

A comment on William Robinson's "Global Capitalism: Reflections on a Brave New World". Andrew Wright & Gareth Dale

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<http://www.greattransition.org/roundtable/global-capitalism-gareth-dale-andrew-wright>

William Robinson's paper is as acute and illuminating as his previous work. He provides a useful account of contemporary global capitalism: its skewed rewards and punitive horrors, its central dynamic (expansionary and all-subsuming, increasingly incompatible with a habitable planet), and its governing tendencies (the simultaneous decentralisation of production chains and centralisation of economic power). In his vision, the world is ruled by a transnational capitalist class (TCC) whose business promiscuously traverses national boundaries, forging a new world of global value chains, and it is busy constructing a transnational state (TNS) to serve itself. Together these have scythed away obstacles to the power of capital, and have used their power (in which the possibility of 'exit' and global arbitrage can subvert any national policies seeking to re-ensnare them) to impose harsh regimes of insecurity and market-dependence worldwide.

He is surely right in his critique of the hollowness of the corporate rhetoric of equality and social responsibility. Who would credit Schwab's WEF, or the IMF (or any other candidate for the proto-executive of global capitalism) with the will or capacity to remedy the structural contradictions of the world economy – over-accumulation, deflationary forces, depressed demand, ballooning private and public debt, ubiquitous economic insecurity and inequality, polarisation between surplus and deficit nations, as well as asset bubbles and financial crises and a generalised financial volatility driven by all these and by the reckless speculation of casino finance?

The global elite recognises the seriousness of these structural problems. They also (stung by the so-called 'populist revolt') are dimly sensing the social damage done, and rage engendered, by the forces of global neoliberalism. But their diagnoses tend to depict this blowback as the revival of dark exogenous forces – not really the result of liberal capitalism, even if perhaps exacerbated by its volatility and by resentment of the 'losers'. Even moderate critics realise that managing the strains of neoliberal globalism requires a level of co-ordination, probably a return to social democracy and an ethos of macroeconomic management and redistribution (now on a world scale), that would require the collective will, understanding and power that this elite clearly is incapable of contemplating (and we would claim, that no machinery of global governance has the power to enact). The difficulty, then, lies not simply in the continued grip of neoliberalism (now in 'zombie' mode) but in the fact that social democracy was only ever a project of nation states – and even that project proved incapable of containing the forces of socio-economic disruption generated by the capitalist/market system that it was helping to rehabilitate.

On this, we suspect Robinson would agree: The TCC and TNS lack the vision or will for a solution. We would also argue they lack the *power* to enact the deep structural fixes needed even to tilt capitalism back to the (temporary) balance it once seemed to achieve, between the private corporate sphere and some semblance of social and political (and international) stability. We are probably in agreement, then, that the TCC cannot solve, and actively

subverts, even such a minimally 'socialising' project for capitalism. But we would press the point further. What if the TCC's structural *disunity* serves to make world problems more intense and intractable, geopolitically and economically?

Robinson's argument is that capitalism has moved through different phases in the movement toward its current unity. But there may be reasons to doubt both some details of his historical account and his diagnosis of the current situation.

He proposes that from the late nineteenth century capitalism was 'national corporate' in character – the world economy consisted of "an aggregation of 'national' economies." The subsequent phase commenced in the 1970s with the globalisation of production and finance, heralding the rise of "truly transnational capital," (the TCC and TNS). Having been "liberated from the nation state," transnational capital has gained unprecedented mobility. This endows the TCC with a terrible power, as displayed in the post-2008 evisceration of Greece. Those who resist "face an amorphous, moving target."

The case is powerful and elegantly crafted but the current era is partially mis-read and some elements are overstated. One such is the part played by Keynesianism in overcoming the Great Depression (a critical inflection point at the midpoint of Robinson's national-corporatist century). Militarised accumulation was a more powerful lever – it was not the New Deal but war that raised the United States from its economic slough and made it the dominant economic force in the world. More problematic is Robinson's dichotomy of national-corporate and global phases. Already in the eighteenth and nineteenth centuries the world economy was dominated by great powers that orchestrated regional and imperial economic flows, and, in Britain's case, the global economy. The links weren't simply through trade and capital flows; there was also the emergence of an international division of labour (e.g. the Atlantic slave-cotton-&c. triangle). The nation-state system was globalised initially *through* empires, most emphatically in the heyday of the imperial form which coincided with Robinson's national-corporate era, and then, with the sudden collapse of empires (in a later phase of that same era), nation states were left as *the* dominant political form. In other words, 'globalisation' was present in the age of imperialism and of national-corporate capitalism too.

So too was the transnational power of finance. The mediation of economic activity through contract, money, debt, securities &c. ensured that the appropriation of wealth by capitalists from workers was not transparent, as Robinson supposes, but multiply veiled (if not as extremely as today). Even in Adam Smith's time, the bond holder engaged in tax arbitrage and could hold the whip hand over states. (He is, Smith reminds us, "a citizen of the world, and is apt to abandon the country in which he was exposed to a burdensome tax, and would remove his stock to some other country where he could either carry on his business, or enjoy his fortune more at ease.") Debt was an effective tool of subjugation, and the control of Greece through debt is not an invention of the recent past, as Robinson implies, but is coeval with the Greek state itself.

When turning to the current era, Robinson asks "What is new about global capitalism? Where are its fissures? What is its structure of power? And what viable forms of struggle from below for system change does this new epoch offer?" His answer to the first is the emergence of the TCC, which has been trying to position itself, "with limited success, as a new global ruling

class." What it has achieved is to gain power through nationally based elite factions, which then act as globalisation boosters, in the long-term interests of the TCC (a process brilliantly traced in Robinson's earlier work). But this account of a political battle between globalist and national elite fractions makes economic globalisation appear more purposeful – the product of clear-cut elite factions – than the historical record suggests. The foundations of today's globalised order were laid by Roosevelt, with New Deal apparatuses repurposed for America's postwar hegemonic thrust. Even Stalin's Kremlin, HQ of the most extreme state-capitalist regime at the meridian of the national-corporate era, sought accelerated integration into the global economy, as Sanchez-Sibony has most recently shown. In other words, all major economic actors position themselves on national and global terrains and strategise accordingly; the capitalist class may not be easily split into two camps – globalist vs national – but is a schizophrenic collectivity, forever forced to balance between, and politically decide on, strategies that contain endemic tensions and contrary elements. At any moment, fractions and organisations of this class may ally and lean towards specific geo-economic strategies – but is there really a deep structural logic that confers on any strategy or geo-morphology of capital accumulation a fundamental irreversibility in terms of its geo-political-economy? We do not doubt the 'logical' promiscuity of capital with regard to place, nor the tendency to global expansion and integration, only whether this must produce *political* unity or an 'open' form of globalism. After all, it's just as true to say that the age of corporate-national capital and even imperial conquest was *also* a refraction of globalising tendencies – but englobed by the international competition of states.

Now we have certainly moved to a new world division of labour and geo-economy of capital accumulation – but have we left behind the mediation of this by the persisting power of national states? Notwithstanding Robinson's concession that contemporary TCC-formation has been "limited", and that "TNS apparatuses are fragmentary, with no center or formal constitution, and no transnational enforcement capacity," his paper tends to overstate the level of social and political unity achieved. It's certainly true that numerous forums and organisations (with varying levels of national government involvement, from the IMF, the WEF, the WTO, to the EU, and, we might add, trade-treaty proliferation) have been used to impose a 'disciplinary regime' that underpins gaping inequality, insecurity and a skewing of rewards to the 1%, all justified by neoliberal ideologies invoking 'free markets' (even though, as Robinson nicely illustrates, the reality is not free markets but a global pyramid of oligopolistic, interconnected politically powerful corporate behemoths). But the nation state still represents the key locus of political legitimacy and military power, and possesses formidable economic weight too. When Robinson proposes that a coalition of IGOs and "nation-states in which transnationally oriented elites have come to power" forms the TNS, we would caution that a great many nation states – say, China and the USA – are run by transnationally oriented elites without forming part of a TNS (at least if "S" is to have any agreed meaning at all).

Again, why this matters boils down to analysis of the 'fissures.' In our conception, capitalism is constituted through articulations of the national and the global (and in the case of the EU, the regional). Consider for example the current strains in the world economy. They are producing winners and losers not just among classes but among members of the global elite.

In response, the spend/tax/money-and-credit creating and other powers of government come into play. And despite the influence the TNS might have when everyone sings from the same hymn sheet, when they do not, it matters which (national) government you can call 'your own'. It may appear that you are floating free from national moorings, but an economic shock will usually provide the reality check—as RBS discovered when its 2009 collapse prompted it to come crying to its national state. Currently we are witnessing a high degree of co-ordination failure and dispute among the states at the core of what Robinson calls the TNS. After 2008, the German, Chinese and US governments divided bitterly over stimulus and money creation. The Eurozone is wracked by divergence between not just northern and southern states but Berlin and the IMF and the ECB. Meanwhile the EU pursues US IT corporates over competition policy and is rewarded by accusations that its game is really a persecution of US giants as covert EU industrial policy.

And then there is Trump. Robinson's paper is silent on the current 'populist' blowback. But this surely reminds us of the continued salience of national states, and the tendency of elites—including business leaders with a global orientation—to play to the new nationalism. Of course we're already seeing the hollowness of the populist turn. The talk of punishing plutocracy has given way to bribes, tax breaks and deregulation for Wall St, and the gossip from the boardrooms is that execs will find a way to fit with his 'new order'—even if they have to partially reconfigure their global circuits of accumulation. And yet, the limitations of the 'globalist' project stand revealed, as does its vacuity. After all, capitalism's 'globalism' is not really cosmopolitan. It is the expression of a lack of interest in local colour compared to the colour of money—one can as easily pose as a local loyalist as a cosmopolitan if one's religion is money. That makes capitalists potentially globe-trotting liberals, but also anything else that permits money-making.

Trump's world policy is certainly a shift from American liberal imperialism (the drive to promote globalisation, as a twin to US geopolitical primacy). He seems to lean towards a new US nationalism and partial repudiation of (what is euphemistically termed) world 'leadership'. We have yet to see whether the US elite can and will overturn or blunt his project. But when globalists bemoan the 'return of geopolitics and nationalism' they must be forgetting that American power, and its promotion of its own version of 'globalisation' felt *very* 'geopolitical' to others— allies and rivals alike. The success of US leadership of globalism lay in its ability to persuade others in the TCC to buy into American-patronised globalism for the benefits they (certainly did) achieve. But it's not clear that there is an irreversible consensus among the capitalist class that this leadership provides either the stability or benefits that justify going along with all of Washington's projects. Is there really a well formed political unity in the TCC *beyond* the structures and agenda of US leadership that can develop a truly united TCC program, and one that can survive the Trump turn, the popular backlash and various current divergences of interest?

Robinson underestimates the potential for 'global' capital to adapt to nationalism as the least-worst alternative to class revolt against its own programme of neoliberal globalism. And haven't we been here before? The interwar period feels suddenly nearer, and with it the story of how nationalism (of peoples and capital) could escalate, fed by a toxic mix of geopolitical conflict and liberal globalism. Certainly, eco-destruction seems more burning a prospect than

another global military conflagration—no one yet fears that—but let's not imagine that the 'globalist' elite cannot fragment again, along new and old faultlines, sowing divisions among the rest as they go.

In short, is the TCC really politically and globally cohered just because its value chains have gone global? If they have to choose between popular class rage or policies that can channel it away from their greed (and its welfare-corrosive consequences) and onto foreigners and migrants, might they not willingly pay the price of re-assuming the mantle of 'national loyalty'? Capital has only one thing inscribed on its soul—endless accumulation. If for a while that was best sought with a programme of 'globalism and openness', that does not make capital truly (ethically) or structurally cosmopolitan. It's proving difficult these days to make either liberal or left cosmopolitanism into a vote-winning ethical project. Progressives suffer from being trapped between nationalistic populism and a liberal cosmopolitanism that is structured by market interests. They struggle to preach world-fraternity while the millions who are angry at neoliberalism feel, however futilely, that the nation is the only port in a raging sea—the other havens having taken a battering from the neoliberal storm. In this scenario we, viewing any transnational elite reformism with a sceptical eye, find common cause with Robinson in his strategic prescriptions: for "radically transformative projects from below" while rebuilding those other essential havens—workplace solidarity, community cohesion, union strength—and a cosmopolitanism 'from below' that pushes against recrudescing xenophobic nationalism while having no truck with the ersatz cosmopolitanism of the globalist elite. For progressives, acting effectively while refusing to pander to either nationalist or globalist elite programmes is the challenge of the times.