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## THE CRISIS OF GLOBAL CAPITALISM

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### *Cyclical, Structural, or Systemic?*

William I. Robinson

The crisis that exploded in 2008 with the collapse of the Global Financial System has been in the making since at least the late 1990s. How we understand it is not just an academic but a burning political question. I want to suggest in this essay that the global capitalism perspective I have put forth in recent years offers a powerful explanatory framework for making sense of this crisis.<sup>1</sup> Following Marx, we should focus on the internal dynamics of capitalism to understand the crisis; and following the global capitalism perspective, we should look for how capitalism has qualitatively evolved in recent decades. This system-wide crisis will not be a repeat of earlier such episodes in the 1930s or the 1970s precisely because world capitalism is fundamentally different in the early twenty-first century.

Globalization constitutes a new epoch in the ongoing evolution of world capitalism, marked by a number of fundamental shifts in the capitalist system. These shifts include: (1) the transition from a *world economy*, or national circuits of accumulation in an integrated international market, to a *global economy*,

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1 For my theory of global capitalism and also a more detailed exposition of my ideas on the multidimensional crisis of the system, see, inter-alia: William I. Robinson, *A Theory of Global Capitalism: Production, Class, and State in a Transnational World*, Baltimore: Johns Hopkins University Press, 2004; and Robinson, *Global Capitalism and Latin America: A Critical Globalization Perspective*, Baltimore: Johns Hopkins University Press, 2008. I would like to thank my research assistant, Brandon Roberts, for his assistance in preparing the three graphs included in this essay.

or globalized circuits of accumulation; (2) the *rise of truly transnational capital* and the integration of every country into a new global production and financial system; (3) the appearance of a new *transnational capitalist class*, a class group grounded in new global circuits of accumulation rather than national circuits; (4) the rise of a *transnational state*, a loose network comprised of supranational political and economic institutions and of national state apparatuses that have been penetrated and transformed by transnational forces, and; (5) the appearance of *novel relations of inequality and domination* in global society.

Since the 1970s, the emergence of globally mobile transnational capital increasingly divorced from specific countries has facilitated the *globalization of production*. This involves the fragmentation and decentralization of complex production processes, the worldwide dispersal of the different segments and phases in these processes, and their functional integration into vast chains of production and distribution that span the globe. Values cross borders seamlessly as they move swiftly—often instantaneously—through these new transnational or global circuits of accumulation. This new system is driven, at the strictly technical level, by new information technologies and organizational innovations in capitalist production that have modified how value is created, circulated, and appropriated around the world. National economies have been dismantled and then reconstituted as component elements of this new global production and financial system, which is a qualitatively distinct world economic structure from that of previous epochs, when each country had a distinct national economy linked externally to one another through trade and financial flows. This is a shift from international market integration to global productive integration. At the same time an integrated global financial system has replaced the national bank-dominated financial systems of the earlier period. Global financial flows since the 1980s are qualitatively different from the international financial flows of the earlier period.

The globally integrated production and financial system underscores the increasing interpenetration on multiple levels of capital in all parts of the world, organized around transnational capital and the giant transnational corporations (TNCs). It is increasingly difficult to separate local circuits of production and distribution from the globalized circuits that dictate the terms and patterns of accumulation worldwide. There are still