

“Is Globalization Still Happening?”

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Globalization – the global integration of capital – has constituted a central aspect of world economic and political organization in recent years.

We have considered the lightening movement of capital from country to country, abetted by great technological advances through computerization, fiber optics, etc., in search of sources of investment in the cheapest labor, the laxest social standards and the easiest access to markets and raw materials.

We have looked at the emergence of powerful transnational corporations that operate on a global stage, that often possess wealth greater than most national states, that move capital from country to country with little or no regard for the negative consequences for those states that have been ground down to penury, that pursue maximum profits without concern for populations stripped of natural resources, reduced to the lowest wages, denied trade unions and locked into perpetual poverty.

We have talked about the abandonment by powerful corporations of social benefits that had been won through decades of struggle when in the past those very corporations had acceded to those benefits because they needed social peace within their national borders - benefits that they now believe they no longer need. We pointed to a frenzy of “privatization” of hard won services with a near-systematic dismantling of traditional government functions (In Iraq that includes a vast and underreported privatization of warfare through the expenditure of billions for private mercenaries like the Blackwater operatives.) We have noted that today’s transnational corporations appear to have little or no use for stable, socially coherent national states, even their own states of origin, because they operate on a global stage. Indeed, their insatiable drive for maximum profits drives them to demand that countries within their sphere dismantle social payments in order to meet the demands of global financial institutions – such as the International Monetary Fund, the World Trade Organization, various regional trade blocs and the World Bank – that serve as expeditors and enforcers for corporate globalization.

We have also noted the emergence of regional economic arrangements like the North American Free Trade Association (NAFTA) and its Central American clone, CAFTA that serve as essential tools for uncontrolled markets where the economically strong can overwhelm the weak with duty-free industrial and agricultural products that undermine indigenous economies while also investing in light industries based upon rock bottom wage labor under the rubric of “free trade.”

All that is the essence of neo-liberalism – the ideological underpinning of globalization – the ideology (borrowed from 19th century capitalism) of uncontrolled “free” markets, liberated from state control and from social concerns, free to pursue maximum profits while claiming that the vastly uneven and unequal accumulation of wealth under neo-liberalism will eventually lead to better lives for masses in both the technologically advanced and developing societies.

Finally, we have noted the concept of a “transnational capitalist class” – a globally grounded social class that runs roughshod over national borders to conduct its powerful financial and industrial activities on a global scale; a class that leverages powerful global tools of capital movement like the IMF, and gathers in places like Davos, Doha, and Bohemian Grove to coordinate their policies. That class is defined by ownership of worldwide means of production as embodied principally in the transnational corporations and private financial institutions. Sociologists William Robinson and Jerry Harris write: “What distinguishes the TCC from national or local capitalists is that it is involved in globalized production and manages globalized circuits of accumulation that places it above national and local capital as well as local territories and polities.” (Robinson and Harris also note, importantly, that transnational capital is engaged in a battle for supremacy with domestic capital which stands to suffer from a diminishing of government programs that ease the burdens of poverty.)

All of these seismic changes strongly suggested that the national state has been significantly diminished as a protector and proponent of native capital. The changes also suggested that the national state had largely been supplanted by stateless transnational capital and was no longer central to the pursuit of economic, strategic and military power – both on a global scale and even within its own borders.

However, how do we explain the self-defined role of the United States as “the world’s sole remaining superpower” adopted with ultra nationalistic arrogance after the collapse of the Soviet Union and associated states of Eastern Europe? In 1992, in the wake of the collapse of the USSR and the Gulf War, Paul Wolfowitz, William Kristol and others who were destined to become the principal theorists of the calamitous Iraq invasion of 2003 prepared the infamous “Defense Planning Guidance” of the Defense Department for the outgoing George H.W. Bush administration. That document posed the question: “what is our new strategic mission in the world now that there is no more Soviet Union.” The answer was loud, clear and ominous: “*Our number one mission in the world, now that we are the sole superpower is to make sure we stay that way.*”

Wolfowitz and company went on to declare that the United States would pursue its world dominating objectives with the help of allies. But if those allies did not go along, the US was fully able and willing to go it alone.

That policy hardly represented the withering away of the state, especially the US, under globalization. After the fall of the socialist bloc, the great “peace dividend” to redirect massive military spending for human needs never materialized. Military expenditures

continued to rise, even breaking free from the earth's boundaries through the Pentagon's drive to monopolistically "weaponize" space. Washington actually expanded its efforts to control much of the world through military interventions to achieve US economic, strategic and political objectives.

Actually, this process had been going on – and accelerating – since the end of the Vietnam War. In the seventies, as the old "rust bowl" industries went into a steep decline and the first clear signs of a major structural shift in capitalist production to computers and associated technologies appeared. At the same time, the Carter administration embraced "human rights" as a fundamental foreign policy objective. But that was aimed at eliminating the bitter taste left with world public opinion after Vietnam and actually facilitated an interventionist foreign policy that included the "Carter Doctrine" that the US would unilaterally go to war in the Middle East if necessary to defend its economic and strategic interests. It was under Carter that Washington became an active and key player in seeking to overthrow a progressive government in Afghanistan (and cultivating Osama Bin Laden along the way) and in fomenting confrontation with Iran. The Reagan years were marked by an unprecedented two trillion dollar buildup of US military forces (many times greater than all the military expenditures in all preceding US history – including two world wars), by armed interventions in Central America and Grenada, as well as cultivation of Saddam Hussein that contributed to a prolonged and disastrous Iraq-Iran war. By the presidency of George H.W. Bush, Washington's tactics in the Middle East changed. Saddam was now an archenemy and his effort to reclaim Kuwaiti territory for Iraq triggered a massive military intervention, led by the US, in the first Gulf War.

A transforming shift in US military objectives was taking place. The end of the socialist states and the US "triumph" in the cold war brought profound changes in global power relations. From Afghanistan to the Middle to Eastern and central Europe progressive, secular movements were weakened and into a vacuum an emerging anti-modern fundamentalism arose – a fundamentalism that masked powerful social and political antagonisms. A new "enemy" was born from the very same elements heretofore nurtured by western powers in their battles against the socialist states; an enemy, it turned out, with intense grievances against late capitalism and globalization for looting of its resources, for its corrupting culture and its violence against Islamic populations, an enemy whose ideological outlook was fueled by intense religious and cultural beliefs. A "war on terror" (especially after September 11, 2001) became the mantra of militarized capital enabling the military-industrial-government complex to continue to thrive and to threaten all forms of opposition to globalization.

The Clinton presidency was marked by more sophisticated approaches to extending US military power, economic advantage and political influence. The extensive bombing of Serbia and the subsequent Dayton Accords that effectively fragmented Yugoslavia into weak states led to NATO's deepest penetration into the Balkans – with a military force now at the edge of the massive untapped oil reserves under the Caspian Sea. Additionally, the Balkan conflict brought US power closer to the resource-rich former

Central Asian states of the USSR and kindled successful efforts to establish US military bases around Russia and nearly to the doorstep of China.

George W. Bush's catastrophic invasion of Iraq was in crucial ways a continuation of the fabric of world domination by the "sole remaining super power" declared in Wolfowitz's Defense Guidance document of 1992. It was also the fulfillment of the neoconservative appeal to Clinton in 1998 (in an infamous letter signed by Eliot Abrams, William Bennett, John Bolton, Richard Perle, William Kristol, James Woolsey, Wolfowitz, etc.) calling for an invasion of Iraq. The rationale was the fabrication that Iraq was building weapons of mass destruction and that "our friends and allies like Israel and the moderate Arab states, and a significant portion of the world's supply of oil will all be put at hazard. As you have rightly declared, Mr. President, the security of the world in the first part of the 21st century will be determined largely by how we handle this threat."

There is no need here to belabor the magnitude of the Iraq disaster built upon falsehoods far more worthy, to say the least, of impeachment of the sitting President and Vice-President than Bill Clinton's sexual dalliances. At this moment, the ruling circles in this country are deeply divided over the war and its further prosecution. As for George W. Bush and his neocon gurus, he cannot let go of a growing catastrophe as long as the prospect for passage in the Iraqi parliament of new oil legislation granting huge wealth to the oil multinationals is still in play and as long as a flickering hope remains of transforming the political and cultural face of the entire region.

The US thirst for empire is now increasingly focused on Africa, especially the strategically sensitive Horn of Africa where US money, logistical support and military infiltrators abetted an Ethiopian intervention in Somalia that overthrew a respected Islamic governing authority. The US military presence in the Horn facilitates the deployment of two aircraft carriers replete with airborne strike forces in the Persian Gulf as well as cruisers manned with anti-ballistic missiles to pressure Iran and prepare for air strikes against Iranian nuclear facilities as well as a possible ground invasion. The Pentagon has now begun to establish a new "Central Command" for Africa, reflecting growing administration anxiety over significant Chinese advances in economic and political relations in Africa as well as Washington's increasing interest in extending access to Africa's vast mineral resources (especially oil).

Powerful ruling segments (represented by the Baker-Hamilton Iraq Study Group) would partially disengage from Iraq. It has significant concerns about issues like a possible environmental catastrophe, global poverty, etc., that could undermine an acceptable world order. That is significant. However, the long-term perspective held by virtually every segment of a ruling class is to restructure US military forces to fight guerrilla insurrections and insurgencies wherever they threaten US "national security." That would entail new expenditures of hundreds of billions of dollars to expand the armed forces and to equip it with lighter, flexible, rapid response weapons and equipment to supposedly win the kinds of wars now being lost in Iraq. On this long-term outlook, those who hold

power (or influence that power) from the Joint Chiefs to Nancy Pelosi to the New York Times are all in agreement.

The nation's corporate elite and its governmental acolytes have been committed to expanding US influence and ultimate domination of the Middle East since the end of World War II. For that matter the reach of US imperial ambitions also extends well beyond the oil-rich Middle East. Thus, in 1988 an official government document "Discriminate Deterrence" projected US military power virtually all over the world. It said: "The United States has critical interests in the continuing autonomy of some allies very distant from us -- in Europe and the Mediterranean, in the Middle East and Southwest Asia, in East Asia and the Pacific, and in the Western Hemisphere." Just last week Defense Secretary Robert Gates told a congressional committee that "We need the full range of military capabilities, including ground combat forces to battle large armies and nimble special operations troops to scout out territorial threats that may come from Russia, China, North Korea "and elsewhere."

What has happened to that integrated global system that depended less on military force than on economic vitality, open markets, free trade and interdependence? In short, with the national state as lethal as ever, is there still globalization?

First, globalization at its apex never fully undermined the national state. Indeed, the state, depending upon its accumulated wealth (or lack thereof), productivity, technological advances, size, strategic position, and military strength always played a crucial role in enabling globalization, especially in mediating the movement of capital around the world. The levers of the advanced states, i.e., control over trade, taxes, monetary policy, armed forces, foreign political relations, etc., were utilized to advance neo-liberalism, to expedite the (relatively) unimpeded flow of capital over national borders, and most vital – to dictate economic and social policies to weaker states, to threaten "uncooperative" states, and to crush opposition be it from socialism or later from fundamentalist movements.

Second, while transnational corporations operate on a global scale, whereby their quest for maximum profits is embedded in a solidly global framework, they also rely upon their national states of origin for the social, political and military muscle to aggrandize their interests. (We should note that whatever the size and reach of a transnational corporations, they all remain recognizably rooted in specific national states. For example, General Motors, until recently, the world's largest transnational, clearly depends upon the US government and US politicians to abet its outsourcing of production, to prevent the enactment of environmental controls on its automobiles, to facilitate the lowering of domestic taxes, to fight increasingly ferocious competition, to demand the opening of foreign markets to GM products and GM investments, etc. Thus, while GM's executives and financiers may view themselves as members of a "transnational capitalist class" they are by no means constrained from using their state of origin to pursue their global interests.)

Third, the national state is the embodiment of the interests of its ruling class, modified and reshaped by class struggle. Under globalization, the state, responding to the interests of its increasingly internationalized ruling class itself becomes internationalized.

(When and if a ruling class concludes that an internationalized state no longer serves its interests, the state will no longer be internationalized. In the United States, for example, the ruling class has been roughly divided between “internationalists” who wish to pursue US economic and strategic interests within the framework of a world order and “unilateralists” who view US participation in international organs as confining and wish to pursue ruling class interests unhindered by obligations to those organs. This conflict was at the heart of the battle after WWI over US entry into the League of Nations and has been replicated in a variety of forms. It is not inconceivable to the country may yet experience an unambiguous unilateralism detached from globalization.)

At this juncture, a major portion of the US ruling class insists upon the continuing and expanding dismantlement of internal social programs. With a weakened and fragmented progressive community, that ruling class has been poised to undermine the most sacred tenets of the New Deal like Social Security and Medicare. It also presses privatization of government services – rendering those services available for private profit and beyond the reach of democratic controls. It presses for continuing redistribution of wealth from the bottom and middle to the top; it engages in relentless efforts to undermine the indigenous labor movement, expands repressive policies domestically and globally such as illegal wiretapping, forced renditions, atrocities committed at Guantanamo, Abu Ghraib, etc., and continues to foment armed interventionism against forces viewed as arrayed against globalization.

While Bush at times appears to be planted in both the “internationalist” and “unilateralist” camps, the commitment of his administration to the internationalized ruling class and to globalization is unmistakable. (Of course, the ruling class is increasingly divided – over the incredible Administration blunders in Iraq that are seen as increasingly inimical to a stable global system. Nevertheless, that that class remains relatively united on maintaining the “national security state” and defending capital around the world.) Recently, George W. Bush was asked about the large influx of foreign capital into the United States. He responded by noting that unimpeded capital movement is an essential feature of globalization and is “good for everybody.” At the same time, Bush’s position on immigration is tailored to facilitate the flow of cheap agricultural labor into the US through his “guest worker” program while at the same time accommodating the racist anti-immigrant outlook of his right wing base by denying those workers access to permanent residency in the country.

In sum, The USA as the undisputed “sole remaining superpower” has taken the role of hegemonic capitalist power with the mission of safeguarding and advancing capitalist interests all over the world. In assuming this role, Washington is in the lead in pushing global capital’s assault on social commitments by states (using the IMF in particular to

pressure social spending). Under conditions of ferocious globalization, the US is also the principal force in creating new “protectorates” spawned by imperial interventions – countries like Iraq, Afghanistan, Bosnia, Kosovo, Grenada, Haiti. It also is the principal force in marshalling military and political pressure against “rogue states” that allegedly constitute a threat to the “free world” due to their refusal to cooperate with the neo-liberal global system (Cuba, Iran, North Korea, Syria, Somalia and soon to be added – Venezuela, Nicaragua and other emerging states in Latin America resistant to corporate globalization. It is the breeder and carrier of racism aimed at the world’s majority people of color.

However, corporate globalization is by no means a perfect, peaceful amalgam of global commercial activities. It is rife with severe economic competition, political disagreements, conflict over trade and fiscal policies, disputes over the scope and character of military interventions (with US threats against Iran a new flashpoint of conflict) and bitter controversies between big and small states over the dismantling of state sponsored social programs. Clashes over the war in Iraq are the most visible manifestations of such conflicts. Further, Russia has been engaged in battles with former Soviet republics and with Western Europe over the price and availability of its oil and natural gas. The United States has contested with China over the valuation of Chinese currency and Chinese copyright policies. The European Union has strongly opposed illegal and extra-legal US practices in pursuing the “war on terror.” Russia, China and countries of Central and South Asia have joined to form the Shanghai Cooperation Organization to resist the United States vision of globalization. That is a development of crucial importance.

Most significant, there is a vigorous emerging movement all over the world, with Latin America in the forefront, to oppose the terrible consequences of corporate globalization that are manifested in policies of the IMF, World Bank, WTO and various regional trade agreements. Those consequences have involved potentially catastrophic environmental degradation, a rapidly growing gap between rich and poor all over the world, the spread of diseases from AIDS to malaria to dysentery from untreated water that kill millions every year, and severe crises due to the lack of elementary health care, housing, education and employment.

At home, the evolution of the national state into a garrison and “national security” state has come nearly full circle. Bush’s interpretation of the US mission as safeguard of the global system now involves expenditures of 265 billion dollars in Iraq over the next 20 months accompanied inevitably by Draconian cuts at home in Medicare, housing assistance, education, veterans’ benefits, etc., inflicting deep pain, especially upon the most vulnerable members of this society. At the same time, the Pentagon is preparing a massive program of military modernization that will cost additional billions.

Corporate globalization stands at the very core of mounting problems confronted by populations all over the world. Here, the state, rather than declining is being transformed into a vehicle for military interventions, for privatization, for facilitating the global race towards mass impoverishment, for dismantling social programs and for shifting

additional wealth to the corporate rich. The consequences are wage stagnation, impossibly escalating costs of health care, more prisons – especially to house the poor, the young, and people of color, trillions in consumer debt, growing bankruptcies, and continuing assaults on labor’s right to organize.

But there is an unmistakable shifting of the political winds and a growing movements to challenge deteriorating living standards and the futile, tragic expenditure of blood in wars fomented by falsehoods. Yet, the depth and durability of those movements can only be assured by understanding of the reality embodied both in corporate globalization and in the policies of national states in guarding and advancing those interests.

The task of exposing and resisting the disastrous impact of transnational capital and of the policies of national states in safeguarding and advancing that capital requires political clarity and reinvigorated commitment to educating and building a vast progressive majority all over the world. That is a huge undertaking, but it has already begun. It has begun with the series of world social forums, with revived left and progressive electoral coalitions in Europe and elsewhere, with the exciting emergence of new governments in Latin America dedicated to fighting corporate globalization, in a reawakening of labor and social movements all over the world. We are still at the beginning of this great counter-offensive and there is a long way to go. Yet, with clarity, unity, and unwavering commitment, progress will win and the promise of a better life of justice, culture, security and peace for all will be achieved.

Thank you.

Note:

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