old rationalist explanation for primitive myths was that they were a way of masking and compensating for humanity’s helplessness in the face of the power of nature. In this case we have a myth that exaggerates the degree of our helplessness in the face of contemporary economic forces (P.6).

Hirst & Thompson try to bring politics back in to the discourse of globalization by stating that the international economy is “by no means ungovernable” (P.189). For the authors, world governance is possible at five different levels: 1) Through agreements between the major advanced states, and particularly the G3 (the EU, Japan and the US); 2) Through a substantial number of states creating international regulatory agencies for some specific dimension of economic activity, like the WTO; 3) Through the control of large economic areas by trade blocs such as the EU or NAFTA; 4) Through national-level policies that
balance cooperation and competition between firms and the general social interest; and 5) Through regional-level policies of providing collective services to industrial districts.

They see these sorts of institutional arrangements as the first step in accomplishing democratic control and governance. Nevertheless, as they rightly concede, “such governance cannot alter the extreme inequalities between [rich] nations and the rest [of the world], in terms of trade and investment, income and wealth”. But, they point out, this is not their central concern.

Unfortunately, that is not really the problem raised by the concept of globalization. The issue is not whether the world’s economy is governable toward ambitious goals like promoting social justice, equality between countries and greater democratic control for the bulk of the world’s people, but whether it is governable at all (P.189) (Emphasis in original).

At times, Hirst & Thompson’s optimism with regard to the liberatory potential of international governance seems overstated. The authors put in question the traditional presumption that “globalization” prefigures the emergence of a new, less state-centric world order yet they acknowledge that “there are certain areas in which the role of the state has changed radically”. The most fundamental of these changes they say is war:

The development of nuclear weapons, has the effect of making war impossible, in the traditional sense of the use of force to attain some objective (P.178).

The major nuclear states have forgone ‘sovereignty’: they have created a world civil order by their treaties, not merely limiting wars, but granting to other states powers of inspection and supervision, of notification of military manoeuvres etc., of a kind that render effective war mobilization extremely unlikely (P.178).

Armed forces are thus virtually an irrelevance for the major advanced states in their dealings with one another (P.179).

After September 11th, it is clear that these views are not necessarily the most accurate descriptions of the role of the Armed Forces. At the very least, they are politically naïve since they underestimate the enduring power of national governments to regulate international economic and political activity.

Such a perspective is precisely the core of the critique that Linda Weiss in her article “The Myth of the Powerless State” directs towards the authors of Globalization in Question. She observes that despite their admirable defense of the continued importance of the nation-state in economic matters, Thompson & Hirst still tend to get trapped in the myth of the “powerless state” when they analyze issues of international governance. She writes, “I find no compelling evidence for that part of [Hirst & Thompson’s] proposition
which claims that the state’s role is now generally reduced to that of legitimating decisions initiated and implemented elsewhere” (P.6).

Weiss points out that rather than being out of control, the forces of internationalization themselves depend on the regulatory power of national governments to ensure the continuation of economic liberalization. She also stresses the differential capacities of states which the world economy, far from eliminating such differences, is likely to sharpen and further emphasize. In Weiss’s words,

In failing to differentiate state capacities, global enthusiasts have been blinded to an important possibility: that far from being victims, (strong) states may well be facilitators (at times perhaps perpetrators) of so-called ‘globalization’ (P.21).

Weiss argues that ‘globalization’ is a “political phenomenon” and far from considering national governments to be immobilized by international imperatives, she points to their growing centrality in the regulation and active promotion of cross-border economic activity. Governments in her view are not the passive victims of internationalization, but on the contrary, its primary architects. She says that globalization is,

political, firstly in the general sense that the opening up of capital markets has occurred as a direct result of governments, either willingly or unwillingly, ceding to pressure from financial interests. But it is political also in the more specific sense discussed here: that a number of states are seeking directly to facilitate rather than constrain the internationalization of corporate activity in trade, investment, and production (P23).

Nevertheless, both *Globalization in Question* and the *Myth of the Powerless State* concur on two basic theses. First, they agree that economic activity is undergoing a significant ‘regionalization’ as the world economy evolves in the direction of three major financial and trading blocs, that is, Europe, Asia-Pacific and North America. Second, the “internationalization” of this economic activity has not been accompanied by an erosion of North-South inequalities. To the contrary, it has brought on an increase in the economic marginalization of many Third World states, as trade and investments flows between the countries of the rich North intensify to the exclusion of much of the rest of the globe. From this perspective, there is an acknowledgement of the deeply rooted patterns of inequality and hierarchy in the world economy, which in structural terms have changed only marginally over the last century. Accordingly, from this perspective the “strong globalization hypothesis” is only a politically convenient rationale for
implementing unpopular orthodox neoliberal economic strategies throughout the world and in particular in those more vulnerable areas such as Latin America.

**B. Empire and the End of Imperialism**

A quite different perspective on global governance is the one developed by Antonio Negri and Michael Hardt in their popular *Empire* (2001). Their understanding of globalization is much less empirically supported than Thompson & Hirst’s, much more theoretically sophisticated than Held, et. al.’s *transformationalist* notions and equally astonished by the knowledge-based economy as Castells. Negri and Hardt endorse Ohmae’s (1990) belief in the overcoming of the world of nation-states and propose the concept of ‘empire’ as a description of the deterritorialized form of global governance that has emerged along with economic and cultural globalization. This new deterritorialized space, the authors claim, is principally concerned with managing the planet’s main economic resource in the era of the knowledge-based economy, namely humankind itself, through ‘biopolitical’ control. Among other things, this is a response to the increased mobility of the ‘multitude’, an amalgam of global social subjects whose principal form of resistance to social control is international ‘exodus’ rather than national ‘class struggle’.

I must say that the exaggerated optimism that characterizes Hardt and Negri’s account of globalization beats by far the optimism that we previously criticized in Hirst and Thompson’s analysis of the possibilities of global governance. In *Empire*, words like ‘accumulation’, ‘exploitation’, ‘repression’, ‘exclusion’, ‘violence’, ‘debt’, ‘hunger’ and ‘pollution’ simply disappear. These unpleasant concepts, which were supposedly only useful during the now “overcome times of imperialism”, are gracially substituted by terms like ‘originality’, ‘democracy’, ‘expansiveness’, *(e.g.* “*democratic expansive tendency of network power*”) *(p.166)*, ‘openness’, ‘horizontality’, ‘diversity’, ‘transcendence’, ‘smoothness’, “productive synergies of the multitude” and ‘inclusion’.

For the authors, globalization means not only a structural change in economic relations but also a major historical shift in global power relations. ‘Empire’ is characterized by a lack of boundaries in both time and space. In classic Fukuyamian fashion *(e.g. “the end of history”)*, they write that,
Empire’s rule has no limits. [It] rules over the entire ‘civilized’ world. No territorial boundaries limit its reign. [It also] presents itself not as a historical regime originating in conquest, but rather as an order that effectively suspends history and thereby fixes the exiting state of affairs for eternity. From the perspective of Empire, this is the way things will always be and the way they were always meant to be. Empire presents its rule not as a transitory moment in the movement of history, but as a regime with no temporal boundaries and in this sense outside of history or at the end of history (P.XV).

To explain the establishment of this new metaphysical logic of structural rule Hardt and Negri apply the Marxist concepts of formal and real subsumption of society under capital and affirm that Empire has been shaped along with ‘the realization of the world market and the real subsumption of global society under capital’. They assert that as capital realizes itself in the world market it “tends toward a smooth space defined by uncoded flows, flexibility, continual modulation, and tendential equalization” (P.327).

Nevertheless, the authors don’t provide us with sufficient empirical evidence to prove their controversial statements. As I have explained in the other Field Statement (“Economic Policy, Development and the State in Latin America”), according to Arturo Escobar (1995), theories of politics cannot be politically innocent insofar as “theory is in itself, a practice linked to power” (1992: 62). In the case of Empire the applicability of this axiom is quite clear. Therefore, it would be useful to take a look at the politics underlying the authors’ theoretical framework.

Methodologically, Negri and Hardt ascribe to the hermeneutical school based on the so-called “linguistic turn”, according to which it seems as if all that exists in history were a collection of texts and texts about text. Following this understanding, these authors find the grounds of the new Imperial Sovereignty in a particularly “original” and “vital example of the new political world”: the US Constitution. This appreciation of the American Constitution as a “great moment of innovation and rupture in the genealogy of modern sovereignty” (P.160) possibly explains the broad attention and successful treatment that Empire has received from intellectual and mainstream political circles in the US. For Negri and Hardt the U.S Constitutional project,

...is an extraordinarily secular and immanentist idea, despite the profound religiousness that runs throughout the texts of the Founding Fathers. It is an idea that redisCOVERS the revolutionary humanism of the Renaissance and perfects it as a political and constitutional science. Power can be constituted by a whole series of powers that regulate themselves and arrange themselves in networks (My emphasis-P.162).
The new US concept of sovereignty opens with *extraordinary force toward the outside*, almost as if it wanted to banish the idea of control and the moment of reflection from its own Constitution (My emphasis-P.165).

US sovereignty is an open, expansive project operating on an unbounded terrain (P.165).

First of all, it is important to note how the accent is placed on ideas (and texts) and not on facts. The description of the US Constitution as an example of “the vitality of the new political world” (P.163) along with its “extraordinary force toward the outside” arises out of a purely idealist appraisal where historic facts play no role whatsoever. It also neglects the exclusion that blacks, women and Native Americans experienced in this “open and expansive project”. This lack of historical rigor leads Negri and Hardt to suggest that the contemporary privileged position of the US in the current globalization —or in the “new global constitution of imperial authority” as they call it— arises out of an immanent “imperial tendency of its own Constitution” (P.182).

But the authors of *Empire* are very careful not to conflate the “imperial” nature of the US constitution with more traditional understandings of “imperialism. To the contrary, they argue that the idea of the “immanence of power” that the American conception of power entails is far superior to the oppressive, “transcendent” character of modern European sovereignty. In their view, the latter concentrated political power in a “transcendent” figure and thus “alienated the source of power from society”. On the other hand, within the “productive synergies of the multitude” that the US Constitution allows, “power” exists entirely within society: “politics is not opposed to but integrates and complements society”. In this simplistic and optimistic description, US imperialism is generously depicted not only as the only alternative but also as the model for all postmodern democracies, as the best of all possible worlds.

We should emphasize once again that this Constitution is imperial and not imperialist. It is imperial because (in contrast to imperialism’s project always to spread its power linearly in closed spaces and invade, destroy and subsume countries within its sovereignty) the US constitutional project is constructed on the model of rearticulating an open space and reinventing incessantly diverse and singular relations in networks across an unbounded terrain (P.182).

There are also numerous inconsistencies in the authors’ hermeneutical analysis of the U.S. Constitution. For instance, when they associate the US constitution with the civil law tradition and the political theory inspired by imperial Rome (*civitas law*) they
apparently forget the well known fact that American law comes out of common law, which arises out of the Germanic and therefore “barbaric” tradition. Another example is their insistence in presenting the US constitution as the epitome of postmodernism, flexibility and democracy (as a “terrain free of the forms of centralization and hierarchy typical of Europe”) when it is widely recognized that the US Constitution is almost a hold over from the stone age. It is the oldest and most outdated constitution in the world. Almost every country in the world has entirely reformed its constitution at some time during the 20th century, except for the US.

But above and beyond such theoretical and historical inconsistencies, the most paradoxical aspect of Hardt and Negri’s “neo-Marxist” analysis resides in the highly conservative politics that it promotes. Their explicit agreement with the conservative thesis of the “end of history” (Fukuyama), their implicitly justificatory attitude to the genocide of thousands of Native Americans, their bitter attack on the self determination of nation-states and their total agreement with G. Bush senior and his concept of “a new world order” in which the US acts as “the world police” of democracy and freedom are just some of the striking examples of a cascade of conservative political stances presented by these two radical leftists.

The Native Americans could not be integrated in the expansive movement of the frontier as part of the constitutional tendency, rather they had to be excluded from the terrain to open its spaces and make expansion possible. If they had been recognized, there would have been no real frontier on the continent and no open spaces to fill. They existed outside the Constitution as its negative foundation: in other words, their exclusion and elimination were essential conditions of the functioning of the Constitution itself (P.170).

[Just as] Francis Fukuyama claims that the contemporary historical passage is defined by the end of history, we sustain that: sovereign power will no longer confront its Other and no longer face its outside, but rather will progressively expands its boundaries to envelop the entire globe as its proper domain. The history of imperialist, interimperialist, and anti-imperialist wars is over. The end of that history has ushered in the reign of peace. (…) History has ended precisely and only to the extent that it is conceived in Hegelian terms -as the movement of a dialectic of contradictions, a play of absolute negations and subsumption. The binaries that defined modern conflict have become blurred (P.189).

With the end of the cold war, the US was called to serve the role of guaranteeing and adding juridical efficacy to this complex process of the formation of a new supranational right. Just as in the first century of the Christian era the Roman senators asked August to assume imperial powers of the administration for the public good, so too today the international organizations (the United Nations, the international monetary organizations, and even the humanitarian
organizations) ask the US to assume the central role in a new world order. (P181).

It goes without saying that all of these controversial stands, which fit in perfect harmony with the atmosphere of inevitability within which the conservatives have advanced their neoliberal theories of “globalization”, have been put in question one by one by recent world events. Even long before 9-11 it was already clear that we had not reached the “end of history”, that the “history of imperialist, interimperialist, and anti-imperialist wars” was not over, that the politics of “exclusion and elimination” (based on race, gender, nation and religion) is frontally antithetical to the essential functioning of “an expansive” or democratic system, and that the US regime has proved to be a very ineffective “guarantor” of peace and security in both the domestic and international spheres.

The understanding of Empire as a “smooth space” evolving towards a world of universal “equalization” has recently been put into question by Giovanni Arrighi in his piece “Lineages of Empire”. Arrighi here feels compelled to respond to Hardt and Negri’s characterization of The Long Twentieth Century (Arrighi 1994) “as an instance of cyclical theories of capitalism that obscure the novelty of contemporary transformations”.

In the context of Arrighi’s cyclical argument it is impossible to recognize a rupture of the system, a paradigm shift, an event. Instead, everything must always return, and the history of capitalism thus becomes the eternal return of the same. In the end such a cyclical analysis masks the motor of the process of crisis and restructuring.... We have to recognize where in the transnational networks of production, the circuits of the world market, and the global structures of capitalist rule there is the potential for rupture and the motor for a future that is not simply doomed to repeat the past cycles of capitalism. (p. 239).

Arrighi responds to them by pointing out:

I find this assessment curious for two reasons. One is that for thirty years I have been advancing a thesis about the crisis of the 1970's that in many respects resembles what according to Hardt and Negri The Long Twentieth Century obscures [a historical shift and rupture]. And the other is that, although The Long Twentieth Century does construct cycles, its argument is not at all cyclical, nor does it contradict my earlier thesis about the crisis of the 1970's. It simply puts that thesis in a longer historical perspective (P.3).

Arrighi contends that “Hardt and Negri’s idealized and idealistic view” not just of the multitude but of capital and Empire as well lead them to misread Arrighi’s reconstruction of the systemic cycles of accumulation (SCA). Indeed, Arrighi notes, the successive periods of return/rupture that he has tried to grasp through his SCA show how the motor
of crisis and restructuring (as well as the agency of capitalist expansion) has changed over time, making the present crisis novel in key respects.

Arrighi argues that the incapability of Hardt and Negri to understand his hypothesis arises from two basic methodological differences between the two approaches. First, for Arrighi, the reconstruction of systemic cycles of accumulation serves the purpose of identifying the distinguishing features of world capitalism as “an historical (as opposed to [as in Hardt and Negri’s fashion] an idea-typical) social system” (P. 5). Second, since Arrighi is interested in identifying “what is truly new in the present condition of world capitalism” (idem) he adopts the perspective of analyzing its entire life history, as opposed to only what may appear to be new and fascinating at the present moment or “in light of some temporally or spatially partial view of history. Another crucial difference between Arrighi’s and Hardt and Negri’s frameworks emerges out of their different appraisal of the future of the capitalist system. As we have seen, for the authors of Empire the “history of imperialist, interimperialist, and anti-imperialist wars is over” ushering the end of history toward a “reign of peace” (P.189). In contrast, Arrighi’s understanding of periods of “financial expansions” and “hegemonic transitions” as moments of increasing instability and unintended capitalist self-destructiveness leads the Italian author to believe that we are facing very dangerous times

[T]he attempt of today’s declining hegemonic power (the United States) to impose on the world an exploitative domination may well become a more important source of instability and self-destructiveness than similar attempts by its predecessors (Arrighi and Silver 2001, 976-9, 982-3). Thus, paraphrasing Joseph Schumpeter (1954, 163), The Long Twentieth Century concluded that “before humanity chokes (or basks) in the dungeon (or paradise) of a post-capitalist world empire or of a post-capitalist world market society, it may well burn up in the horrors (or glories) of the escalating violence that has accompanied the liquidation of the Cold War world order” (Arrighi 1994, 356).

Finally, for the purposes of this field statement it is important to point out the contrasting views that each of these two works has with respect to the North-South divide of the contemporary world. For the authors of Empire the decline of power of nation-states has brought along with it the dissolution of the international order and “the definite end of the effectiveness of the term Third World” (P.333).

The geographical divisions among nation-states or even between central and peripheral, northern and southern clusters divisions and distribution of production, accumulation, and social forms [have been reduced]. Through the decentralization of production and the consolidation of the world market, the
international divisions and flows of labor and capital have fractured and multiplied so that it is no longer possible to demarcate large geographical zones as center or periphery, North and South (P. 334).

Arrighi concedes that it is an anachronism to continue speaking of a First and a Third World after the disappearance of the Second. In addition, he notes that the recent proliferation of wealthy enclaves in Third World countries as well as the increase in marginalization and poverty in the former First World confuses the story. Nevertheless, in his view the overall North-South divide has remained remarkably stable.

The distance between the poverty of the former Third World (or South) and the wealth of the former First World (or North) has [not] decreased to any significant extent. Indeed, all available evidence show an extraordinary persistence of the North-South income gap as measured by GNP per capita. Suffice it to mention that in 1999 the average per capita income of former Third World’s countries was only 4.6 % of the per capita income of former First World’s countries, that is, almost exactly what it was in 1960 (4.5 %) and in 1980 (4.3 %). Indeed, if we exclude China from the calculation, the percentage shows a steady decrease from 6.4 in 1960, to 6.0 in 1980 and 5.5 in 1999 (calculated from World Bank 1984 and 2001). Hardt and Negri’s assertion of an ongoing supersession of the North-South divide is thus clearly false (P.2).

Now, other more orthodox Marxist theorists (Amin 2001, Mészáros 2001, Bellamy-Foster 2001) have also criticised Hardt and Negri’s impetuous abandonment of the concept of imperialism. For these authors, globalization is fundamentally continuous with imperialism, with the USA now as the principal imperialist power and benefactor. Itzván Mészáros (Socialism or Barbarism, 2001 and Beyond Capital, 1995) frames his analysis of capitalism in historical perspective. He argues that we have reached a new historical stage in the transnational development of capital, one in which it is no longer possible to avoid facing up the fundamental contradictions and structural limitations of the system as such. For Mészáros some of the major manifestations of US economic imperialism can be found in the followings features: the industrial advantage that arises out of military secrecy, the exercise of direct trade pressures, the debt that the US has imposed on the rest of the world, the power of what he calls “dollar imperialism” within the financial system, the use of genetically modified food to destroy alternative agricultures, the power of imperialist business culture which he exemplifies with “Hollywood products” and,

perhaps the most serious of the ongoing rends of economic and cultural domination is the rapacious and frightfully wasteful way the United States grabs
to itself the world’s energy and prime material resources: 25 percent of them for just 4 percent of the world’s population (P. 37).

The author takes an unambiguous opposition with regard both to the calls for an “international governance” on the basis of the nation-state (Hirst and Thompson, 1994) and to the fashionable notions of deterritorialized forms of global governance (Hardt and Negri, 2001). In particular, the author angrily denounces the double standard imposed by the arrogant and imperialist attitude of the US with respect to the question of national interest.

On the one hand, their legitimacy is forcefully asserted when the issues at stake affect, directly or indirectly, the presumed interests of the United States, not hesitating to use even the most extreme forms of military violence, or the threat of such violence, to impose their arbitrary decisions on the rest of the world. On the other hand, however, legitimate national interests of other countries are arrogantly dismissed as intolerable “nationalism” and even as “ethnic pandaemonium”. At the same time, the United Nations and other international organizations are treated as playthings of the United States, and defied with utmost cynicism when their resolutions are not palatable to the guardians of the more of less openly declared US national interests (P.33).

Examples of the application of this double standard on the part of the US government, the author notes, “are countless” and he points us to the extensive research developed by Noam Chomsky in this regard. It is also worthwhile to note that the torrent of political and diplomatic mistakes made by G. Bush Jr. after the tragedy of September the 11th provides the best background to exemplify this traditional misuse of the concept of “national security” or “national interest”. As is well known, President Bush hid important information, promoted panic among his people, and declared as enemies and terrorists (through his metaphor of “the Axis of Evil”) more than half of the countries of the Third World.

These recent events, I think, validate Mészáros assertion that the military dimension of globalization must be taken very seriously. For him “it is no exaggeration to say that we have entered the most dangerous phase of imperialism in history (P.50). The author offers his own periodization of the history of imperialism through three different stages: ‘Early Modern’, ‘Redistributive’ and ‘Global Hegemonic’ imperialism

1. Early modern empire-building imperialism, brought about through the expansion of some European countries in the relatively easily penetrable parts of the world.
2. “Redistributive” imperialism antagonistically contested by the major powers on behalf of their quasi-monopolistic corporations, called by Lenin “the highest
stage of capitalism”, involving only a few real contenders, and some small survivors from the past hanging on to their coattails, coming to an end in the immediate aftermath of the Second World War; and

3. *Global hegemonic imperialism*, with the US as its overpowering force… This phase was consolidated soon after the Second World War, and became sharply pronounced with the onset of the capital system’s structural crisis in the 1970s… (P.51).

Given the fact that Mészáros’s work is closely related to the Leninist conception of imperialism, it seems necessary at this point to look at some of the classic interpretations of the concept of imperialism that exist within and around the Marxist tradition. Generally speaking, imperialism means the domination by one region, country or group of people over others, in such a way that the former get significant benefits at the expense of the latter. Capitalist imperialism, in particular, would be the exercise of such domination by leading nations and their large private corporations, ordinarily over less-developed areas of the world. While most Marxist accounts tend to focus on the economic motives that generate capitalist imperialism they don’t forget about the political (or *hegemonic* ingredient). In the end, what most Marxists mean by “economic domination” is that a country can profit disproportionately in markets fundamentally shaped by political power.

One of the most important contributions to classical Marxist thought was made in 1910 by the Austrian thinker Rudolf Hilferding. This author argued that imperialism was an integral part of the latest stage of capitalist development, in which “*Finance Capital*” became the product of the fusion of industrial and bank capital. Finance capital is capital supplied to industrial monopolies by financial intermediaries, with the latter in the dominant position. Imperialism is the age of indirect finance through intermediaries, instead of direct finance through stock and bond markets and brokers.

Hilferding argued that the development of capitalism produced “monopolies and cartels” which found it profitable at home to support high tariffs and that these tariffs in turn contributed to further industrial and bank “concentration”. The resulting increase in domestic prices (monopoly prices) while increasing the profits of the monopolies, also diminished their output, denying them the advantages of larger scale production and lower unit costs. To capture these advantages, the monopolies have to struggle to increase their exports of goods and services. At the same time, and in order to compensate for domestic profit losses, they export capital to less-developed areas so as to establish highly
profitable operations abroad, where cheap labor, lower rents and special privileges abound. The export of capital also ensures that the capital-exporting country would be supplier of industrial goods. In short, imperialism was the method by which monopoly capital, behind tariff walls, reduced its unit costs and thus enhanced its profits. For Hilferding, unlike trade in commodities, capital exports require “strong state support” abroad, especially because “the competition for investments produces further clashes and conflicts among the advanced capitalist powers”.

Vladimir I. Lenin (Imperialism: The Highest Stage of Capitalism, 1916) is highly indebted to Hilferding in his own theoretical construction of imperialism, although his perspective was also influenced by J. A. Hobson’s treatment of the subject (1902). For Lenin, capitalist imperialism began around the turn of the twentieth century and was marked by war-like tendencies among the major capitalist countries of the time, which had already divided most of the world’s territory among themselves. Lenin’s understanding of imperialism went far beyond the struggle for territory, for he noted that imperialism was a reality even before the international trusts had decided which countries would “belong” to them. Some of the principal characteristics of capitalist imperialism that Lenin emphasizes are 1) the merger of “industrial and bank capital into financial capital”, 2) the growth of capital exports, and 3) a rise of military production and militarism.

Lenin attributed growing capital exports, a principal mark of the new imperialism, to “the fact that in a few countries capitalism has become ‘over-ripe’ and (owing to the backward stage of agriculture and the impoverished state of the masses) capital cannot find a field for ‘profitable’ investment” (P.63). He also stated other reasons for capital exports: “In these backward countries profits are usually high, for capital is scare, the price of land is relatively low, wages are low, raw materials are cheap” (P.63). He declared that imperialists desired to gain control of sources of raw materials, or at least to prevent others from gaining such control. In addition, like Hilferding, Lenin believed that the drive for colonies was particularly supported by the politics and ideology associated with monopoly capital.

Imperialism emerged as the development and direct continuation of the fundamental attributes of capitalism in general. But capitalism only became capitalist imperialism at a define and very high stage of its development, when certain of its fundamental attributes began to be transformed into their opposites,
when the features of a period of transition from capitalism to a higher social and economic system began to take shape and reveal themselves all along the line. Economically the main thing in this process is the substitution of capitalist monopolies for capitalist free competition (P.88).

Lenin also argued that the tendency towards economic decay and stagnation is much more pronounced once competition is eliminated and monopoly comes onto center-stage. As a result, the growth of monopoly capital is inseparable from the emergence of imperialist rivalry among the advanced industrialized nations in search of new profit centers.

In contrast to Ohmae’s discussion of the erosion of the nation-state, mutual collaboration in a “borderless world” and the “relearning of the art of competition”, Lenin emphasizes the concentration and centralization of capital, monopolies, stagnation tendencies in the center, imperialist exploitation in the periphery, the globalization of finance and imperialist rivalry. Lenin offers us a diametrically opposite approach to the study of globalization. While in Ohmae’s framework the emergent and “aggressive economies” of the periphery must struggle as if they were desperate spermatozoids in order to be the first to reach the cozy ovary of the “interlinked economy” (ILE), in Lenin’s *Highest Stage of Capitalism* imperialist clashes and struggles characterize the urgent desire on the part of the advanced capitalist powers to get access to and achieve domination over less developed regions and economies.

Joseph Schumpeter (*Capitalism, Socialism and Democracy*, 1942; *Imperialism and Social Classes*, 1951) has offered a different perspective on imperialism. Schumpeter emphasizes the *psychological instincts*, or “political deviance”, that lie at the core of imperialism. Schumpeter surveys many of the imperialist powers of past centuries, from the ancient Egyptians, to the Arabs, to Louis XIV, to Catherine II of Russia and finds that commercial and economic interests were generally not the principal motivation for aggressive behavior. In his view, imperialist tendencies are rooted in the “dark powers of subconscious”, in “powerful drives by virtue of long habit”, and in “instincts of war and power”. Personal whims and interests (*e.g.*, Alexander the Great) are also important for Schumpeter.

When he discusses the modern era, Schumpeter argues that capitalism is a system fundamentally opposed to military conflict on the part of both capitalists and workers. He
writes that “the type of industrial worker created by capitalism is always vigorously anti-imperialistic” (P.94). Consequently, if capitalism develops imperialist tendencies this must be due to alien elements that remain within it, like atavistic tendencies rooted in the past autocratic state. Schumpeter reasons that although these pre-capitalist elements continue to have great vitality in capitalist societies, “in the end the climate of the modern world must destroy them” (P.129).

More in tune with Ohmae’s than with the Leninist conception, for Schumpeter capitalism itself represents a new social order that exhibits tendencies of peaceful compromise, cosmopolitanism, and non-hostile international exchanges. Monopoly capitalism -a deviation from capitalism’s true competitive path, arising as it does from political causes– could lead to imperialism, Schumpeter thought, but the advance of “democracy” and “competition” would eventually undermine this aberration. Similar processes work against the forces of protectionism. Such policies do raise monopoly profits and thereby invite noneconomic, even military, responses. Nevertheless, since protective tariffs are essentially antithetical to the competitive system, they too are destined to disappear.

In general, most theorists of imperialism distinguish between old and new as well as between formal and informal types of imperialism. The period between 1870 and 1900 is usually understood to be the crucial turning point between the old and the new, while the difference between formal and informal forms of imperialism refers to the presence or absence of direct political control by the dominant country over the subordinate one (Arrighi, 1978). Informal imperialism is usually identified either with the “imperialism of free trade”, as practiced by Britain during much of the nineteenth century (Arrighi 1994), or with neocolonialism, which developed mainly after World War II, following the breakup of the capitalist empires. As many Marxists see the issue, neocolonialism arises out of the need for continued economic domination by the capitalist powers over less-developed areas, despite their loss of direct political control in these areas. Neocolonialism has been called imperialism without colonies.12

According to Harry Magdoff (The Age of Imperialism: The Economics of U.S. Foreign Policy, 1969) the old imperialism was associated with commercial capitalism

12 For a more refined analysis of these concepts see: Eric Hobsbawm and Arighi
and the early stages of industrial capitalism and the new one began towards the end of the last century and grew out of monopoly or finance capitalism. After 1945, the US proclaimed itself to be the defender of the “free world” and greatly aided in the establishment of a system of neocolonialism. This is the time when we are witness to the rising importance of multinational corporations, and the “integration of military production with the dominant industrial sectors”.\textsuperscript{13}

Magdoff sustains that neocolonialism is necessarily associated with greater military output. This is the case for three reasons. First, the incredible technical advances and increase in the cost of weaponry. Second, the threat to capitalism from the spread of communism around the world. Third, military power is necessary to maintain the imperialist network of trade and investment in the absence of direct political control.\textsuperscript{14}

From Magdoff’s perspective, capitalism has been a global system from the very beginning; the so-called “new age of globalization” is part of a long historical process, inseparable from imperialism. For him the creation and development of the GATT the IMF and the WB after the Second World War facilitated the establishment of an international order in which the US exercised its hegemonic position. Written as far back as the 1960s, in his \textit{The Age of Imperialism: The Economics of U.S. Foreign Policy}, Magdoff wrote,

\begin{quote}
The typical international business firm is no longer limited to the giant oil company. It is likely to be a General Motors or a General Electric, with 15 to 20 percent of its operations involved in foreign business, and exercising all efforts to increase this share. It is the professed goal of these international firms to obtain the lowest unit production cost on a world-wide basis. It is also their aim, though not necessarily openly stated, to come out on top in the merger movement in the European Common Market and to control as large a share of the world market as they do of the United States market (P.200).
\end{quote}

\textbf{C. A Brief Excursus on War and Natural Resources}

In addition to being stimulated by the search for markets, profits and low wages, for some authors neoimperialism also arises out of the more direct and crude effort to


\textsuperscript{14} Harry Magdoff, \textit{op.cit.}, Pages: 242-244
gain control over valuable raw materials and natural resources. As we have seen, Mészáros (2001) has referred to the “the rapacious and frightfully wasteful way [in which] the United States grabs for itself the world’s energy and prime material resources”. Along the same lines, Michel T. Klare’s recent work *Resource Wars* (2001) helps fill out our picture of imperialism, even though he never explicitly applies this term in his analysis. Nevertheless, Klare emphasizes the pivotal importance of natural resources in understanding the new landscape of global conflict and his work has particular relevance today insofar as it helps us to see how the present War in Afghanistan deplorably labeled “War on Terrorism” could be better understood as one more of “a long succession of resource wars” that humankind has witnessed and experienced throughout history (P.25).

Klare is interested in analyzing the changing parameters of global security in the post-Cold War era. Authors like Samuel Huntington (1992) claim that we are in the middle of a “Clash of Civilizations”, a war between Christians, Jews, Slavs, and Muslims. Klare’s work deeply criticizes this sort of analyses and demonstrates that states, as the main actors in the contemporary configuration of global security, continue to be states hegemonized by class interests -not by “cultural ones”- and specific economic goals. He observes that,

Huntington’s thesis of a global clash of civilizations assumes that states will develop their security policies on the basis of loyalty to a particular religious or “civilizational” community. ‘Conflict between civilizations’, he explains, ‘will be the latest phase in the evolutions of conflict in the modern world’. [But] this ignores the fervent pursuit of resource plenty in total disregard of any “civilizational” loyalties. In the Caspian area, for example, the United States has aligned with three Muslim states –Azerbaijan, Turkey, and Turkmenistan- against two predominantly Christian ones, Armenia and Russia. A similar pattern can be seen in the Persian Gulf and in other areas where resource interests outweigh ethnic and religious affiliations (P.13).

For Klare, war is not a question of “cultures” but of underlying “econocentric” factors that are in close relationship with state ideologies and class conflict. For him, the state has been the most important political instrument in the organization and promotion of the global expansion of capitalism and globalization has occurred in the context of asymmetrical, dominating, and exploitative relationships, or, in other words, in the context of class relationships. In addition,
The risk of internal conflict over resources is further heightened by the growing divide between the rich and the poor in many developing [and developed] countries—a phenomenon ascribed to globalization (P.24).

Klare outlines three crucial trends that come together to escalate the stress within the international arena: 1) The growing of a systemic, insane and “insatiable demand” for natural resources promoted by global capitalism; 2) The emergence of significant resource scarcities—particularly oil and water--; and, 3) Arising out of the first two trends, the proliferation of resource wars. With respect to the first of these trends Klare indicates that the US alone consumes approximately 30 percent of all raw materials used by the human population.

In the United States, for example, automobile owners are driving greater distances every year—from 1.5 trillion miles in 1982 to 2.5 trillion in 1995—larger and less fuel-efficient vehicles; the average American home, moreover, has grown in size by one third since the early 1970s. As a result, net resource consumption in the United States has steadily risen over the past few decades, and a similar pattern is evident in Western Europe and other computer-rich areas (P.17).

Of equal importance is the spread of industrialization to more and more areas of the globe and the steady worldwide increase in personal wealth, producing an insatiable appetite for energy, private automobiles, building materials, household appliances, and other resource-intensive commodities (P.15).

Klare’s hypotheses about Resource Wars are of particular relevance to the bellicose times that we are living in today. On one side there is Osama Bin Laden, presumed organizer of the terrorist attacks in the US on September 11th, who has made a call to the Islamic World to join the resistance against “the historic aggression on the part of the Christians against Islam”. On the other side there is George Bush Jr., who on August 6th ignored intelligence reports regarding these same terrorist attacks, and eventually answered with an overblown worldwide “War against the Axis of Evil”.

On the surface it appears that Huntington might be right. From this perspective, we would be witnessing today a powerful ‘conflict between civilizations’. Nevertheless, Michael Klare’s analysis permits us to see behind the smoke screen of such a “Huntingtonian” discourse. From the perspective of Klare’s work, the US military operations in the Middle East are principally motivated by geostrategic or econocentric interests, with the goal of “the third most important oil and gas deposits of the world”. For the author, the new geography for future conflicts will be one in which resource concentrations rather than political boundaries will mark the principal dividing lines.
To better appreciate the nature of this emerging landscape, imagine a map of the world on which the major deposit of vital materials are represented by colors: black for oil and coal, blue for water, white for diamonds, green for timber, and red for copper, iron, and other minerals. Once the map is tinted in this fashion, our eyes will naturally jump to those areas with the greatest profusion and intensity of color: the Amazon region and Southeast Asia for green, the Persian Gulf for black, sub-Saharan Africa for white and red, and so on (214).

Nevertheless, contrary to what one might first think, Klare not only emphasizes the traditional coercive element of hegemony but also employs the idea of hegemony as “moral leadership”. Klare therefore draws on the Gramscian understanding of the term by complementing ‘coercion’ and ‘domination’ with the notion of ‘leadership through consent’. This is what allows him to, like Hirst and Thompson (1994), propose a reformed system of “global governance” as a possible solution to the violence and chaos of the contemporary world.

It seems reasonable to ask whether a resource-acquisition strategy based on global cooperation rather than recurring conflict might not prove more effective in guaranteeing access to critical supplies over the long run. Such a strategy would call for the equitable distribution of the world’s existing resource stockpiles in times of acute scarcity, as well as an accelerated, global program of research on alternative energy sources and industrial processes. Coordinated international efforts would be inaugurated to conserve scarce commodities and employ material-saving technologies (P.223).

More specifically, Klare proposes the creation of a “global energy authority” and “a global water authority”. He writes,

We undeniably possess the ingenuity and capacity to develop such institutions. Existing organizations, such as the International Atomic Energy Agency, the United Nations Development Programme and the World Health Organization, have demonstrated, over a considerable span of time, the capacity to address complex international problems in an effective and impartial fashion. As the world becomes more complex and interdependent, there is every reason to believe that the new resource agencies could make a substantial contribution to reducing the likelihood of armed conflict (P.224).

The US government has spent the last thirty years insisting very loudly that it is still hegemonic and that everyone needs to continue acknowledging this fact.¹⁵ But if one is truly hegemonic one does not need to make such a request. Perhaps the US should start to learn how to live with a new reality, one in which the US is no longer politically or morally hegemonic, nor even militarily in the traditional sense, as confirmed by the

¹⁵ This (What?) is also precisely the argument that Immanuel Wallestein develops in his “Twin towers”.
dispersion of nuclear power. Thus Klare’s statement that the world has become “more complex and interdependent”. The US government no longer has the power to decide unilaterally what is good for everyone. Immediately after the events of 9-11, Klare expressed this wisdom in an editorial for *The Progressive*: “We [Americans] need to reject a purely American assessment of what is happening and what should be done… we need to talk about internalizing both the crisis and the response”.
III. Concluding Thoughts

In this Field Statement I have shown that “Actually Existing Globalization” (AEG) is a complex process of intersecting dynamics that involves the movement of capital, assets, commodities and information across state boundaries throughout the developed and undeveloped parts of the world economy. Nevertheless, this field statement has argued that in spite of the dramatic changes brought about by the information “revolution” (Castells, Held et. al.) and the spread of market relationships throughout the planet globalization is not necessarily a radically new process. As Polanyi, Braudel, Wallerstein and Arrighi have all demonstrated it has deep historical roots.

Viewed from the perspective of the new international economic structure and increased capital mobility AEG is inseparable from increasing monopolization or, as Lenin has argued, from processes of concentration and centralization of capital on a world scale. In addition, the tensions that monopolization cause threaten not only the process of globalization but also the existence of the world itself (Métszáros, Amin).

Also, as Hirst, Thompson and Wise et. al. have argued, the current process of globalization is uneven, incomplete, and asymmetric since the mobility of capital, goods and services exist alongside severe restrictions on the mobility of labor. And finally, as Klare, Hirst and Thompson have posited, the AEG is marked by major shortcomings in the area of governance. It does not include mechanisms for ensuring global coherence with regard to financial, commercial and productive matters, energy resources, or distributional tensions. Rather than accomplishing Ohmae’s nice “Borderless World”, Fukuyama’s happy “End of History” or Negri and Hardt’s amusing “smooth space of the multitude”; globalization is developing within a highly contested environment, not only at the level of the nation-state but also at a broader scale, as has been confirmed ever since 1994 with the “Zapatista” uprising and the ever increasing organization of civil society against the forces of corporate globalization (Chiapas, 1996; Barcelona, 1997; Seattle, 1999; Toronto, 1999; Prague, 2000; Genoa, 2001; World Social Forum in Porto Alegre, Brazil in 2001 and 2002, among others).

The understanding of the term “globalization” as it has been applied in this field statement rejects the ideological use that in 1979 Margaret Thatcher practiced with her
TINA, ("There Is No Alternative"). The history of the “long” twentieth century (Arrighi) refutes the view of “neoliberal” globalization as the only possible fate of humankind. The development of multilateral institutions that has accompanied this process over the last two centuries and the current debate on global governance shows that there is not just one possible international order Nor is there only one definitive way of dividing up responsibilities –or a single international division of labor- between nations, regions, institutions and agencies.

I would like to conclude this Field Statement by quoting the words of Immanuel Wallerstein in his analysis of the role for the left in “An Age of Transition”:

The key problem is not organization, however important that may be. The key problem is lucidity. The forces who wish to change the system so that nothing changes, so that we have a different system that is equally or more hierarchical and polarizing, have money, energy, and intelligence at their disposal. They will dress up the fake changes in attractive clothing. And only careful analysis will keep us from falling into their many traps

Bibliography

Adorno Theodore (1960) *Dialectic of Enlightenment*, Westview


Amin Samir (1990) *Delinking: towards a Polycentric World*


Arrighi Giovanni, (1978)


Braudel Fernand (1953) *La Méditerranée et le monde méditerranéen à l’époque de Philippe II*, París


Encountering Development: The Making and Unmaking of the Third World


Fukuyama Francis (1992) The End of History and the Last Man The Free Press


Gramsci Antonio (1971) Selections From the Prison Notebooks International Publishers NY


Hilferding (1910) Finance Capital Routledge


Kaldor Mary New and Old Wars (Stanford University 2001)


Klare, Michael T. (2001 b) “So, What’s the Answer?” in The Progressive, November

Kotz David, (2002) “Globalization and Neoliberalism” in Rethinking Marxism, University of Massachusetts


Lipschutz Ronnie D. “Global Governance”
Magdoff Harry (1969) *The Age of Imperialism: The Economics of U.S. Foreign Policy*


Mészáros István (1995) Beyond Capital

------------------------- (2001) *Socialism or Barbarism* Monthly Review


Reich 1991

Rostow Walter (1968) *The Stages of Economic Growth: A Non-Communist Manifesto* Cambridge University

Saxe Fernandez John & Omar Nunez *Globalizacion, Imperialismo y Clase Social*, (UNAM, 2001)

Sandoval Ramirez Luis “Ciclos de Hegemonia Mundial” in *Investigacion Economica* (UNAM, 2000)


Schumpeter Joseph (1942) *Capitalism, Socialism and Democracy* Cambridge

----------------------------- (1951) *Imperialism and Social Classes* Cambridge
Strange Susan (1996) *The Retreat of the State* Cambridge


