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Globalisation: nine theses on our epoch

The left and progressives around the world are struggling to come to terms with the fundamental dynamic of our epoch: capitalist globalisation. The globalisation of capitalism, and the transnationalisation of social, political and cultural processes it entails, is the world-historic context of developments on the eve of the twenty-first century. The debate on globalisation is being played out in the academy, and more importantly, among diverse social and political movements worldwide. These movements have run up against globalising processes that are reshaping the very terrain of social action, including the deep constraints, as well as real opportunities, that the new global environment presents for popular change. In my view, however, activists and scholars alike have tended to understate the *systemic* nature of the changes involved in globalisation, which is redefining all the fundamental reference points of human society and social analysis, and requires a modification of all existing paradigms.[1]

Capitalist globalisation denotes a world war. This war has been brewing for four decades following the second world war, concealed behind a whole set of secondary contradictions tied up with the cold war and the East-West conflict. It was incubated with the development of new technologies and the changing face of production and of labour in the capitalist world, and the hatching of transnational capital out of

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former national capitals in the North. The opening salvos date back to the early 1980s, when, as I argue below, class fractions representing transnational capital gained effective control of state apparatuses in the North and set about to capture these apparatuses in the South. This war has proceeded with transnational capital being liberated from any constraint on its global activity, given the demise of the former Soviet bloc and capital's increasing achievement of total mobility and access to every corner of the world. It is a war of a global rich and powerful minority against the global poor, dispossessed and outcast majority. Casualties already number hundreds of millions, and threaten to mount into the billions. I refer to this as a world war figuratively, in that the level of social conflict and human destruction is reaching bellicose proportions. But I also mean so literally, in that the conflict bound up with capitalist globalisation is truly *world* war: it involves all peoples around the world, and none can escape involvement.

Calling the current state of affairs a world war is a dramatic statement, intended to underscore the extent to which I believe humanity is entering a period that could well rival the colonial depredations of past centuries. However, I do not mean to be apocalyptic or to disarm. Capitalist globalisation is a process, not so much consummated as in motion. It confronts major contradictions that present possibilities for altering its course. A more precise reading of globalisation is therefore required as a guide to our social inquiry and action. What follows, far from a claim to resolve the debate on globalisation, is a modest attempt to take stock of the principal contours of our epoch. It is intended to present a holistic snapshot of the globalisation 'forest' by identifying its most imperious trees and how they intermesh, in accord with what I believe should be key theoretical and practical concerns of intellectuals and activists. It should be stressed that, given space limitations, the following theses should not be seen as full explanations of the issues. Each is an open-ended summary statement that presents complex phenomena in simplified form and requires further exploration.

First, the essence of the process is the replacement for the first time in the history of the modern world system, of all residual pre(or non)-capitalist production relations with capitalist ones in every part of the globe.

Activists and scholars have noted that globalisation involves the hastened internationalisation of capital and technology, a new international division of labour, economic integration processes, a decline in the importance of the nation-state, and so on. The world has been moving in the past few decades to a situation in which nations have been linked, via capital flows and exchange, in an integrated international market, to the globalisation of the process of production itself. In turn, economic globalisation is bringing with it the material

basis for the transnationalisation of political processes and systems, of civil societies, and the global integration of social life. Globalisation has increasingly eroded national boundaries, and made it structurally impossible for individual nations to sustain independent, or even autonomous, economies, polities and social structures. Nation-states are no longer appropriate units of analysis.

These are all important features. But the core of globalisation, theoretically conceived, is the near culmination of a process that began with the dawn of European colonial expansion and the modern world system 500 years ago: the gradual spread of capitalist production around the world and its displacement of all pre-capitalist relations. From a world in which capitalism was the dominant mode within a system of 'articulated modes of production', globalisation is bringing about a world integrated into a single capitalist mode (thus capitalist globalisation).[2] This involves all the changes associated with capitalism, but changes which are *transnational* rather than national or international in character. It includes the transnationalisation of classes and the accelerated division of all humanity into just two single classes, global capital and global labour (although both remain embedded in segmented structures and 'hierarchies', as discussed below).

Global capitalism is tearing down all non-market structures that, in the past, placed limits on the accumulation – and the dictatorship – of capital. Every corner of the globe, every nook and cranny of social life, is becoming commodified. This involves breaking up and commodifying non-market spheres of human activity, namely public spheres managed by states, and private spheres linked to community and family units, local and household economies. This complete commodification of social life is undermining what remains of democratic control by people over the conditions of their daily existence, above and beyond that involved with private ownership of the principal means of production. As James O'Connor has noted, we are seeing the maturation of the capitalist *economy* into capitalist society, with the penetration of capitalist relations into all spheres of life.[3]

Commodification involves the transfer to capital both of former public spheres and of former private, non-capitalist spheres, such as family and cultural realms. All around the world, the public sphere, ranging from educational and health systems, police forces, prisons, utilities, infrastructure and transportation systems, is being privatised and commodified. The juggernaut of exchange value is also invading the intimate private spheres of community, family, and culture. None of the old pre-commodity spheres provide a protective shield from the alienation of capitalism. In every aspect of our social existence, we increasingly interact with our fellow human beings through dehumanised and competitive commodity relationships.

Second, a new 'social structure of accumulation' is emerging which, for the first time in history, is global.

A social structure of accumulation refers to a set of mutually-reinforcing social, economic, and political institutions and cultural and ideological norms which fuse with, and facilitate a successful pattern of capital accumulation over specific historic periods.[4] A new global social structure of accumulation is being superimposed on, and transforming, existing national social structures of accumulation. Integration into the global system is the causal structural dynamic that underlies the events we have witnessed in nations and regions all around the world over the past few decades. The breakup of national economic, political and social structures is reciprocal to the gradual breakup, starting thirty years ago, of a pre-globalisation nation-state based world order. New economic, political and social structures emerge as each nation and region becomes integrated into developing transnational structures and processes.

The agent of the global economy is transnational capital, organised institutionally in global corporations and in supranational economic planning agencies and political forums, such as the International Monetary Fund (IMF), the Trilateral Commission, and the G7 forum, and managed by a class-conscious transnational elite based in the centres of world capitalism. This transnational elite has an integrated global agenda of mutually-reinforcing economic, political, and cultural components that, taken together, comprise a new global social structure of accumulation.[5]

The economic component is hyper-liberalism, which seeks to achieve the conditions for the total mobility and unfettered world-wide activity of capital.[6] Hyper-liberalism includes the elimination of state intervention in the economy and also of the regulation by individual nation states over the activity of transnational capital in their territories. It is putting an end to the state's earlier ability to interfere with profit-making by capturing and redistributing surpluses. In the North, hyper-liberalism, first launched by the Reagan and Thatcher governments, takes the form of deregulation and the dismantling of Keynesian welfare states. In the South, it involves 'neo-liberal structural adjustment' programmes. These programmes seek macroeconomic stability (price and exchange rate stability, etc.) as an essential requisite for the activity of transnational capital, which must harmonise a wide range of fiscal, monetary and industrial policies among multiple nations if it is to be able to function simultaneously, and often instantaneously, within numerous national borders. [7]

The political component is the development of political systems that operate through consensual, rather than through direct, coercive domination. Consensual mechanisms of social control tend to replace the dictatorships, authoritarianism and repressive colonial systems that characterised much of the world's formal political authority structures

right up to the post-cold war period. These political systems are referred to as 'democracy' by the transnational elite, although they have little or no authentic democratic content. The 'democratic consensus' in the new world order is a consensus among an increasingly cohesive global elite on the type of political system most propitious to the reproduction of social order in the new global environment. This component is discussed in more detail below.

The cultural/ideological component is consumerism and cut-throat individualism. Consumerism proclaims that well-being, peace of mind, and purpose in life are achieved through the acquisition of commodities.[8] Competitive individualism legitimises personal survival, and whatever is required to achieve it, over collective well-being. Consumerism and individualism imbue mass consciousness at the global level. They channel mass aspirations into individual consumer desires, even though induced wants will never be met for the vast majority of humanity. The culture and ideology of global capitalism thus work to depoliticise social behaviour and preempt collective action aimed at social change by channelling people's activities into a fixation with the search for individual consumption and survival.

Globalisation, therefore, has profound consequences for each nation of the world system. Productive structures in each nation are reorganised reciprocal to a new international division of labour, characterised by the concentration of finances, services, technology and knowledge in the North, and the labour-intensive phases of globalised production in the South. As each national economy is restructured and subordinated to the global economy, new activities linked to globalisation come to dominate. Pre-globalisation classes such as national peasantries, small-scale artisans and domestic bourgeoisies linked to national capital and internal markets, are weakened and are threatened with disintegration. New groups linked to the global economy emerge and become dominant, both economically and politically. States are externalised. Political systems are shaken and reorganised. The dominant global culture penetrates, perverts, and reshapes cultural institutions, group identities, and mass consciousness.

Third, this transnational agenda has germinated in every country of the world under the guidance of hegemonic transnationalised fractions of national bourgeoisies.

Global capitalism is represented in each nation-state by in-country representatives, who constitute transnationalised fractions of dominant groups. The international class alliance of national bourgeoisies of the post-war period mutated into a transnationalised bourgeoisie in the post-cold war period, and had become, by the 1990s, the hegemonic class fraction globally. This denationalised bourgeoisie is class conscious, and conscious of its transnationality. At its apex is a

managerial elite which controls the levers of global policy-making, and which responds to transnational finance capital as the hegemonic fraction of capital on a world scale.

In the 1970s and 1980s, incipient transnationalised fractions set out to eclipse national fractions in the core capitalist countries of the North and to capture the 'commanding heights' of state policy-making. From the 1980s into the 1990s, these fractions ascended in the South and began to vie for and, in many countries, to capture, state apparatuses.[9] The transnational agenda is embryonic in some countries and regions (eg, much of sub-Saharan Africa). It has incubated and is now ascendant in others (eg, the Philippines, India, major portions of Asia). It has become fully consolidated elsewhere (eg, in Chile, Mexico, and much of Latin America). Given the structures of North-South asymmetry, transnationalised fractions in the Third World are 'junior' partners. They oversee at the local level, and under the tutelage of their 'senior' counterparts in the North, the sweeping economic, political, social and cultural changes involved in globalisation, including free-market reform, the fomenting of 'democratic' systems in place of dictatorships, and the dissemination of the culture/ideology of consumerism and individualism.

Fourth, observers search for a new global 'hegemon' and posit a tri-polar world of European, American, and Asian economic blocs. But the old nation-state phase of capitalism has been superseded by the transnational phase of capitalism.

In his master study, *The Great Transformation*, Karl Polanyi summed up the previous historic change in the relationship between the state and capital, and society and market forces, that took place with the maturation of national capitalism in the nineteenth and the first half of the twentieth century.[10] We are now witness to another 'great transformation', the maturation of transnational capitalism.

But activists and scholars still cling on to an outdated nation-state framework of analysis that reifies the state, with a consequent misreading of events and the danger of misdirected social action. The momentary fluxes, conflicts and contradictions bound up with the transition from national to transnational capitalism should not be confused with the historic tendency itself. Globalisation changes the relationship between capitalism and territoriality and, with it, the relationship between classes and the nation-state.[11] The 'commanding heights' of state decision-making are shifting to supranational institutions.[12] The structural power of fully mobile transnational capital is superimposed on the direct power of nation-states.[13] The historic relation between nation-states and formerly nation-based classes, and between class power and state power, has been modified and requires redefinition.

The transnational bourgeoisie exercises its class power through two

channels. One is a dense network of supranational institutions and relationships that increasingly bypass formal states, and that should be conceived as an emergent transnational state that has not acquired any centralised institutional form. The other is the utilisation of national governments as territorially-bound juridical units (the inter-state system), which are transformed into transmission belts and filtering devices for the imposition of the transnational agenda. Transnational capital requires nation-states to perform three functions: 1) adopt fiscal and monetary policies which assure macro-economic stability; 2) provide the basic infrastructure necessary for global economic activity, and; 3) provide social control, order and stability (the transnational elite has assessed 'democracy' as better able than dictatorship to perform this social order function). In a nutshell, we are not witnessing 'the death of the nation-state', but its transformation into a neo-liberal state.

It is true, therefore, as many scholars and activists have pointed out, that capital still needs state power.[14] However, state power and the nation-state are not co-equivalent, and the interests of transnational capital do not correspond to any 'national' interest or any nation-state. The confusion is in equating capital's need for the services provided by neo-liberal states, and the use it makes of the lingering inter-state system, with some type of organic affinity between transnational capital and specific nation-states, as existed in the national stage of capitalism. If major concentrations of transnational capital are no longer associated with any particular nation-state, on what material and class basis should inter-state conflict be interpreted? What theoretical rationale exists for predicting rivalry and competition between nation states as an expression of the competition of national capitals?

The spatial decentralisation of the power of transnational capital is confused with the growing 'strength' and 'independence' of 'US rivals', and with geo-political shifts in power conceived in terms of nation-states.[15] In fact, transnational capital and its principal institutional agent, the global corporation, is able to exploit an antiquated nation-state/inter-state system to wring further concessions from global labour. The continued separation of the world into nation-states creates a central condition for the power of transnational capital.

An outdated nation-state framework can lead to a misreading of events. By way of example, some have interpreted the 'Contract with America' (and before it, Reaganism) as a retrenchant right-wing project opposed to a more 'liberal' programme. The 'Contract with America', in fact, is a programme representing the quintessential interests of transnational capital. The differences between Gingrich's and Clinton's programmes do not represent a fundamental clash between distinct capitalist fractions or projects, but differences over the pace, timing and secondary aspects (eg, social policy) of advancing the transnational agenda in the United States. The fundamental

restructuring of social policies that began under Reaganism and Thatcherism in the North, the adjustment programmes in the South, the 'Contract with America', and so forth, are not the product of conservative movements and right-wing political inclinations, per se, despite appearances. Rather, they represent the logical concrete policy and ideological adjuncts of globalisation as it applies to the particular conditions of each country.

Similarly, tactical differences between national governments of core countries over how to advance transnational interests – tactical differences often originating in the particulars of local and regional histories and conditions – take on the appearance of fundamental contradictions between rival 'national capitals' and 'national interests'. Events may appear as contradictions between nation-states when, in essence, they are contradictions internal to global capitalism. The need for neo-liberal states to secure legitimacy as part of their social order function often entails a discourse of 'national interests', 'foreign competition', and so on, at the ideological and the mass public levels. Space constraints limit discussion. Suffice it to recall that the hallmark of good social analysis is to distinguish appearance from essence.

Fifth, the 'brave new world' of global capitalism is profoundly anti-democratic.

Global capitalism is predatory and parasitic. In today's global economy, capitalism is less benign, less responsive to the interests of broad majorities around the world, and less accountable to society than ever before. Some 400 transnational corporations own two-thirds of the planet's fixed assets and control 70 per cent of world trade. With the world's resources controlled by a few hundred global corporations, the life blood and the very fate of humanity is in the hands of transnational capital, which holds the power to make life and death decisions for millions of human beings. Such tremendous concentrations of economic power lead to tremendous concentrations of political power globally. Any discussion of 'democracy' under such conditions becomes meaningless.

The paradox of the demise of dictatorships, 'democratic transitions' and the spread of 'democracy' around the world is explained by new forms of social control, and the misuse of the concept of democracy, the original meaning of which, the power (cratos) of the people (demos), has been disconfigured beyond recognition. What the transnational elite calls democracy is more accurately termed *polyarchy*, to borrow a concept from academia. Polyarchy is neither dictatorship nor democracy.[16] It refers to a system in which a small group actually rules, on behalf of capital, and participation in decision-making by the majority is confined to choosing among competing elites

in tightly controlled electoral processes. This 'low-intensity democracy' is a form of consensual domination. Social control and domination is hegemonic, in the sense meant by Antonio Gramsci, rather than coercive. It is based less on outright repression than on diverse forms of ideological cooptation and political disempowerment made possible by the structural domination and 'veto power' of global capital.

Polyarchy is being promoted ('democracy promotion') by the transnational elite in the South as part and parcel of its agenda, as distinct from the earlier global network of civilian-military regimes and outright dictatorships (eg, the Somozas, the Duvaliers, the Marcos, the Pinochets, white minority regimes, etc.), or, before them, the repressive colonial states that northern capitalist countries promoted and sustained for much of modern world history. Authoritarian systems tend to unravel as globalising pressures break up embedded forms of coercive political authority, dislocate traditional communities and social patterns, and stir masses of people to demand the democratisation of social life. Disorganised masses push for a deeper popular democratisation, while organised elites push for tightly controlled transitions from authoritarianism and dictatorships to elite polyarchies.

This issue is crucial, because much of the left worldwide has not been democratic in the twentieth century, both within its own organisations and in state practices in those countries where it has come to power. The left's historic democratic failings have made some hesitant to denounce polyarchy for what it is – a mockery of democracy. The left must be committed to democracy in society and in its own institutions – a popular, participatory democracy from the grassroots up that empowers popular classes at the local level, subordinates states to civil society, holds leaders accountable, and so on. But polyarchy has as little to do with democracy as did the Stalinist political system in the former Soviet bloc. The trappings of democratic procedure in a polyarchy do not mean that the lives of the mass of people become filled with authentic or meaningful popular democratic content, much less that social justice or greater economic equality is achieved. The new polyarchies ('the new democracies') of emergent global society do not, and are not intended to, meet the authentic aspirations of repressed and marginalised majorities for political participation, for greater socioeconomic justice and for cultural realisation.[17]

Sixth, 'poverty amidst plenty', the dramatic growth under globalisation of socioeconomic inequalities and of human misery, a consequence of the unbridled operation of transnational capital, is worldwide and generalised.

The dual tendency is for wealth to be concentrated among a privileged stratum encompassing some 20 per cent of humanity, with the gap between rich and poor widening within each country, North and

South alike, and, simultaneously, a sharp increase in the inequalities between the North and the South. The worldwide inequality in the distribution of wealth and power is a form of permanent structural violence against the world's majority. This is a widely noted phenomenon, but it needs to be linked more explicitly to globalisation.

In Latin America alone, the number of people living in poverty increased from 183 million in 1990, to 230 million in 1995, according to figures recently released by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). Taking into account population growth, the percentage of the population living in poverty, according to the ECLAC, increased from 40 per cent of the total population in 1980, to 44 per cent in 1980, and 48 per cent in 1995. This rise in poverty is thus more exponential than arithmetical. The UN's Food and Agriculture Organisation (FAO) adds that, among the Latin American poor, 59 million people suffer from chronic hunger.[18] According to the most recent of the United Nations Development Program (UNDP) annual reports, *Human Development 1994*, 1.3 billion people live in absolute poverty – literally on the verge of life and death. A third of the South's population 'lives in state of abject poverty', states the report, 'at such a margin of human existence that words simply fail to describe it'. One billion are without access to health services, 1.3 billion have no access to safe water, and 1.9 billion are without access to sanitation.[19]

These annual UNDP reports have become widely disseminated. A comparison of recent reports reveals the frightening tendency for the chasm between a shrinking minority of haves and a vast majority of have-nots to widen ever further. The 1992 report indicated that the wealthiest 20 per cent of humanity received 82.7 per cent of the world's wealth. Its 1994 report places that figure at 84.7 per cent. The comparison also reveals that the abyss between rich and poor nations continues to widen. In 1960, the wealthiest 20 per cent of the world's nations was thirty times richer than the poorest 20 per cent. Thirty years later, in 1990, it was sixty times richer. Just one year later, in 1991, the latest year for which figures were available, it was 61:1, according to the 1994 report.

However, the report noted: 'these figures conceal the true scale of injustice since they are based on comparisons of the average per capita incomes of rich and poor *countries*. In reality, of course, there are wide disparities within each country between rich and poor *people*' (emphasis in original). Adding the maldistribution within countries, the richest 20 per cent of the world's people got at least 150 times more than the poorest 20 per cent. In other words, the ratio of inequality between the global rich and the global poor, seen as social groups in a highly stratified world system, was 1:150.

The outward drainage of surplus from the South to the North

continues unabated under globalisation. The 1994 UNDP report noted that, in 1992, the outflow in debt service charges alone (a figure which therefore does not include profit repatriation and other forms of surplus transfer from South to North) on the Third World's combined debt of $1.5 trillion was two and one-half times the amount of northern development aid, and $60 billion more than total private flows to developing countries. These 'open veins', through which wealth continues to flow from South to North, suggest that transnational capital operates in such a way that it still requires strategic rearguards in the core of world capitalism, where global management, the store of capital, and the centres of technology and finances are concentrated, within the new international division of labour and what A. Sivanandan has referred to as 'new circuits of imperialism'.[20]

But the perpetuation of the centre-periphery divide does not translate into continued prosperity for majorities in the North. Alongside the widening North-South divide, has come a widening gap between rich and poor in the United States and the other developed countries, together with heightened social polarisation and political tensions. Between 1973 and 1990, real wages dropped uniformly for 80 per cent of the US population and rose for the remaining 20 per cent.[21] The top quintile in the United States increased its share of income from 41.1 per cent in 1973 to 44.21 per cent in 1991. The concentration of wealth (which includes income and wealth) was even more pronounced. By 1991, the top .05 per cent of the population owned 45.4 per cent of all assets, excluding homes. The top 1 per cent owned 53.2 per cent of all assets, and the top 10 per cent owned 83.2 per cent. The United States *belonged* to a tiny minority.

In 1991, those living either below the government-established poverty line or below 125 per cent of the poverty line represented 34.2 per cent of the population of the United States. In other words, 34.2 per cent of the US population was 'poor' or 'very poor'. In more sociologically precise terms, over one-third of the US population lived in absolute or relative poverty. The pattern is similar in other developed countries of the Organisation of Economic Cooperation and Development (OECD).

The North-South divide is growing and should not be understated. However, humanity is increasingly stratified along transnational class lines. Given the accelerated creation under globalisation of lakes of wealth in Third World countries and seas of poverty in First World countries, it makes more sense to see the world as increasingly divided along class, rather than national, lines. Space constraints limit discussion, but there are important empirical processes such as downward 'global leveling', and the theoretical issues that these processes raise, which require further exploration.

Seventh, there are deep and interwoven racial, ethnic and gender dimensions to this escalating global poverty and inequality.

As global capital concentrates, it disproportionately locks out women and racially and ethnically oppressed groups. As transnational capital moves to the South of the world, it does not leave behind in the North, or encounter in the South, homogenous working classes, but ones which are historically stratified and segmented along racial, ethnic and gender lines. In the North, for instance, labour of colour, drawn originally, and often by force, from the periphery to the core as menial labour, is disproportionately excluded from strategic economic sectors. Relegated to the ranks of the growing army of 'supernumeraries', made the most vulnerable sector in a racially-segmented labour market which is becoming more, not less, rigid under globalisation, it is subject to a rising tide of racism which includes the dismantling of affirmative action programmes and the implementation of repressive state measures against immigrant labour pools.[22] Although globalising processes undermine the existence of pre-capitalist classes, they also intensify stratification within labour, often along racial/ethnic lines, in both North and South. However, I suggest that 'hierarchies of labour' are becoming spatially organised across the North-South axis, given global integration processes, new migration patterns, and increased concentrations of Third World labour in the First World, as well as the increasing impoverishment of the once-privileged 'labour aristocracies' of European origin. This issue and its theoretical implications, too, require further exploration.

The root cause of the subordination of women – unequal participation in a sexual division of labour on the basis of the female reproductive function – is exacerbated by globalisation, which increasingly turns women from reproducers of labour power required by capital into reproducers of supernumeraries for which capital has no use. Female labour is further devalued, and women denigrated, as the function of the domestic (household) economy moves from rearing labour for incorporation into capitalist production to rearing supernumeraries. This is one important structural underpinning of the global 'feminisation of poverty' and is reciprocal to, and mutually reinforces, the racial/ethnic dimensions of inequality. It helps explain the movement among northern elites to dismantle Keynesian welfare benefits in a manner which disproportionately affects women and racially oppressed groups, and the impetuousness with which the neoliberal model calls for the elimination of even minimal social spending and safety nets that often mean, literally, the difference between life and death.

Eighth, there are deep contradictions in emergent world society that make uncertain the very survival of our species – much less the mid- to long-term

stabilisation and viability of global capitalism – and portend prolonged global social conflict.

The structure of global production, distribution and consumption increasingly reflects the skewed income pattern. For instance, under the new global social apartheid, tourism is the fastest growing economic activity and even the mainstay of many Third World economies. This does not mean that more people are actually enjoying the fruits of leisure and international travel; it means that 20 per cent of humanity has more and more disposable income, even as the consumption of the remaining 80 per cent contracts. This 80 per cent is forced to provide ever more frivolous services to, and orient its productive activity towards, meeting the needs and satisfying the sumptuous desires of that 20 per cent.[23] Private security forces and prisons are now the number one growth sector in the United States and the other northern countries.[24] Social apartheid spawns decadence. Militarised 'fortress cities' and 'spatial apartheid' are necessary for social control in a situation in which an ever-smaller portion of humanity can consume even the essentials of life, let alone luxury goods.[25]

As national capitalism matured in the late nineteenth century in the North, the tendency inherent in capital accumulation towards a concentration of income and productive resources, and the social polarity and political conflict this generates, was offset by two factors. The first was the intervention of states to regulate the operation of the free market, to guide accumulation, and to capture and redistribute surpluses. The second was the emergence of modern imperialism to offset the polarising tendencies inherent in the process of capital accumulation in the North, so that global social conflict was generally transferred to the South. Both these factors therefore fettered, in the core of the world system, the social polarity generated by capitalism. But, by reducing or eliminating the ability of individual states to regulate capital accumulation and capture surpluses, globalisation is now bringing – at a worldwide level – precisely the polarisation between a rich minority and a poor majority that Karl Marx predicted. Yet this time there are no 'new frontiers', no virgin lands for capitalist colonisation that could offset the social and political consequences of global polarisation.

Endemic to unfettered global capitalism, therefore, is intensified social conflict, which in turn engenders constant political crises and ongoing instability, both within countries and between countries. In the post-war period, the North was able to shift much social conflict to the South as a combined result of an imperialist transfer of wealth from South to North and the redistribution of this wealth in the North through Keynesian state intervention. No less than 160 wars were fought in the Third World from 1945 to 1990. However, globalisation involves a distinct shift in global strife from inter-state conflict

(reflecting a certain correspondence between classes and nations in the stage of national capitalism) to global class conflict. The UNDP's 1994 report underscores a shift from 'a pattern of wars between states to wars within states'. Of the eighty-two armed conflicts between 1989 and 1992, only three were between states. 'Although often cast in ethnic divisions, many have a political or economic character,' states the report. Meanwhile, global military spending in 1992 was $815 billion ($725 billion, of which corresponded to the rich northern countries), a figure equal to the combined income of 49 per cent of the world's people in that same year.[26] The period of worldwide political instability we face ranges from civil wars in the former Yugoslavia and in numerous African countries, to simmering social conflict in Latin America and Asia, endemic civil disturbances, sometimes low-key and sometimes high profile, in Los Angeles, Paris, Bonn and most metropoles of the northern countries. Uncertain survival and insecurities posed by global capitalism induce diverse forms of fundamentalism, localism, nationalism and racial and ethnic conflict.

As the worldwide ruling class, the transnational bourgeoisie has thrust humanity into a crisis of civilisation. Social life under global capitalism is increasingly dehumanising and devoid of any ethical content. But our crisis is deeper: we face a *species crisis*. Well-known structural contradictions analysed a century ago by Marx, such as over-accumulation, under-consumption, and the tendency towards stagnation, are exacerbated by globalisation, as many analysts have pointed out. However, while these 'classic' contradictions cause social crisis and cultural decadence, new contradictions associated with late twentieth century capitalism – namely, the incompatibility of the reproduction of both capital *and* of nature – is leading to an ecological holocaust that threatens the survival of our species and of life itself on our planet.[27]

Ninth, stated in highly simplified terms, much of the left world-wide is split between two camps.

One group is so overwhelmed by the power of global capitalism that it does not see any alternative to participation through trying to negotiate the best deal possible. This camp searches for some new variant of social democracy and redistributive justice that could become operant in the new world order. It therefore proposes diverse sorts of a global Keynesianism that do not challenge the logic of capitalism itself, and tend towards a political pragmatism. The other views global capitalism and its costs – including its tendency towards the destruction of our species – as unacceptably high, so much so that it must be resisted and rejected. However, it has not worked out a coherent socialist alternative to the transnational phase of capitalism.

We see this strategic dividing line in the Latin American, African

and Asian left, as well as in the North and among left and socialist groups attempting a renewal in the former Soviet-bloc countries. For instance, this was the fundamental underlying issue that ultimately led to formal splits in the Sandinista National Liberation Front (FSLN) in Nicaragua, the Farabundo Marti National Liberation Front (FMLN) in El Salvador, and the recent fracturing of the Philippine left, and that is generating deep tensions within the Workers Party (PT) of Brazil and the African National Congress (ANC) in South Africa (although care must be taken neither to simplify complex issues nor to draw broad generalisations from specific experiences).

My own view is that we should harbour no illusions that global capitalism can be tamed or democratised. This does not mean that we should not struggle for reform within capitalism, but that all such struggle should be encapsulated in a broader strategy and programme for revolution against capitalism. Globalisation places enormous constraints on popular struggles and social change in any one country or region. The most urgent task is to develop solutions to the plight of humanity under a savage capitalism liberated from the constraints that could earlier be imposed on it through the nation state. An alternative to global capitalism must therefore be a *transnational* popular project. The transnational bourgeoisie is conscious of its transnationality, is organised transnationally, and operates globally. Many have argued that the nation-state is still the fulcrum of political activity for the foreseeable future. But it is not the fulcrum of the political activity of this global elite. The popular mass of humanity must develop a transnational class consciousness and a concomitant global political protagonism and strategies that link the local to the national and the national to the global.

A transnational counter-hegemonic project requires the development of concrete and viable programmatic alternatives. The South African Communist Party (SACP), for instance, has made important programmatic advances in its strategy of 'rolling back' the market through the decommodification of key areas of South African society, not as an end in itself but as part of a broader struggle for socialism.[28] The contradictions of global capitalism open up new possibilities, as well as enormous challenges, for a popular alternative. Without its own viable socioeconomic model, popular sectors run the risk of political stagnation under the hegemony of the transnational elite, or, even worse, being reduced, if they come to occupy governments, to administering the crises of neo-liberalism, with a consequent loss of legitimacy. Under such a scenario, the hegemonic view that there is no popular alternative to global capitalism becomes reinforced, leading to resignation among popular sectors and betrayal of obligations among intellectuals and leaders.

The 'race to the bottom' – the worldwide downward levelling of

living conditions and the gradual equalisation of life conditions in North and South – creates fertile objective conditions for the development of transnational social movements and political projects. The communications revolution has facilitated global elite communications, but it can also assist global coordination among popular classes, as demonstrated by the creative use that the Zapatistas (EZLN) in Mexico have made of the internet. There were encouraging signs in the mid-1990s of such transnational popular coordination, such as the Sao Paulo Forum in Latin America, and the Peoples Plan for the Twenty First Century (PP21) in Asia.[29]

A transnational counter-hegemonic project would not entail resisting globalisation – alas, we cannot simply demand that historic processes be halted to conform to our wishes, and would do better to understand how we may influence and redirect those processes – but trying to convert it into a 'globalisation from below'. Such a process from the bottom up would have to address the deep racial/ethnic dimensions of global inequality, starting from the premise that, although racism and ethnic and religious conflicts rest on real material fears among groups that survival is under threat, they take on cultural, ideological and political dynamics of their own which must be challenged and countered in the programmes and the practice of counter-hegemony. A counter-hegemonic project will have to be thoroughly imbued with a gender equality approach, in practice and in content. It will also require alternative forms of democratic practice within popular organisations (trade unions, the 'new social movements', etc.), within political parties, and – wherever the formal state apparatus is captured, through elections or other means – within state institutions.

New egalitarian practices must eschew traditional hierarchical and authoritarian forms of social intercourse, bureaucratic authority relations, and overcome personality cults, centralised decision-making, and other such traditional practices. The flow of authority and decision-making in new social and political practices within any counter-hegemonic bloc must be from the bottom up, not from the top down. Transnational political protagonism among popular classes means developing a transnational protagonism at the mass, grassroots level – a transnationalised participatory democracy – well beyond the old 'internationalism' of political leaders and bureaucrats, and also beyond the paternalistic forms of northern 'solidarity' with the South.

More than prolonged mass misery and social conflict is at stake: at stake is the very survival of our species. A democratic socialism founded on a popular democracy may be humanity's 'last best,' and perhaps only, hope.

References

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1 There is an enormous and growing body of literature on globalisation, too vast to reference here. Summaries of the literature may be found, among other places, in William I. Robinson, *Promoting Polyarchy: globalisation, US intervention, and hegemony* (Cambridge, Cambridge University Press, 1996); Leslie Sklair, *Sociology of the Global System* (Baltimore, John Hopkins University Press, 1991); Malcolm Waters, *Globalisation* (London, Routledge, 1995). For specific points of debate among left scholars and activists, see, eg, diverse contributions in Ralph Miliband and Leo Panitch (eds), *Socialist Register 1992*, 'New World Order?'), and *1994*, 'Between globalism and nationalism' (London, Merlin Press).

2 Thus my definition of globalisation goes beyond most conceptions that see the process as a *quantitative* one involving an acceleration in the pace of global interconnections and interdependencies (the objective dimension) along with our awareness of such interconnections (the subjective dimension). See Ronald Robertson, *Globalisation: social theory and global culture* (Newbury Park, Sage, 1992) for such a quantitative conceptualisation. The *qualitative* definition advanced here incorporates these objective and subjective dimensions but sees quantitative change as giving way to qualitative change. My argument is that the modern world system has gone through successive waves of global interconnections, each of which has deepened webs of relations and further broken down autonomies, but that the current epoch is a *qualitatively* new phase. See Immanuel Wallerstein, *The Modern World System* (New York, Academic Press, 1974), and world system and dependency literature in general for the notion that, in this quantitative conception, there is nothing new in globalisation as worldwide interconnections, and see Eric Wolf's brilliant study, *Europe and the People Without History* (Berkeley, University of California Press, 1982), on how such webs of interconnections span back centuries, if not millennia.

3 James O'Connor, 'A Red-Green politics in the United States?', *Capitalism, Nature, Socialism* (Vol.5, No.1, March 1994), pp.1-19.

4 On social structures of accumulation, see David M. Kotz, Terrence McDonough and Michael Reich, *Social Structures of Accumulation: the political economy of growth and crisis* (Cambridge, Cambridge University Press, 1994).

5 These notions of a global social structure of accumulation, a transnational elite, and a global agenda of this transnational elite, are discussed in detail in Robinson, op. cit. See also William I. Robinson, 'Pushing polyarchy: the US-Cuba case and the Third World', *Third World Quarterly* (Vol.16, No.4, 1995), pp.643-59.

6 As far as I know, the term hyper-liberalism was first used by Robert W. Cox, in 'Global Perestroika', *Socialist Register 1992*, op. cit.

7 For more extended discussion and case studies on neo-liberalism, see Henk Overbeek (ed.), *Restructuring Hegemony in the Global Political Economy: the rise of transnational neo-liberalism in the 1980s* (London, Routledge, 1993), and Robinson, *Promoting Polyarchy*, op. cit.

8 On this point, see Sklair, op. cit.

9 Regarding these transnational fractions in the North, see, among several important works, Stephen Gill, *American Hegemony and the Trilateral Commission* (Cambridge, Cambridge University Press, 1990); Robert W. Cox, *Power, Production, and World Order: social forces in the making of history* (New York, Columbia University Press, 1987). On these fractions in the South, see Robinson, *Promoting Polyarchy*, op. cit.

10 Karl Polanyi, *The Great Transformation* (New York, Rinehart, 1944).

11 On capitalism and territoriality, see John Gerard Ruggie, 'Territoriality and beyond:

problematizing modernity in international relations', *International Organisation* (Vol.47, no.1, Winter 1993), pp.139-74.

12 See, eg, David C. Ranney, *The Evolving Supra-National Policy Arena* (Chicago, University of Illinois at Chicago, Center for Urban Economic Development, 1993).

13 See, eg, Stephen Gill and David Law, 'Global hegemony and the structural power of capital', *International Studies Quarterly* (Vol. 33, no. 4, December 1989), pp.475-99.

14 See, eg, Michael Tanzer, 'Globalising the economy', *Monthly Review* (Vol. 47, no. 4, September 1995), pp.1-15; Samir Amin, 'Fifty years is enough!,' *Monthly Review* (Vol. 46, no. 11, April 1995), pp.8-50.

15 These views are widespread. See, eg, Harry Magdoff, 'Globalisation – to what end?' in *Socialist Register 1992*, op. cit.; Alejandro Bendana, *Hegemonia y Nuevo Orden Mundial* (Managua, Centro de Estudios Internacionales, 1992); Robert Gilpin, *The Political Economy of International Relations* (Princeton, Princeton University Press, 1987).

16 Robert Dahl, *Polyarchy: participation and opposition* (New Haven, Yale University Press, 1971).

17 The issues in this 'thesis' are discussed at great length in Robinson, *Promoting Polyarchy*, op. cit. See also Barry Gills, Joel Rocamora, and Richard Wilson (eds), *Low Intensity Democracy: political power and the New World Order* (Boulder, Westview, 1993).

18 These UN figures (both ECLAC and FAO) were reported in *La Jornada* (Mexico City, 6 October 1995). They were also reported in 'Poverty remains pervasive throughout Latin America', *Chronicle of Latin American Economic Affairs* (Latin America Data Base, Latin American Institute, University of New Mexico, Vol. 11, no. 1, 4 January 1996).

19 The following data is from UNDP, *Human Development 1994* (New York, Oxford University Press).

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21 US Bureau of the Census, as cited in Jerry S. Kloby, 'Increasing class polarization in the United States' in Berch Berberoglu (ed.), *Critical Perspectives in Sociology* (Dubuque, Iowa, Kendal/Hunt, 1993), pp.27-43. The following data is from the Bureau, as cited by Kloby, unless otherwise indicated.

22 For example, see discussion by Sivanandan, op. cit., and, on the specific case of Latinos in the United States, see William I. Robinson, 'The global economy and the Latino populations in the United States: a world systems approach', *Critical Sociology* (Vol. 19, no. 2, 1992), pp.29-59.

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24 See, eg, Mike Zielinski, 'Armed and dangerous: private police on the march', *CovertAction Quarterly* (No. 54, Fall 1995), pp.44-50.

25 On such urban social and physical restructuring bound up with globalising processes, see, among the recent 'global cities' literature, Mike Davis's *City of Quartz* (London, Verso, 1990), and 'The four-gated city', *Crossroads* (No. 5, November 1990), pp.9-15.

26 UNDP 1994 report.

27 There is a very important burgeoning literature on global environment and society, including the journal *Capitalism, Socialism, Nature*. A useful introduction is John Bellamy Foster, *The Vulnerable Planet* (New York, Monthly Review, 1994) and theoretical critique of capitalism and the environment is Martin O'Connor (ed.), *Is Capitalism Sustainable? Political economy and the politics of ecology* (New York, Guilford Press, 1994). The racial dimensions of environmental issues should not be underemphasiszed, including the conscious shift by the transnational elite of the most ecologically-destructive and dangerous phases of global production to the South and/or into Third World communities in the North. See, eg, John Foster

Bellamy, 'Let them eat pollution: capitalism and the world environment', *Monthly Review* (Vol. 44, no. 8, January 1993), pp.10-20; and the entire special issue of *Crossroads* dedicated to environmental racism (No. 20, April 1992).

28 See the SACP's 'Strategy and tactics document' adopted at its ninth congress in April 1995, in particular the section 'Socialism is the future: build it now', reprinted in *Crossroads* (No. 55, October 1995).

29 On the Sao Paulo Forum, see William I. Robinson, 'The Sao Paulo Forum: is there a new Latin American Left?' *Monthly Review* (Vol. 44, no. 7, December 1992), pp.1-13; and on the PP21, see 'Post-NAFTA politics: learning from Asia', *Monthly Review* (Vol. 46, no. 2, June 1994), pp.12-21.