



# Globalisation, the reformist Left and the Anti-Globalisation ‘Movement’

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**ABSTRACT** This article discusses the meaning and significance of globalisation in relation to the main theoretical trends on the matter (which are compared and contrasted to the Inclusive Democracy (ID) approach), as well as with reference to the nature and potential of the present anti-globalisation movement. It is shown that the main division in the theoretical analysis of the Left on the matter, and also within the anti-globalisation movement, centres around the crucial issue of whether the present globalisation (which is considered to lead to a growing concentration of economic and political power and to an eco-catastrophic development) is reversible within the market economy system, as theorised by the reformist Left, or whether instead it can only be eliminated within the process of developing a new mass anti-systemic movement, which starts building ‘from below’ a new form of democratic globalisation. It is argued that such an alternative globalisation should be based on a New Democratic World Order that is founded on the equal distribution of political and economic power between nations and their citizens, irrespective of gender, race, ethnicity or culture.

## 1. Introduction

The first question that an examination of the so-called globalisation issue raises is what do we mean by globalisation and why is it significant? This is an important question given the present confusion on the matter, particularly in discussions among politicians, journalists and the like but, also, among theoreticians in the Left. At the same time, it is obvious that the meaning and significance we attach to globalisation is directly relevant to the political, economic, social, cultural and ecological implications we assign to globalisation—an examination of which will inevitably lead us to the main approaches to globalisation. The confusion arises not only because of the usual lack of clarity in defining globalisation but, mainly, because of fundamental differences concerning the nature of economic globalisation.

Today, almost everybody talks about globalisation but few attempt to define it. However, carefully defining it is important because a lot of confusion on the matter, even among analysts, is created by the fact that different people attach different meanings to the term globalisation. Furthermore, it should not be forgotten that, although usually it is *economic globalisation* that many people have in mind when they talk about globalisation, economic globalisation is only one aspect (or one component)—though the main one—of globalisation. In other words, one may also talk about technological, political, cultural and social globalisation.

Thus, *technological globalisation* refers to the new communications technology and the information revolution. *Political globalisation* refers to the withering away of the nation-state (at least as far as economic sovereignty is concerned).<sup>1</sup> *Cultural globalisation*, refers to the present homogenisation of culture, as expressed for instance by the fact that almost everybody in today's 'global village' watches more or less the same television serials and videos, consumes—or aspires to consume—the same products and so on. Finally, *social globalisation* refers to the homogenisation of today's mode of life that is based on an individualist and consumerist culture.

Although these aspects (or components) of globalisation are very much inter-linked, still, one may argue that it is the economic globalisation that conditions the other components of it. This is because, as I attempted to show elsewhere,<sup>2</sup> in a market economy the economic element is the dominant element in society—a fact, which does not preclude autonomy of the other elements. In other words, the relation between the various elements is asymmetrical in the sense that in market economies it is the economic element which conditions the political element, whereas, for instance, it was the other way round in the ex-'communist' societies in which it was the political element that conditioned the economic one. However, the relation between the various elements is also one of autonomy and interdependence. In other words, culture, economics and politics are not independent 'spheres', but interdependent and this is the case even in market economies where the separation into spheres is obvious. So, in this problematique, there is an interacting process in which economic globalisation is facilitated by technological globalisation but also enhances it, political globalisation is the necessary complement of economic globalisation, whereas social and cultural globalisation are the inevitable effects of economic globalisation. In the rest of this paper, assuming that the main component or aspect of globalisation is the economic one, I will concentrate on economic globalisation.

At the outset, we have to draw a clear line between the case of economic globalisation and internationalisation of the market economy. 'Globalisation' refers to the case of a borderless global economy in which economic nationalism has been eradicated and *production* itself has been internationalised in the sense that the big corporations have become stateless bodies involved in an integrated internal division of labour that spans many countries. 'Internationalisation' refers to the case where *markets* have been internationalised, in the sense of open borders for the free movement of capital and commodities (and, within economic blocks like the European Union (EU), of labour as well) but nation-states still exist and share power with the transnational corporations (TNCs), in a system in which the role of the state is being progressively reduced to that of securing a stable framework for the economically efficient functioning of the market. In the

1. See for the related emergence of a new World Order, which is based on the ideology that human rights should come before national sovereignty—the new NATO and its role in Kosovo being an obvious example—T. Fotopoulos, 'The War in the Balkans: the First War of the Internationalised Market Economy', *Democracy & Nature*, Vol. 5, No. 2 (July 1999), pp. 357–382.
2. See Takis Fotopoulos, 'The Myth of Postmodernity', *Democracy & Nature*, Vol. 7, No. 1 (2001), pp. 27–75.

system of the internationalised market economy, the economic policies of national governments and the reproduction of the growth economy itself<sup>3</sup> are conditioned by the movement of commodities and capital across frontiers, while the international institutions like the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO) nominally act under the instructions of the participating nation-states but effectively represent the interests of the transnational economic elites, which anyway play a decisive role in the process of electing the governing political elites in the major market economies.

It is therefore obvious that the present form of market economy cannot be described as a 'global' economy, since globalisation, in the above sense, is still limited. However, this does not deny the fact that the market economy of today is very different from that of the last century, even the one prevailing just 50 years ago. As I will attempt to show below, the new form of market economy that has been established in the last quarter of a century or so, which we call an 'internationalised' market economy (rather than a 'globalised' economy, which is a misnomer), represents a structural change, a move to a new form of modernity, i.e. a move from statist to neoliberal modernity,<sup>4</sup> rather than a change in economic policy, as the reformist Left argues. In this sense, today's globalisation (or, preferably, internationalisation) is indeed a new phenomenon, although it is the outcome of the dynamics of the market economy that was established two centuries ago.

In this paper's problematique, the arrangements adopted in the post-war period in order to open and liberalise the markets, mostly, institutionalised (rather than created) the present form of the internationalised market economy. In other words, it was the market economy's grow-or-die dynamic and, in particular, the emergence and continuous expansion<sup>5</sup> of transnational corporations' (TNC) and the parallel development of the Euro-dollar market,<sup>6</sup> which led to its internationalised form today. In fact, the opening and liberalising of markets was simply part of a historical trend<sup>7</sup> (which has been set in

3. By 'growth economy' I mean the offspring of the system of the market economy, which was established some two hundred years ago, and whose dynamic has led to its present internationalised form. See for further expansion Takis Fotopoulos, *Towards An Inclusive Democracy* (London: Cassell, 1997), ch. 2.
4. See Fotopoulos, 'The Myth of Postmodernity'.
5. An indication of the fast expansion of TNCs is the fact that whereas sales by foreign affiliates of transnationals accounted for 30 per cent of total sales in the early 1970s, this figure has gone up to more than 40 per cent in the 1980s; see *Basic Facts About the United Nations* (UN Department of Public Information, 1989), p. 10.
6. The Euro-dollar market provided a regulation-free environment where US dollars (and later other strong currencies like the yen, mark, etc.) could be borrowed and lent free of any US regulatory and tax requirements. The growth of this new market, which simply reflected the growing needs of transactional corporations, was instrumental in the later lifting of exchange and capital controls. This is because the exchange controls of nation-states, particularly those in Britain where the Euro-dollar market originated, were put under severe strain, throughout the 1970s. For a description of the gradual lifting of capital controls in UK under market pressure, see Will Hutton, *The State We're In* (London: Jonathan Cape, 1995), ch. 3.
7. See Fotopoulos, *Towards An Inclusive Democracy*, ch. 1.

motion by the elites controlling the market economy since its establishment) to minimise social controls over markets and particularly those aiming to protect labour and the environment that interfered with economic 'efficiency' and profitability.

Thus, as regards first the institutionalisation of the opening of markets, commodity markets were in a process of continuous opening throughout the period following the Second World War both at the planetary level (GATT rounds of tariff reductions so that TNCs could easily move commodities among their subsidiaries) and the regional level (European Economic Community [EEC], European Free Trade Association [EFTA], North American Free Trade Agreement [NAFTA], Southern Cone Common Market [MERCOSUR], the Association of Southeast Asian Nations [ASEAN] Asia-Pacific Economic Cooperation [APEC] in Asia and the Pacific and so on). Also, capital markets, which were in a process of informal opening throughout the 1970s, were formally opened in Britain and the USA at the end of the decade when capital and exchange controls were abolished, followed by the rest of the world in the 1980s and the 1990s.

Second, once the opening of markets was institutionalised, the uninhibited flow of capital and commodities across frontiers required the parallel liberalisation of all markets, i.e. the minimisation of social controls that have been imposed in the past, in the context of the social struggle, in order to protect human labour and society itself from the market. Therefore, although the labour markets were not opened (so that the exploitation of cheap local labour, particularly in the South, could continue) their liberalisation was also necessary for the advantages of opening the commodity and capital markets to be fully utilised. Labour had to be made as 'flexible' as possible, so that it could become easily adjustable to the rapid changes in technology and the organisation of production.

The institutional arrangements to liberalise markets included:

- The setting up of international rules by the WTO (which succeeded the GATT) that would make trade as free as possible, through the minimisation of the ability of national governments to impose effective controls to protect labour and the environment.
- The world-wide institutionalisation of flexible labour markets, so that the cost of production is minimised making the movement of investment capital as profitable as possible
- The privatisation of state enterprises, which not only 'liberated' more sectors of economic activity from any effective form of social control but also gave the opportunity to TNCs to expand their activities in new areas,
- The drastic shrinking of the welfare state, so that, on the one hand, the expansion of the private sector in social services can be facilitated (at the time of writing, a Treaty to extend the freedom of trade to public sector services—GATS—is being discussed by the WTO) and, on the other, a drastic reduction of the tax burden on the economic elites is made possible.

The arrangements to liberalise the markets constitute the essence of what has been called 'neoliberalism'/'neoliberal policies'—in effect, a misleading term

since such policies have been introduced worldwide by governments of all persuasions, not only of the 'Right' (Reagan, the Bush family, Thatcher *et al.*) but also of the 'Left' (what I call social-liberal) in Europe, Australasia, etc. It is therefore clear that these policies reflect the structural changes of the market economy and the corresponding business requirements of late modernity; in this sense, they are 'systemic' or endogenous policies necessitated by the dynamics of the market economy. In fact, the neoliberal policies initiated by the economic elites of late modernity to liberalise the newly opened international markets simply repeated a similar process that was initiated by the economic elites of early modernity, at the beginning of the 19th century, to liberalise the 'national' markets, which had emerged at the end of the 18th century. Still, for the reformist Left, as we shall see in the next section, neoliberalism as well as globalisation, are simply 'utopias' that the economic elites attempt to impose, in the context of a 'project' that 'aims to create the conditions under which the neoliberal 'theory' can be realised!<sup>8</sup> However, the very fact that there is a broad consensus between all major political parties in the major market economies to implement such policies is an obvious indication that the presently universal neoliberal policies, far from being a 'utopia', in fact, reflect the structural changes of late modernity.

## **2. 'Systemic' and 'non-systemic' approaches to globalisation**

The confusion about the nature of economic globalisation arises out of the conflicting answers given by the various theoretical approaches to globalisation on the crucial question whether globalisation is a phenomenon of a 'systemic' nature or not.

In the case in which we see globalisation as a 'systemic' phenomenon, this implies that we see it as the result of an endogenous change in economic policy (i.e. a change reflecting existing trends that manifest the market economy's grow-or-die dynamic. In this case, globalisation is irreversible within the system of the market economy. I will therefore call 'systemic' all those approaches to globalisation which, in order to interpret it, refer to the structural characteristics of the existing socio-economic system, either implicitly or explicitly.

On the other hand, in the case in which we see globalisation as a 'non-systemic' phenomenon, this implies that we see it as the result of an exogenous change in economic policy. In this case, globalisation is a reversible development, even within the system of the market economy. I will therefore call 'non-systemic' all those approaches to globalisation which, in order to interpret it, refer to various exogenous factors that are not directly related to the structural characteristics and the dynamics of the market economy system. In the same category we may also classify all those views for which globalisation is just a myth or an ideology.

8. See, e.g. Pierre Bourdieu, 'The Essence of Neoliberalism: Utopia of Endless Exploitation', *Le Monde Diplomatique*, December 1998.

On the basis of this criterion, the neoliberal and social-liberal approaches to globalisation should be seen as ‘systemic’ approaches since they see it as a phenomenon mainly due to changes in technology and particularly information technology. But, technology, as I attempted to show elsewhere,<sup>9</sup> is neither ‘neutral’ nor autonomous. Therefore, when neoliberals and social-liberals take the existing technology for granted, and therefore irreversible within the market economy system, they implicitly assign globalisation to ‘systemic’ factors and, consequently, they also take it for granted and irreversible.

Similarly, the Inclusive Democracy (ID) approach, which explicitly assumes that it is the grow-or-die dynamics of the market economy system that inevitably led to its present neoliberal globalised form, is also a systemic approach. For the ID approach, globalisation is irreversible, as no effective controls over markets to protect labour and the environment are feasible within the system of the internationalised market economy. However, although both the neo/social-liberal and ID approaches are systemic approaches (implicitly in the former case and explicitly in the latter), there is a fundamental difference between the two types of approaches. The neo/social-liberal approaches take the existing system of the market economy for granted, while the ID approach does not. As a result, whereas the former adopt globalisation with or without qualifications, the latter looks for an alternative form of social organisation, which involves a form of globalisation that is not feasible within the system of the market economy and statist ‘democracy’.

On the other hand, the approaches suggested by the reformist Left (see below for a definition of it) could be classified as ‘non-systemic’ approaches to globalisation. Thus, although these approaches usually assume that globalisation is an old phenomenon, which was set in motion by the emergence of capitalism—an assumption which *prima facie* gives the impression that they recognise the systemic character of the trends which have led to globalisation—still they assign an explicitly non-systemic character to it. The argument frequently used to overcome this blatant contradiction is that the capitalist system was always globalised and what changed recently was only the *form* of globalisation. However, this change in the form of globalisation is assumed to be not the outcome of the system’s dynamics (as one would expect on the basis of their assumption that globalisation is an old phenomenon), but, instead, of such non-systemic or exogenous developments as the rise of the Right and/or of the neoliberal movement, the historical defeat of the Left after the collapse of ‘actually existing socialism’, the degradation of social democracy and so on. Thus, on the basis of hopelessly contradictory arguments of this sort, the reformist Left sees globalisation as reversible and amenable to effective reform, even within the system of the market economy—provided enough pressure is exercised ‘from below’ so that the political and economic elites are forced to introduce effective measures to protect labour and the environment.

Finally, between the systemic and non-systemic approaches, which I mentioned above, stands a number of intermediate approaches that are

9. See Takis Fotopoulos, ‘Towards a Democratic Conception of Science and Technology’, *Democracy & Nature*, Vol. 4, No. 1 (1998), pp. 54–86.

characterised by a mix of systemic and non-systemic elements and a significant number of analytical differences with respect to the usual approaches of the reformist Left. I will classify under the label of an 'intermediate approach' the Transnational Capitalist Class approach, the ecofeminist approach and a recently developed anarcho-syndicalist approach. All of them will be discussed separately below.

But, let us examine in more detail the main theoretical approaches to globalisation.

### *The neoliberal approach*

Neoliberals, which include most orthodox economists, conservative parties and the main international institutions like the IMF, the World Bank, the WTO, etc., adopt an unqualified positive stand towards globalisation.<sup>10</sup> According to the neoliberal approach, globalisation is the inevitable result of technological and economic changes that created the need for the opening of markets, free trade and free movement of capital (though not labour), privatisations, flexible labour markets, as well as for the drastic restriction of the welfare state and the economic role of the state generally. Supporters of this approach maintain that globalisation is beneficial to everybody, as well as to the environment, because it supposedly allows healthy competition to develop and, consequently, it leads to improvements in efficiency and the spreading not only of knowledge, but also of the benefits of growth, through what they call the 'trickle-down effect'.

However, the evidence of the past 25 years or so shows that the more open and flexible the markets become the greater the degree of concentration of income and wealth in a few hands. Thus, according to official UN data, the income gap between the fifth of the world's people living in the richest countries and the fifth in the poorest, which was 30:1 in 1960 before the present globalisation began, had doubled to 60:1 by 1990, and by 1997 it was 74:1.<sup>11</sup> As a result of these trends, by the late 1990s, the richest 20 per cent of the world's population had 86 per cent of world Gross Domestic Product (GDP) vs 1 per cent of the poorest 20 per cent! Of course, such concentration means a corresponding concentration of economic power, something that is confirmed by the fact that the same fifth of rich people control today 82 per cent of world export markets and 68 per cent of foreign direct investment.<sup>12</sup> It is therefore clear, and it can also be shown theoretically using radical economic theory or even parts of orthodox theory, that the concentration of income, wealth and economic power was the inevitable outcome of the opening and liberalisation of markets, which constitute the essence of globalisation.

As regards the effects of globalisation on the environment, few doubt the negative nature of these effects. It is now widely accepted that the greenhouse effect,

10. See for instance the latest attempt by World bank theoreticians David Dollar and Aart Kraay, *Growth is Good for the Poor* (Washington: World Bank, March 2000).

11. UN, *Human Development Report 1999* (New York: Oxford University Press, 1999).

12. *Ibid.*

which is the main symptom of the ecological crisis today, is already leading to catastrophic climatic consequences.<sup>13</sup> However, it is not simply the resistance of some powerful corporate interests that, as social democrats argue, prevents the political elites from taking effective action to deal with the problem. In fact, effective action against the greenhouse effect would require a complete change in today's pattern of living. This pattern has been determined by the dynamic of the market economy and, in particular, the concentration of income and wealth between and within countries, the consequent urban concentration, the car culture and so on. A by-product of the same concentration process is industrial farming, which has already led not only to the elimination of small farmers and the need to industrialise farming further through genetic engineering (supposedly to solve the food crisis that is looming because of the growth in population), but also to the spreading of diseases like BSE (with possible catastrophic implications on human life itself), the foot and mouth epidemic and so on. It is therefore clear that the environmental effects of globalisation are due to systemic causes, which refer to the system of concentration of power that is institutionalised by market economy and representative 'democracy', rather than to 'bad' economic policies and practices.

### *The 'social-liberal' approach*

Social-liberals, which include the centre-left governments in Europe and Australasia, as well as establishment sociologists and economists like Anthony Giddens, Amartya Sen, Paul Krugman and others, adopt the present globalisation with some minor qualifications, which amount to little more than a 'globalisation with a human face'. There are several versions of this approach, but the common element in all these versions is that they all adopt the thesis that globalisation is both a new and an irreversible phenomenon (i.e. a systemic phenomenon) and, consequently, they explore ways of making it more 'humane'. The explicit—or sometimes implicit—assumption social-liberals make is that any return to some form of statism, like the one characterising advanced market economies up to the mid-1970s, is impossible.

Thus, one version of this approach supported by theoreticians like Anthony Giddens, the father of the 'Third Way',<sup>14</sup> talks about 'renewing social democracy'—having abandoned in the process the basic commitments of old social democracy, i.e. direct state intervention to secure high levels of employment, social welfare and equality. However, the 'benefits' of 'Third Way' policies have already started emerging in Britain, where such policies have been in full force since the rise of Tony Blair's 'New Labour' government in 1997. Thus, according to some recent data, under New Labour, there has been a significant increase in the huge poverty gap that conservative governments created in the 1980s and early 1990s: the incomes of the rich have grown three times as rapidly

13. See, for instance the report on global warming by the UN group of scientists that met in Shanghai in January 2001, Tim Radford and Paul Brown, *The Guardian*, 31 January 2001.

14. A. Giddens, *The Third Way* (Oxford: Polity Press, 1998).

as those of the poor during the Blairite period,<sup>15</sup> whereas Britain still has almost the worst levels of child poverty in the industrialised world.<sup>16</sup>

Another version of the same approach is supported by Amartya Sen, who is an establishment economist and Nobel prize winner for economics, and a strong advocate of the market economy and free trade. Sen stresses the absence of any basic conflict between, on the one hand, economic globalisation (which he sees favourably) and, on the other, the fostering of democracies and prosperity.<sup>17</sup> For Sen, the problem is not free trade and the market economy, but the inequality of global power, which he believes can be adequately checked by NGOs, a watchdog institution that would be concerned with inequality and fair trade, etc.<sup>18</sup> Obviously, for the Nobel laureate, the inequality of global power has nothing to do with the market economy and free trade! Still, one does not need to be a Nobel prize winner in order to understand the strong correlation between the acceleration of globalisation in the last decade and the increase in the concentration of economic (and consequently of political) power as it is shown, for instance, by the fact that the world's richest people more than doubled their net worth within just five years, from 1994 to 1999. As a result, in 1999, the combined wealth of 200 billionaires amounted to \$1 trillion, 135 billion, while the total annual income of the 582 million people in all the 'developing' countries together was only \$146 billion, i.e. about 10 per cent of this.<sup>19</sup>

It is therefore obvious that, unlike the reformist Left approaches that I will consider next, the social-liberal approach does not aim at any effective controls over the internationalised market economy to protect labour and the environment, as it takes for granted not only the system of the market economy and representative 'democracy' (as the reformist Left also does) but globalisation as well. As such, the social-liberal approach to globalisation, effectively, plays the role of legitimising the neoliberal globalisation, so that it can be sold to the middle class electorate that constitutes nowadays the power base of social-liberals in the governing centre-left parties.

15. Larry Elliott *et al.*, *The Guardian*, 14 July 2000. This is confirmed by more recent data from the office for national statistics, which show that the Gini coefficient—a statistical coefficient used to measure inequality in terms of the gap in post tax incomes between rich and poor—has increased to 40, on a scale where zero represents universal equality of income, while in 1998/9, that figure was 39—itself a new peak since 1991 when Thatcherism was at its height. Lucy Ward, *The Guardian*, 18 April 2001. Another survey showed that whereas in 1983, 14 per cent of households lacked three or more necessities because they could not afford them, by 1990 this proportion had increased to 21 per cent and in 1999, after two years of Labour government, to over 24 per cent with almost 7.5 million people being too poor to engage in common social activities such as are considered necessary by the majority of the population. At the same time, the millionaires club in Britain is growing at a rate of 17 per cent a year and now has 74,000 members Felicity Lawrence, "'Mass Affluents" get Richer as the Poor get Poorer', *The Guardian*, 2 April 2001.
16. Ben Summerskill, *The Guardian*, 18 February 2001.
17. A. Sen, 'Freedom's Market', *The Observer*, 25 June 2000.
18. Jonathan Steele, 'The Guardian Profile: Amartya Sen', *The Guardian*, 31 March 2001.
19. UN, *Human Development Report 2000* (New York: Oxford University Press, 2000).

*The 'non-systemic' approaches of the reformist Left*

I will call 'reformist Left' all those intellectuals, movements and political parties in the Left which adopt a 'non-systemic' approach to globalisation according to which globalisation is due to exogenous changes in economic policy and, as such, is reversible even within the system of the market economy. Therefore, the reformist Left includes all those who either suggest various reforms to improve the functioning of the internationalised market economy (e.g. eliminating its 'corporate' character, abolishing the neoliberal deregulation of markets and so on), or simply raise a variety of criticisms against it without proposing any alternative form of social organisation, adopting a postmodern rejection of universalism<sup>20</sup> or just taking the present system of the market economy and representative 'democracy' for granted. In this sense, the reformist Left on globalisation includes post-Marxists, social democrats and others in the broad Left (Pierre Bourdieu, Immanuel Wallerstein, Noam Chomsky, Samir Amin, John Gray, Leo Panitch among them) who take a negative, but a reformist, stand towards globalisation.

There are several approaches that may be classified under this heading. They all share a common element: unlike the much more realistic social-liberals, they all adopt the thesis that globalisation is not a new phenomenon but something already existing at the beginning of last century and then go on to explore ways of resisting it (without raising any anti-systemic challenge) on the grounds that, apart from its adverse effects on labour and the environment, globalisation is also incompatible with the present 'democracy'. The explicit—or sometimes implicit—assumption shared by the reformist Left is that a return to some kind of statism is still possible, since the present globalisation of markets is simply seen as the product of neoliberal policies (if not merely an ideology to justify neoliberalism), and not the outcome of a fundamental structural change.

Thus, Bourdieu, starting with the assumption that neoliberalism is a utopia, which was imposed mainly by the American elite, concludes that we have to turn to 'the nation-state, or better yet the supranational state—a European state on the way toward a world state—capable of effectively controlling and taxing the profits earned in the financial markets and, above all, of counteracting the destructive impact that the latter have on the labour market'.<sup>21</sup> In this problematic, 'globalisation is more of a political imperative than an economic fact',<sup>22</sup> a policy aiming to extend to the world as a whole the American economic model:<sup>23</sup>

Economic globalisation is not a mechanistic result of the laws of technology or of the economy, it is the outcome of a policy which is implemented by an ensemble of agents and institutions ... the global market is the product of a more or less deliberately coordinated policy

20. See Fotopoulos, 'The Myth of Postmodernity'.

21. Bourdieu, 'The Essence of Neoliberalism'.

22. See P. Bourdieu's interview in *Socialist Review*, No. 242 (June 2000).

23. Pierre Bourdieu, *For a European Social Movement, Cross-Fire* (Athens: Patakis, 2001/EPOHI, 8 April 2001)—from the French original *Contre-Feux*, Vol. 2 (Paris: Raison d'Agir, 2000).

... what is proposed and imposed in a universal way, as the normative model of every rational economic practice, is in fact the universalisation of the specific characteristics of one economy which emerged in the framework of a very concrete history and social structure, the history and social structure of the United States of America.

Analogous is the position adopted by some writers in the reformist Left, like Leo Panitch,<sup>24</sup> Noam Chomsky,<sup>25</sup> and others, who also maintain that globalisation is nothing new, representing a kind of neoliberal conspiracy of US origin, whose aim is to promote the interests of US corporate capitalism. Their advice to the anti-globalisation movement is to exert maximum pressure on the elites, so that the nation-state is forced to resist the neoliberal globalisation. Similarly, Immanuel Wallerstein<sup>26</sup> explicitly adopts the exogenous (if not ideological) nature of present globalisation when he stresses that:

The 1990s have been deluged with a discourse about globalization. We are told by virtually everyone that we are now living, and for the first time, in an era of globalization. We are told that globalization has changed everything: the sovereignty of states has declined; everyone's ability to resist the rules of the market has disappeared; our possibility of cultural autonomy has been virtually annulled; and the stability of all our identities has come into serious question. This state of presumed globalization has been celebrated by some, and bemoaned by others. This discourse is in fact a gigantic misreading of current reality—a deception imposed upon us by powerful groups, and even worse one that we have imposed upon ourselves, often despairingly. (...) The processes that are usually meant when we speak of globalization are not in fact new at all. They have existed for some 500 years.

Finally, yet another version, supported by social democrats like the LSE professor John Gray,<sup>27</sup> declares the end of globalisation, following the example of Eric Hobsbawm, the doyen of Marxist historians, who, as late as 1998, was still proclaiming the end of neoliberalism!<sup>28</sup> This time, the argument supporting the case for the supposed end of globalisation is based on the present slowdown in the US economy and the election of George Bush as US president.

The conclusion shared by everybody in the reformist Left (and also by the main body of the anti-globalisation 'movement'), is that pressure 'from below' could reverse 'neoliberal globalisation', or at least force the social-liberal governments to 'renegotiate' its rules and, in particular, the rules governing the

24. L. Panich, 'The New Imperial State', *New Left Review*, March–April 2000.

25. N. Chomsky, 'Power in the Global Arena', *New Left Review*, July–August 1998. See also his interview published in the Athens daily *Eleftherotypia*, 25 February 2001.

26. Cf. Immanuel Wallerstein, 'Globalization or the Age of Transition? A Long-term View of the Trajectory of the World-system', in the Internet site of the Fernand Braudel Center: <http://fbc.binghamton.edu>

27. John Gray, 'Goodbye to Globalisation', *The Guardian*, 27 February 2001.

28. Perry Anderson, *New Left Review*, No. 1 (new period) (January/February 2000), p. 10.

operation of international organisations like the WTO—as, for instance, Pierre Bourdieu,<sup>29</sup> Samir Amin<sup>30</sup> and others suggest.

But, let us see in more detail the arguments of the reformist Left that globalisation is a ‘myth’, or an ideology, with specific reference to probably the most systematic exposition of these arguments to date, the study by Paul Hirst and Grahame Thompson,<sup>31</sup> who competently put the case for the continuing significance of the nation-state in the framework of the neoliberal internationalised market economy. Although the authors’ explicit aim is to attack the globalisation thesis that is put forward by the nationalist Right, their study represents in effect an argument in favour of the sort of strategy and policies suggested today by the reformist Left. Their argument can be summarised as follows:

- (1) The present highly internationalised economy is not unprecedented and the degree of openness in 1913 was in fact higher than in the post-Second World War period.<sup>32</sup>
- (2) Genuinely transnational corporations appear to be relatively rare since most companies are nationally based.<sup>33</sup>
- (3) The world economy today is not genuinely global since trade, foreign direct investment and financial flows are concentrated in the ‘Triad Countries’, i.e. the countries in the three main economic regions (North America, EU and Japan).<sup>34</sup>
- (4) Therefore, the major economic powers ‘have the capacity to exert powerful governance pressures over financial markets and other economic tendencies. Global markets are by no means beyond regulation and control’.<sup>35</sup>

Let us examine each of the above arguments in more detail. As regards the authors’ first argument, as I will try to show below, it is true that during the liberal form of modernity there was indeed an initial internationalisation of the market economy, which was accompanied by an attempt to establish a purely liberal internationalised market economy. But, this attempt, for the reasons I will examine next, failed. So, although a significant degree of internationalisation of the market economy was already evident at the beginning of the twentieth century, still, the present internationalisation is both quantitatively and qualitatively different from that earlier internationalisation.

It is quantitatively different because, despite the unsubstantiated claims to the contrary, there has never been a similar degree of market openness in the past. The main indicators used by Hirst and Thompson to support their case of less

29. See, e.g. P. Bourdieu’s interview published in *Hangyoreh Shinmun*, 4 February 2000.

30. Samir Amin in the Milan ‘World Forum of alternative solutions’, *Il Manifesto/Epohi*, 16 April 2000.

31. Paul Hirst and Grahame Thompson, *Globalisation in Question* (Cambridge: Polity Press, 1996).

32. *Ibid.*, p. 27.

33. *Ibid.*, p. 3.

34. *Ibid.*, p. 3.

35. *Ibid.*, p. 4.

openness today is the degree of trade and financial openness to the rest of the world. However, as regards financial openness first, the studies they quote to show greater openness in the period before the First World War compared to today use a statistical indicator,<sup>36</sup> which is not universally valid, as it yields nonsensical results in the case of the country with the major reserve currency, the USA. On the other hand, the use of alternative indicators points to a dramatic increase in financial openness. Thus, there has been a significant rise in foreign direct investment, which, as a proportion of the advanced capitalist countries' GDP, has nearly doubled within the first 20 years of the present internationalisation.<sup>37</sup> Furthermore, huge short-term capital movements take place today within a global network of foreign exchange and capital markets in which something like \$1 trillion change hands every day. Last, but not least, the short-term capital movements of the present internationalisation differ not only quantitatively but also qualitatively from those of the earlier one. Thus, whereas in the early 1970s about 90 per cent of capital movements were linked to investment and trade and only 10 per cent were speculative, today, the situation has been reversed and only around 5 per cent of the deals struck are linked with foreign trade, whereas the rest are purely speculative.<sup>38</sup>

Coming next to trade openness, contrary to the evidence produced by Hirst and Thompson, this openness, far from being lower today than in the pre-First World War period, has increased significantly in the last quarter of the 20th century (i.e. the period of neoliberal globalisation). Thus, trade openness has increased in all major trading countries listed in Table 1 (apart from Japan) throughout the post-war period. As a result, the average index of openness increased from 43.6 per cent in 1913 to 48.3 per cent in 1996. Furthermore, trade openness in 1996 was significantly higher in four major trading countries (US, Germany, UK and France) compared to 1913. As these four countries account for about three quarters of the total trade in the six countries listed, it is obvious that the claim by Hirst and Thompson that there was a greater international openness in 1913 than

36. The statistical measure used by Hirst and Thompson (current account balance to GDP) is an obviously inappropriate measure of financial openness in the US case. Thus, the US current account surplus was reduced drastically from \$32.3 billion in 1960–1967 to less than \$5 billion in 1968–1981 (Phillip Armstrong *et al.*, *Capitalism Since World War II* (London: Fontana, 1984), Tables 10.7, 12.2 & 16.6. This should mean a corresponding decrease in US's capital outflow and degree of financial openness. Yet, the outflow of direct investment from the USA to other advanced capitalist countries increased from 3.4 per cent of US total investment in the period 1960–1969 to 4.4 per cent in 1970–1979 (Grazia Ietto-Gillies, 'Some Indicators of Multinational Domination of National Economies', *International Review of Applied Economics*, Vol. 3, No. 1 (1989), Table 1) indicating exactly the opposite! The reason is obvious. The US, as a country with a major reserve currency, does not depend on current account surpluses to finance its investment abroad—as non-reserve countries have to do. Therefore, the current account balance to GDP ratio cannot be used as a measure of financial openness in the case of a reserve-currency country like the USA, despite the country's enormous financial significance.

37. UN-TCMD, World Investment Report, 1993.

38. *The Guardian*, 7 March 1995.

today (a claim which, curiously, is based on data up to 1973, i.e. before the beginning of present globalisation!) is hardly supported by the facts (Table 1).

Equally significant is the fact that the present internationalisation is qualitatively different from the earlier internationalisation. This is because the earlier internationalisation was based on nation-states rather than on transnational corporations as today. The degree of (formal or informal) openness of commodity and financial markets, which was much smaller in the past than today, has played a crucial role in determining the 'agent' of internationalisation in each period. It has also played a critical role in determining the degree of the state's economic sovereignty. When the degree of market openness was small (up to the mid 1970s) states could exercise a significant degree of control over the level of economic activity through monetary, exchange rate and fiscal policies. On the other hand, as soon as (and as a result of the expansion of TNCs) the degree of market openness began increasing, nation-states have lost a significant part of their economic sovereignty. Thus, aggressive fiscal policies to control economic activity are no longer possible in a framework of open commodity and capital markets, whereas the present degree of integration of market economies makes equally impossible any really divergent monetary policies.

As regards the authors' second argument that genuinely transnational corporations appear to be relatively rare since most companies are nationally based, the real issue is not the proportion of TNCs to the total number of companies but the power they exercise and the statistical data on this are conclusive. In the 1990s, the top 500 transnational corporations controlled 70 per cent of world trade), 80 per cent of foreign investment and 30 per cent of world GDP.<sup>39</sup> Furthermore, what is at issue is not whether TNCs possess a national base or whether, instead, they are stateless bodies, but whether their activities and particularly trade, investment and production are extended well beyond their national boundaries. In this problematic, a national base is still very useful to the trans-national corporations in gaining advantages against competitors and this fact is perfectly

TABLE 1. Trade openness\* in major market economies

	1913	1950	1973	1980	1996
France	35.4	21.2	29.0	44.0	45.0
Germany	35.1	20.1	35.2		46.0
Japan	31.4	16.9	18.3	28.0	17.0
Holland	103.6	70.2	80.1	103.0	100.0
UK	44.7	36.0	39.3	52.0	58.0
USA	11.2	7.0	10.5	21.0	24.0

\* Trade openness is measured by the ratio of merchandise trade (i.e. exports and imports combined) to GDP at current prices.

Source: Paul Hirst and Grahame Thompson, *Globalisation in Question*, Table 2.5 (for the years 1913, 1950 and 1973) and estimates based on the World Bank's World Development Report 1998/99, Table 20.

39. See Tim Lang and Colin Hines, *The New Protectionism* (London: Earthscan, 1993), ch. 3. See also *The Ecologist*, Vol. 22, No. 4 (July–August 1992), p. 159.

compatible with today's accelerating marketisation<sup>40</sup> of the economy. In fact, the thesis supported here, as regards the significance of TNCs with respect to internationalisation, is very similar to the argument put forward by Suzan Strange that 'it is not the phenomenon of the trans-national corporation that is new but the changed balance between firms working only for a local or domestic market and those working for a global market and in part producing in countries other than their original home base'.<sup>41</sup>

Concerning the authors' third argument that the world economy today is not genuinely global since trade, foreign direct investment and financial flows are concentrated in the 'Triad Countries' (NAFTA, EU and Japan), it is indeed true that the bulk of the advanced market economies' manufacturing trade takes place between these countries and only a small fraction (about 1.5 per cent excluding China) is between them and the South.<sup>42</sup> However, this is not an argument against globalisation but an argument against the type of globalisation going on. The expansion of the market economy, as well as its internationalisation, has always been uneven, exactly because of its essentially self-regulating nature. Therefore, it does not make sense to expect today's internationalisation, which is founded on the highest degree of marketisation in history, to be anything different. Any kind of internationalisation of the market economy is bound to be concentrated in the North, which has already created, within the marketisation process, built-in comparative advantages in productivity, efficiency, technology and competitiveness.<sup>43</sup>

Finally, as regards the authors' argument, which is, in fact, the main argument used by the reformist Left, that global markets are not beyond regulation and control and that the major economic powers 'have the capacity to exert powerful governance pressures over financial markets and other economic tendencies', I would argue that the thesis advanced in this article does not imply the elimination of the regulatory role of the state, let alone its physical disappearance at the political level. What it does imply is the effective loss of the state's economic sovereignty in the past quarter of a century or so. In fact, the authors themselves implicitly admit this when they christen as 'radical' even the objective of full employment<sup>44</sup>—i.e. the main objective of social democracy throughout the period of the social democratic consensus. It is therefore clear that when the authors argue that 'far from the nation-state being undermined by the processes of internationalisation, these processes strengthen the importance of the nation state in

40. Marketisation is meant in the sense of minimisation of social controls over markets to protect labour and the environment. The marketisation process is defined as the historical process that has transformed the socially controlled markets of the past into the market economy of the present (see Fotopoulos, *Towards An Inclusive Democracy*, ch. 1).

41. Suzan Strange, 'Rethinking Structural Change in the International Political Economy: States, Firms and Diplomacy,' in Stubbs and Underhill, *Political Economy and the Changing Global Order* (London: Macmillan, 1994), p. 104.

42. Larry Elliott, *The Guardian*, 11 December 2000.

43. See Fotopoulos, *Towards An Inclusive Democracy*, ch. 3, about the uneven global development of the market economy.

44. Hirst and Thompson, *Globalisation in Question*, p. 6.

many ways',<sup>45</sup> what they have in mind is not effective social controls to protect labour and the environment, but, mainly, 'regulatory controls'.<sup>46</sup>

It is also noteworthy that even when the authors refer to the possibility of a 'new polycentric version of the mixed economy' aiming to achieve 'ambitious' goals, the only condition they mention for this is 'a highly co-ordinated policy on the part of the members of the Triad'.<sup>47</sup> However, what the authors do not explain is why the elites controlling the Triad will embark on policies to create a new global mixed economy. In fact, the only argument they produce to support this case is the old 'underconsumptionist' thesis, namely, that the reproduction of the growth economy is not viable in the framework of high inequality, which inevitably leads to low demand.<sup>48</sup> But, this argument ignores the fact that the growth economy has shown no difficulty in reproducing itself, as long as the 'two-thirds society' keeps expanding its consumption. It is clear therefore that for the authors, as well as for the reformist Left in general, the only way in which the elites of the Triad will be persuaded to adopt a global mixed economy is through some kind of pressure 'from below'—no matter whether a mixed economy is still feasible today!

The reason why the reformist Left ends up with this sort of nonsensical conclusions is that their starting point is either a crude Marxist analysis, which assumes that the present internationalisation is no different from the early internationalisation at the end of 19th/beginning of 20th century (if not before, as Wallerstein suggests) or, alternatively—as in the case of Hirst and Thompson—an a-historical analysis of the present world economy, which assumes that the present internationalisation is simply a conjunctural phenomenon rather than a structural change.<sup>49</sup> The conclusion drawn by both types of analysis is that the present 'globalised' economy is still 'governable' and that therefore all that is needed for the initiation of a system of effective governance over it is an effective pressure from the anti-globalisation movement.

However, the fact that the market economy is governable, in the narrow sense of regulation, is not disputable by anybody, apart perhaps from some extreme 'globalisers'. The real issue is whether nation-states are still capable, in an internationalised market economy, of imposing effective social controls to protect man and nature, or whether instead such controls are not feasible anymore, either at the level of the nation-state, the level of the economic block, or even the planetary level.

45. *Ibid.*, p. 17.

46. This becomes obvious by statements like the following: 'National governments have not proved powerless in the face of an overwhelming 'globalisation' of international finance. Indeed, they have joined together to organise an effective supervision of the new situation. This remains nevertheless the limited *supervision* of a market-led international economy. Regulation does not attempt to alter price fixing by markets in the direction of financial flows, Hirst and Thompson, *Globalisation in Question*, pp. 134–135.

47. *Ibid.*, p. 152.

48. *Ibid.*, p. 163.

49. *Ibid.*, p. 15.

Thus, as regards the state, If we take into account the significant increase in foreign penetration of stock exchange and bond markets<sup>50</sup> that has taken place in the last quarter of a century or so, it becomes obvious that no national government today may follow economic policies that are disapproved of by the capital markets, which have the power to create an intolerable economic pressure on the respective country's borrowing ability, currency value and investment flows. If we assume, for instance, that a social democratic party adopts, against the trend, policies to reverse the flexibility of labour markets or, alternatively, more aggressive policies to slow down the greenhouse effect, it may easily be shown that under conditions of free capital mobility, this would lead to a capital flight and a pressure on the respective currency and stock exchange prices, i.e. to developments which could easily lead to a recessionary situation, if not to a full blown economic crisis. It is for these reasons that Mitteran and Jospin had to abandon any idea of resorting to the old social democratic policies, while Lafontaine had to be ousted from the German government.

Lafontaine's case is particularly illuminating as regards the power of TNC's. As the (reformist) author of a very recent book on corporate power describes it:<sup>51</sup>

In Germany, where revenue from corporate taxes has fallen by 50 per cent over the past 20 years, despite a rise in corporate profits of 90 per cent, a group of companies, including Deutsche Bank, BMW, Daimler-Benz and RWE, the German energy and industrial group, thwarted in 1999 Finance Minister Oskar Lafontaine's attempt to raise the tax burden on German firms, threatening to move investment or factories to other countries if government policy did not suit them. 'It's a question of at least 14,000 jobs,' threatened Dieter Schweer, a spokesman for RWE. 'If the investment position is no longer attractive, we will examine every possibility of switching our investments abroad.' Daimler-Benz proposed relocating to the US; other companies threatened to stop buying government bonds and investing in the German economy. In view of the power these corporations wield, their threats were taken seriously. Within a few months Germany was planning corporate tax cuts which would reduce tax on German companies below US rates. As one of German Chancellor Gerhard Schröder's senior advisers in Washington commented at the time, 'Deutsche Bank and industrial giants like Mercedes are too strong for the elected government in Berlin'.

The situation is not much different with respect to economic blocks. If a block, like the EU, attempts to introduce the kind of policies that were dominant during the social democratic consensus (e.g. policies to expand the welfare state

50. Foreign penetration of national central government bond markets in advanced capitalist countries has increased by 50 per cent in the 1980s (from 10 per cent in 1983 to 15 per cent in 1989); Hirst and Thompson, *Globalisation in Question*, Table 2.11.

51. Noreena Hertz, 'Why We Must Stay Silent No Longer', *The Observer*, 8 April 2001; see also N. Hertz, *The Silent Takeover: Global Capitalism and the Death of Democracy* (London: Heinemann, 2001).

irrespective of the impact of such policies on inflation) or, alternatively, if it attempts to introduce strict environmental controls, irrespective of their impact on profitability, then, this block faces the immediate risk of a serious capital flight towards the other blocks with severe repercussions on its currency, the Euro, *vs* the other block currencies—particularly so when the chronic weakness of Euro versus the dollar seems to reflect the fact that the remnants of the welfare state in Europe are, still, more significant than in the USA. The process of internationalisation and the present degree of openness implies that social controls on the major market economies have to be homogenised. Since this homogenisation, in a competitive framework, is based on the principle of the ‘least common denominator’ and given the present disparity of social controls in the Triad countries, any idea that the introduction of effective social controls (initiated by the state or the ‘civil society’) is still feasible becomes nonsensical. Therefore, the ideas currently adopted by some in the reformist Left that globalisation could be seen as a US attempt to impose its own version of free-market capitalism, which could be resisted by a EU based on a social market,<sup>52</sup> or, even worse by a new kind of ‘good’ nationalism,<sup>53</sup> simply reflect the present demoralisation of the Left and its inclination to believe utopian myths.

One may ask at this point, what about the possibility of an international agreement by the Triad countries (the G7 for instance) to impose such effective controls? However, as anyone with a rudimentary knowledge of the historical dynamic of the market economy and the political and economic power structures that resulted from this dynamic can assure, this is just a theoretical possibility. This is because such controls would violently contravene the logic and dynamic of the internationalised market economy and as such would come under the direct and indirect attack of the huge transnational corporations, which control not only the market economies but also the mass media (on which the promotion of professional politicians crucially depends), and, of course, the sources of financing of their hugely expensive electoral campaigns. Therefore, to demand today to impose social controls on the economic elites in order to protect effectively labour and the environment (beyond regulatory or relatively painless controls on their activities) amounts to demanding to restrict the very dynamic of the system of the market economy itself—a dynamic which crucially depends on the economic health of the economic elites and particularly that of the transnational corporations. On this, liberal, neoliberal and social-liberal economists have always been right: any effective social controls on markets to protect labour and the environment would necessarily encroach upon economic efficiency (as presently defined) and therefore on the profitability and the incomes and wealth of the economic elites.

In this problematique, the reformist Left’s explanation of the rise of neoliberal globalisation in terms of the ‘conversion’ of the old social democratic parties and their betrayal of the socialist ideals, or in terms of the ‘historic defeat of the Left’ after the collapse of ‘actually existing socialism’, gives a distorted picture of reality. Although it is true that the demise of the working class movement in the last quarter of the 20th century has played a crucial role in the rise of neoliberalism, still, the

52. John Gray, *False Dawn: the Delusions of Global Capitalism* (London: Granta Books, 1998).

53. See Fredric Jameson, ‘Globalisation and Strategy’, *New Left Review*, July–August 2000.

decimation of the working class was directly related, as we shall see below, to the dynamics of the market economy and, in particular, to the drastic change in the employment structure, as a result of technological and economic changes. Therefore the conversion of the old social democratic parties could be explained in terms of the change in the structure of the electorate, as a result of the corresponding changes in the structure of employment, and also in terms of the increased market openness, which made the statist policies used during the period of the social democratic consensus incompatible with the growth requirements of the internationalised market economy.

It is therefore obvious that the general shift to the Right, which has marked the neoliberal form of modernity, had induced many in the Left to move towards the position once occupied by the old social democrats—who have moved to social-liberalism and realistically accepted the non-reversibility of present globalisation. This is not surprising if one takes into account the fact that an adoption of the systemic nature of present globalisation would have serious political implications. In other words, recognition by the Left of the systemic character of globalisation would put it in a serious dilemma: either to adopt the present globalisation with some qualifications (as social-liberals do) or reject it altogether and challenge the fundamental institution that led to it in the first place, the system of the market economy itself. It is obvious that today's demoralised and generally conformist (frequently by way of postmodernism) Left has chosen an intermediate way between these two 'extremes' that involves significant reforms of the globalised economy—which, however, are improbable within the system of the market economy. What is ironic indeed is that the reformist Left justifies the abandonment of any visions for an alternative way of organising the economy (beyond the systems of the market economy and the central planning) by an appeal to 'realism' when, in fact, its reformist proposals today are much more utopian than the visions of socialist statism it used to promote before the collapse of 'actually existing socialism'!

But, let us now turn to the three 'intermediate approaches' to globalisation mentioned above, i.e. the Transnational Capitalist Class Approach and the Ecofeminist and Anarcho-syndicalist Approaches.

### *The transnational capitalist class approach*

This latest attempt to theorise globalisation from a Marxist viewpoint contains a mix of systemic and non-systemic elements and offers significantly different analytical insights on the matter from those adopted by the reformist Left. The starting point in this approach is its strong critique of the reformist Left on the grounds that not only it does not see the obvious fact of the various real processes of globalisation occurring at the moment<sup>54</sup> but it also characterises it, in a preposterous way, as a kind of ideology, if not a myth! However, this realism does not prevent the author of the TCC approach to derive the unrealistic conclusion that national governments can reform globalisation effectively, even within the existing system of market economy, because 'globalisation is

54. Leslie Sklair, *The Transnational Capitalist Class* (Oxford: Blackwell, 2001), p. 1.

driven by identifiable actors working through institutions they own and/or control'.<sup>55</sup>

Still, the TCC approach takes an important step forward from the usual Marxist or Wallersteinian approaches, which conceive of capitalism as organised primarily through national economies and, as a result, cannot see anything new in today's internationalisation of the market economy. The TCC approach views globalisation as a new phenomenon, on account of a series of technological, economic, political, and culture–ideology innovations that began to change the world in the second half of the 20th century. The primary factor which motivated all these changes—and on this the TCC approach comes close to the ID approach—was the emergence, in the second half of the 20th century, of the TNCs, which differ radically from firms in the past.<sup>56</sup> It was this development that led to the present emergence of a 'transnational capitalist class' composed of corporate executives, globalising bureaucrats and politicians, globalising professionals and consumerist elites. This new class is beginning to act *as* a transnational dominant class in two important spheres in which this approach perceives two central crises to be developing: the simultaneous creation of increasing poverty and increasing wealth and the unsustainability of the system. In fact, these two spheres are also the ones identified by the ID approach as the main components of the present multi-dimensional crisis,<sup>57</sup> i.e. the growing concentration of income and wealth within and between societies and the ecological crisis—a crisis, which has worsened significantly in the last half century or so given that the ideology binding together the new form of the market economy is consumerism (a derivative of the growth ideology).<sup>58</sup>

There are two basic criticisms that can be raised against the globalisation conception of the TCC approach.

The first criticism refers to the fact that this approach gives the impression that the new transnational capitalist class is the cause of the present globalisation whereas, in fact, it is only the *effect* of this process. In other words, as we shall see next, it was the dynamics of the market economy which had led to the emergence of TNCs and, consequently, of a new transnational economic elite that institutionalised the present internationalised market economy and the neoliberal form of modernity. In exactly the same way, it was the dynamics of 'nationalising' the markets and the parallel Industrial Revolution, which had led to the

55. *Ibid.* The conclusion about the reformist character of the TCC approach is reinforced by the author's expressed wish for a 'struggle to undermine capitalist hegemony on a global scale and replace it with a more genuine democracy' which he proceeds to define as 'the rule of law, freedom of association and expression, freely contested elections, transparency in public affairs (which) as minimum conditions and however imperfectly sustained, are as necessary in the long run for mass-market-based global consumerist capitalism as they are for any viable socialist alternatives' (pp. 300–301). It is obvious that the undefined 'viable socialist alternatives' together with the above description of the main characteristics of representative 'democracy' portray a vision of a future society based on some kind of state-socialist 'democracy' cum some sort of market economy 'purified' from its corporate character.

56. Sklair, *The Transnational Capitalist Class*, p. 19.

57. See Fotopoulos, *Towards An Inclusive Democracy*, pp. 141–143 and 149–151.

58. *Ibid.*, pp. 65–67.

emergence of a new economic elite that institutionalised the market economy and the liberal form of modernity.<sup>59</sup> Therefore, although the ‘subjective’ element (in the sense of the ‘social struggle’ between the elites controlling the market economy and the rest of society) was always crucial in determining the final outcome in each form of modernity (liberal, statist, neoliberal),<sup>60</sup> the importance of the ‘objective’ element (in the sense of the market economy dynamics) should not be underestimated. It seems however that the backlash against the objectivism of the Marxist ‘science’ of the economy, which had erupted after the collapse of socialist statism, induced today’s neo-Marxists, post-Marxists etc who, mainly, constitute the reformist Left, to focus on the subjective element at the expense of the objective element in interpreting history. This led to the blatant contradictions in the interpretation of globalisation that we examined above. It is for the same reason that the father of the TCC approach, in his attempt to emphasise the role of the state in the globalisation of the market economy at the expense of the role of its grow-or-die dynamics, talks about the ‘paradox’ of states which, as they opened up their economies to foreign companies, they facilitated the creation of the transnational capitalist class.<sup>61</sup>

The second criticism refers to the TCC approach’s conception of class, which is a contradictory hybrid of the Marxist class conception and Bourdieu’s taxonomy of various forms of ‘capital’:<sup>62</sup> money capital, political capital, organisational capital, cultural and knowledge capital. To my mind, although this taxonomy may be useful to those who do not wish to abandon the Marxist concepts altogether (even if in the process they make them unrecognisable and therefore irrelevant to their original meaning), it leads to contradictory conclusions if it is used, as by Sklair, in order to define, in effect, the various forms of power in today’s society. Thus, although the author insists that ‘decisive long-term power flows from ... the ownership and control of the means of production’<sup>63</sup> he then proceeds to describe the members of the transnational capitalist class as ‘a *class* in that they are defined in terms of their relationship to the means of production, distribution, and exchange’, and then as a *capitalist class* in that ‘they own and/or control, individually or collectively, the major forms of capital’.<sup>64</sup> However, his definition of this new capitalist class includes politicians, bureaucrats, professionals and mass media executives, who could hardly be classified as members of the capitalist class—unless, of course one stretches the concept of ‘capital’, as Sklair does, to cover every form of power. But then this conception of the new capitalist class can be seen as little more than an obvious attempt to accommodate the major fault in the Marxist theory of the state: its exclusive concentration on economic power at the expense of the other forms of power characterising the power structures and relations of modern society.

59. Fotopoulos, ‘The Myth of Postmodernity’.

60. *Ibid.*

61. Sklair, *The Transnational Capitalist Class*, p. 82.

62. P. Bourdieu, *The State Nobility: Elite Schools in the Field of Power* (Cambridge: Polity Press, 1996).

63. Sklair, *The Transnational Capitalist Class*, p. 14.

64. *Ibid.*, p. 295.

On the other hand, all these categories, which Sklair attempts to fit to the Procrustean bed of the class concept, could easily be accommodated within the concept of a 'transnational elite'. We may define the 'transnational elite' as the elite which draws its power (economic, political or generally social power) by operating at the transnational level—a fact which implies that it does not express, solely or even primarily, the interests of a particular nation-state. The transnational elite consists of:

- The transnational economic elites (TNC executives and their local affiliates), which play the dominant role within the ruling elite of the internationalised market economy given the predominance of the economic element in it;
- The transnational political elites, i.e. the globalising bureaucrats and politicians, who may be based either in major international organisations or in the state machines of the main market economies;
- The transnational professional elites, whose members play a dominant role in the various international foundations, think tanks, research departments of major international universities, the mass media, etc.

The ID approach refers to a transnational 'elite' rather than a transnational 'class', because the former is a broader concept than the Marxist class concept that only partially expresses the reality of 'class' divisions in neoliberal modernity.<sup>65</sup> It is an elite because its members possess a dominant position within society because of their economic, political or broader social power. It is a transnational elite because its members, unlike the national elites, see that the best way to secure their privileged position in society is not by ensuring the reproduction of any real or imagined nation-state but, instead, by securing the worldwide reproduction of the system of market economy and representative 'democracy' (rather than simply to promote the interests of global capital as the TCC approach maintains). This is because this new transnational elite sees its interests in terms of the international markets rather than the national markets. Still, not only the transnational elites do not hesitate to utilise the power of particular states to achieve their aims (even more so when this state happens to be today's hegemonic power), but in fact they have to rely on the state machines of the major market economies to achieve their aims.

The existence of such a transnational elite is not simply theorised. In fact, the evidence is growing about the existence of such a transnational elite that expedites the globalisation process by facilitating the institutional arrangements required for its smooth functioning. Few, for instance, are aware of the European Round Table of industrialists (ERT), an alliance of the chief executives of Europe's largest companies, whose purpose is to formulate policies for adoption by the European Commission. Thus, the Single European Act, which opened and liberalised markets in the EU, was framed not by the EU but by Wisse Dekker (the president of Philips and subsequently chairman of the ERT) whose proposal became the basis of the EU's 1985 white paper.<sup>66</sup> Also, the EU enlargement plan

65. See Takis Fotopoulos, 'Class Divisions Today—The Inclusive Democracy Approach', *Democracy & Nature*, Vol. 6, No. 2 (July 2000), pp. 000–000.

66. George Monbiot, 'Still Bent on World Conquest', *The Guardian*, 16 December 1999.

(approved by the European heads of government in Helsinki at the end of 1999), which required new entrants to deregulate and privatise their economies and invest massively in infrastructure designed for long-distance freight, was mapped out by Percy Barnevik, head of the Swedish company Investor AB and chairman of an ERT working group.

Furthermore, the transnational economic elite in Europe, expressed by ERT, in co-ordination with the Transatlantic Economic Partnership (TEP), expressing the interests of the American economic elite, have been preparing, since 1995, a single market that would include a greatly enlarged and liberalised European market and a similarly enlarged and liberalised American (North and South) market. An important step in this direction is the FTAA process, which aims to extend the North American Free Trade Agreement (NAFTA) to the entire hemisphere. This process has already led to the Declaration of Quebec (April 2001) that envisages the creation of the world's largest free trade zone by 2005.

Finally, it seems that the GATS process (which aims to extend the General Agreement on Trade to Services—currently under discussion in the WTO) provides another opportunity for the transnational elite to institutionalise its role. Thus, according to a leaked confidential document from the WTO Secretariat, dated 19 March, a plan is under discussion to create an international agency with veto power over parliamentary and regulatory decisions (article VI.4 of GATS).<sup>67</sup> This plan envisages that final authority will rest with the GATS Disputes Panel to determine whether a law or regulation is, in the memo's language, 'more burdensome than necessary'.

It is therefore obvious that the transnational elite is already in the process of taking the necessary steps to institutionalise its transnational role. The immediate aim is to pull down the 'regulatory barriers' impeding the free exchange of goods and services, initially between Europe and America and then between this huge trading block and the rest of the world, which will be forced to accept the terms of trade of this block. The ultimate aim is the formation of a vast single deregulated market, controlled by multinational companies, in which social controls over markets to protect labour or the environment will be minimised.

In this problematique, although Boggs<sup>68</sup> is right in criticising the TCC's conception of a new capitalist class on the grounds that 'without a transnational state in control of its own military and police forces, it would be premature to speak of a transnational capitalist *class*, even if many of the vital constituent elements are already in place', one could argue that this criticism is much less relevant to the concept of the transnational elite adopted here. The conception of a transnational elite, being broader than that of a class, could easily accommodate the sort of tensions and divisions to which Boggs refers. In other words, the continuous existence of fierce divisions between and within political and economic elites does not preclude the existence of an overriding common aim, which unites the various elites constituting the transnational elite: to secure the

67. Gregory Palast, 'Necessity Test is Mother of GATS Intervention', *The Observer*, 15 April 2001.

68. Carl Boggs, 'Economic Globalisation and Political Atrophy', *Democracy & Nature*, Vol. 7, No. 2 (July 2001), (this issue).

uninterrupted flow of capital and commodities across frontiers and to eliminate any obstacles imposed to this flow by peripheral elites (e.g. 'rogue' states) on account of political, economic or military considerations.

So, although it is true that no formal arrangements have yet been set in place to institutionalise political globalisation, it could be argued that an informal form of political globalisation has already been initiated by the 'transnational elite', a globalisation which is implemented at present through international economic institutions (e.g. WTO) and political/military ones (e.g. NATO). The cases I mentioned above, as regards the former, and the two wars that were induced by the new transnational elite in the 1990s (i.e. the Gulf War<sup>69</sup> and the war in Kosovo)<sup>70</sup> as regards the latter, are obvious examples. Thus, it is illuminating that despite the clear divisions between the elites of the advanced market economies as regards these two wars, they eventually stood by the American elite, which plays the role of the political/military arm of the transnational elite, for the common good of the 'international community'—as they euphemistically call the transnational elite.

It seems therefore that the transnational elite, for various reasons, relies at present on this informal system of political globalisation. Such reasons include: the persistent importance of national identities, despite (or because) of the cultural homogenisation forced by globalisation; the need to keep the semblance of a well functioning representative 'democracy' in which local elites are supposedly still capable of effective decision-taking; the need to provide safety nets for the provision of minimal social services to the destitute, through local safety nets organised by the state; and last, but not least, the need to delegate to the nation-states a significant amount of the monopoly of violence so that they are capable of controlling the population, and in particular the movement of labour, in a way that would maximise the benefits (to the transnational elite) from the free flow of capital and commodities.

### *The ecofeminist approach to globalisation*

Another intermediate approach is ecofeminism, supporters of which, like Maria Mies and Veronica Bennholdt-Thomsen,<sup>71</sup> have lately developed an analytical framework to interpret globalisation. The starting point in the authors' analysis is a basically idealist explanation of the rise of the system of the market economy. Thus, the authors, in an obvious misreading of Polanyi, argue that his book *The Great Transformation*<sup>72</sup> 'describes how this ideology [the belief in inherent economic laws] took root, so that in the course of the nineteenth century the economy became independent of society'.<sup>73</sup> In fact, however, Polanyi was much less idealist than described by ecofeminists and social democrats today (although

69. See Takis Fotopoulos, *The Gulf War* (Athens: Exantas, 1991) [in Greek].

70. See Takis Fotopoulos, 'The War in the Balkans: The First War of the Internationalised Market Economy', *Democracy & Nature*, Vol. 5, No. 2 (July 1999), pp. 357–382.

71. See Maria Mies and Veronica Bennholdt-Thomsen, *The Subsistence Perspective, Beyond the Globalised Economy* (London: Zed Books, 1999).

72. Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 1944).

73. Mies and Bennholdt-Thomsen, *The Subsistence Perspective*, p. 113.

he himself was a social democrat). As Polanyi stresses, after pointing out that the basic characteristic of the Industrial Revolution was the establishment of a self-regulating market (the system of the market economy) out of the local markets, which existed for thousands of years before:<sup>74</sup>

The nature of this institution cannot be fully grasped unless the impact of the machine on a commercial society is realised. We do not intend to assert that the machine caused that which happened, but we insist that once elaborate machines and plant were used for production in a commercial society, the idea of a self-regulating market was bound to take shape.

It is therefore obvious that for Polanyi (as also for the ID approach) it is the interplay of changes in the objective conditions with corresponding paradigmatic changes that could explain the rise of the market economy, rather than primarily the former (as Marxists usually assume) or the latter (as idealists do). In particular, the rise of the market economy could be fruitfully explained by the interplay of the change in the objective conditions (brought about by the effects of the Industrial Revolution on the commercial society of the time) with the corresponding change in the dominant social paradigm<sup>75</sup> (i.e. the inevitable rise of the liberal ideology into a 'hegemonic' one) and not merely by the flourishing of liberal ideology, as Mies and Bennholdt-Thomsen assume. Similarly, the rise of the internationalised market economy today could be adequately explained by the interplay of the change in the objective conditions (brought about by the rise of TNCs and the emergence of information technology) with the corresponding change in the dominant social paradigm (i.e. the rise of the neoliberal ideology into a 'hegemonic' one) and not merely by the flourishing of neoliberal ideology, as the reformist Left, including ecofeminists, suppose.

If we accept this premise then we may see clearly the ecofeminist contradictions. Thus, Mies and Bennholdt-Thomsen emphasise, referring to Wallerstein,<sup>76</sup> that 'globalisation' is not a new phenomenon: 'right from its beginning the capitalist economy has been a world system based on colonialism and the marginalisation and exploitation of peripheral countries and agriculture'. Therefore, what the authors see as new is only the form of globalisation, distinguishing, in the process, between three forms of it: the colonial phase proper (from the sixteenth century on up to the Second World War), the phase of the so-called new international division of labour which started around 1972–1973 and the present phase, whose main features are 'the universalisation of the neoliberal dogma as the only possible economic theory and the elimination of all protectionist barriers to trade and investment, not only in the South but also in the East and the

74. Polanyi, *The Great Transformation*, p. 40.

75. The 'dominant social paradigm' is defined as the system of beliefs, ideas and the corresponding values, which are dominant (or tend to become dominant) in a particular society at a particular moment of its history, as most consistent with the existing political, economic and social institutions.

76. Mies and Bennholdt-Thomsen, *The Subsistence Perspective*, p. 28.

North'.<sup>77</sup> In fact, as if their aim was to dispel any doubts about the non-systemic nature of the ecofeminist approach to globalisation, they stress that:<sup>78</sup>

Although the globalisation of the economy is as old as capitalism, the modern use of this concept refers to the period that started around 1990. 'Globalisation' is part of neoliberal economic policy, which aims at abolishing protectionist rules, tariffs and regulations ... this policy has resulted in the integration of most national economies into one global market ... three phenomena made this rapid change possible: first, the long-term political strategy of those who wanted to replace post-1945 Keynesian economics by neoliberalism; second, the new communications technology; and third the breakdown of socialism in Eastern Europe.

The obvious implication from the above extracts is that for Wallersteinians and their followers in the ecofeminist camp the rise of the internationalised market economy could be adequately explained by reference to exogenous factors like the breakdown of socialism in Eastern Europe and similarly exogenous changes to economic policy introduced by evil neoliberal governments and reproduced by degraded social democratic ones. The ecofeminist way out of such an economy is a kind of utopian reformism that is based on the assumption that the present globalisation is reversible, even within the system of the market economy. We may distinguish two versions of this utopian reformism.

According to one version, expressed by ecofeminists like Vandana Shiva, what is needed is a drastic reform of the present institutions. Thus, as Shiva stressed in the aftermath of Seattle:<sup>79</sup>

[T]he failure of the World Trade Organisation (WTO) ministerial meeting in Seattle was a historic watershed in more ways than one. Crucially, it has demonstrated that globalisation is not an inevitable phenomenon which must be accepted at all costs but a political project which can be responded to politically. ... Changing the rules (set by WTO) is the most important democratic and human rights struggle of our times. It is a matter of survival. Citizens went to Seattle with the slogan 'No new round, turnaround'. They have been successful in blocking a new round. The next challenge is to turn the rules of globalisation and free trade around, and make trade subservient to higher values of the protection of the earth and people's livelihoods.

But, according to another version, proposed by Mies and Bennholdt-Thomsen, our problems will not be solved through more regulation and equality politics within the framework of the existing welfare state (or even the welfare state of the statist period). However, although this stand gives the impression that this approach rejects the existing institutional framework of the market economy and statist 'democracy', in fact, this is not the intention. The fundamental institutions

77. *Ibid.*, p. 35.

78. *Ibid.*, p. 27.

79. Vandana Shiva, 'This Round to the Citizens', *Guardian*, 8 December 1999.

in this society which secure the unequal distribution of economic and political power (the system of market economy and statist 'democracy') are not seen by this approach as the main causes of the present multi-dimensional crisis and, consequently, are not challenged by it. Instead, the authors suppose that these fundamental institutions could somehow be by-passed and a new system be created that would combine, in a highly utopian way, these institutions with subsistence economics and politics. It is therefore obvious that for ecofeminists there is no inherent contradiction between the dynamics of the market economy and subsistence economics.

In this vein, the authors propose<sup>80</sup> the reversal of the present state of affairs in which commodity production has priority over subsistence production,<sup>81</sup> and the market (money) economy is subsidised by subsistence production. Thus, when Polanyi spent dozens of pages to show the fundamental difference between the self-regulating market and the local markets existing before,<sup>82</sup> the authors, confusing the two types of markets, declare that the market economy and subsistence economics are not contradictory, since 'there have been and still are countless different kinds of exchange relationship, both outside the market altogether and in conjunction with the modern market economy'.<sup>83</sup> Presumably, the authors are unaware of the fact that many of the subsistence activities disappear all around the world today, with farmers becoming farm workers in agribusiness or abandoning their farms altogether unable to survive as subsistence farmers in the hostile environment of the internationalised market economy and women entering the production process *en masse* and often hiring the services of other women to do their work at home (bringing about, in the process, a corresponding increase in the GDP).

The conclusion derived from the ecofeminist analysis is that what we need today is to restore the link between the subsistence sector and the market economy, so that useful and necessary supplies are traded as use-values—something that presupposes, as they stress, that 'the market process itself should not be the object of a hunt for profits, especially not of the monopolistic kind'.<sup>84</sup> At this point, however, they feel obliged to dissent from Polanyi's conclusion (in fact his fundamental conclusion!) that the market economy implies the separation of society from the economy. Thus, with the stroke of a pen, the authors reject this fundamental characteristic of modern society and argue that the two can be re-united, provided the link between the market economy and subsistence is restored!

Within this problematique, it is not surprising that ecofeminists adopt the eco-village movement and other life-style strategies that, as I have attempted to

80. Mies and Bennholdt-Thomsen, *The Subsistence Perspective*, pp. 62–63.

81. Subsistence production is meant to include all those activities that Ariel Salleh, another ecofeminist, calls the reproduction activities of the 'meta-industrial class', i.e. women's unpaid work at home, subsistence farming, informal sector activities within urban contexts, hunter gathering and indigenous people's work; see Ariel Salleh, *Ecofeminism as Politics, Nature, Marx and the Postmodern* (London: Zed books, 1997).

82. Polanyi, *The Great Transformation*, chs 4–6.

83. Mies and Bennholdt-Thomsen, *The Subsistence Perspective*, p.111.

84. *Ibid.*, p. 115.

show elsewhere,<sup>85</sup> are not capable, by themselves, of opening the way towards an inclusive democracy. In fact, such activities not only cannot lead to the re-integration of Society and Nature but they also represent a kind of utopian reformism. The grow-or-die dynamics of the market economy, which is completely ignored by ecofeminists, would never allow the peaceful coexistence of subsistence and the market, as they imagine. This does not deny the fact that any kind of transitional strategy, apart from one relying exclusively on revolution, would have to start within the existing institutional framework. But, it is one thing to fight, within the existing institutional framework, for a transition to a completely different framework, through the building of a massive anti-systemic political movement like the one proposed by the ID project. It is quite another to attempt to reform the present system through the subsistence activities supported by the authors, i.e. life-style activities and easily marginalised communes in the North, or subsistence activities in the South (which are mainly the remnants of the premodern society that are gradually being phased out under the pressure of the internationalised market economy). The former strategy has the real potential to create an anti-systemic consciousness at a significant social scale and eventually unite society with polity and the economy and re-integrate the meta-industrial work within an inclusive democracy—an essential element of which is democracy at the household.<sup>86</sup> The latter strategy has neither the potential to change society in the way suggested by ecofeminists nor is it capable of creating an anti-systemic consciousness, as it does not challenge the main institutions of the present system.

### *An anarcho-syndicalist approach to globalisation*

Another ‘intermediate’ approach to globalisation is a recently developed anarcho-syndicalist approach,<sup>87</sup> which draws some confused conclusions out of a curious mix of systemic and non-systemic arguments, mainly drawn from sophisticated (non ‘objectivist’) Marxist economic analyses. This approach, after failing to distinguish between the past and the present internationalisation of the market economy, sees globalisation as a ‘new strategy’ by capital to overcome the effects of the crisis (in terms of the fall in profits) caused by the resurgence of European and American class struggle in the late 1960s and the 1970s. Thus, the present multi-dimensional crisis is seen, within an outdated problematic of class divisions,<sup>88</sup> as mainly an

85. See Takis Fotopoulos, ‘The Limitations of Life-style Strategies: The Ecovillage “Movement” is NOT the Way Towards a New Democratic Society’, *Democracy & Nature*, Vol. 6, No. 2 (July 2000), pp. 287–308.

86. See Fotopoulos, *Towards An Inclusive Democracy*, pp. 212–213.

87. This approach was developed in an article by an anonymous writer that was published in the British eco-anarchist magazine *Do or Die, Voices of Ecological Resistance*, No. 8 (1999), under the title ‘Globalisation: Origins—History—Analysis—Resistance’. Although usually classified in websites as a ‘libertarian communist article’ I think its approach is closer to anarcho-syndicalism.

88. See, for the multi-dimensional character of the present crisis, Fotopoulos, *Towards an Inclusive Democracy*, ch. 4 and ‘The Myth of Postmodernity’, and for a new theory of class divisions Fotopoulos, ‘Class Divisions Today’.

economic crisis. The inevitable outcome of such analysis is the conclusion, which is also drawn by the reformist Left, that globalisation is perfectly reversible even within the present system of the market economy and statist 'democracy'. As the author puts it:

Globalisation is not an unstoppable objective process but a strategy which could in principle be halted. ... After the next stock market crash, it is entirely possible that opportunist politicians will start coming out against globalisation and de-regulated markets, with the effect of co-opting and neutralising those radical movements which also situate themselves against it. ... The only option now left available to us is the complete abolition of capitalist social relations.

However, although as the last statement in this extract indicates, this approach is clearly anti-systemic, its deeply flawed analysis of globalisation leads to reformist conclusions about it. Thus, according to this approach, an intensification of the 'class struggle' might sufficiently worsen the present economic crisis (if it does not cause a full blown stock exchange crisis) so that the elites will have to come out against neoliberalism and globalisation, presumably, in order to return to some form of statism. The similarity of this conclusion with the conclusions derived by the reformist Left is striking. The difference is that reformist Leftists are at least consistent enough not to talk anymore about 'the complete abolition of capitalist social relations'!

Furthermore, it is obvious that supporters of this approach do not realise that their declared anti-systemic intentions are not in consistency with the crucial aim to create a mass anti-systemic consciousness. As it is well known, the vast majority of participants in the anti-globalisation movement were induced to take part in it in the first place because they saw the catastrophic effects of neoliberal globalisation. The question then arises how many of these participants would develop an anti-systemic consciousness if they believed that, even within the existing system, globalisation and neoliberalism were stoppable and, further, how many would continue raising anti-systemic demands when at some stage neoliberal globalisation was indeed stopped? Would it not be much easier (and safer), for most participants, apart from a hard core of anti-systemic activists, to join the reformist Left?

### *The Inclusive Democracy approach*

In the ID problematique, a useful way to see the systemic nature of today's internationalisation of the market economy is to go back to the 19th century, when the first attempt for an internationalised market economy was made. As I attempted to show elsewhere,<sup>89</sup> the establishment of modern society involved the institutionalisation of the separation of society from the economy (market economy system) and the parallel institutionalisation of the separation of society from polity (representative 'democracy'). Once the market economy system was established, a long social struggle began that raged for over a 150 years, from the

89. See Fotopoulos, 'The Myth of Postmodernity'.

Industrial Revolution up to the last quarter of the 20th century, between those controlling the market economy, i.e. the capitalist elite controlling production and distribution, and the rest of society. Those controlling the market economy (with the support of other social groups which were benefiting by the institutional framework) aimed at marketising labour and land as much as possible, that is, at minimising all social controls aiming at protecting labour and land, so that their free flow, at a minimal cost, could be secured. On the other hand, those at the other end, and particularly the working class that was growing during this period, aimed at maximising social controls on labour that is, at maximising society's self-protection against the perils of the market economy, especially unemployment and poverty.

However, although 'subjective' factors, in the sense of the above social struggle, have always played a crucial role in determining the nature and main characteristics of modernity at each historical period, I think it would be wrong to undervalue the conditioning influence of 'objective' factors, as Castoriadis, a prominent thinker in the democratic tradition, does when he over-emphasises the imaginary element in history at the expense of the corresponding 'systemic' elements. 'Objective' factors were at work during the entire history of the market economy system, although not in the rigid sense assumed by the Marxist 'science' of the economy ('laws/tendencies' of the falling profit rate, 'phases of accumulation' and the like), but rather in the general sense of the 'grow-or-die' dynamic of the market economy, which led to its internationalisation. Such objective factors could explain the motives and actions of the economic elites, although the eventual economic and social outcome of the ensuing social struggle had always been both indeterminate and unpredictable.

Thus, the outcome of this social struggle led first to the liberal form of modernity<sup>90</sup> in the 19th century, which barely lasted half a century between the 1830s and the 1880s, and which, after a relatively brief intermission in the form of statist modernity in the 20th century, was succeeded in the mid 1970s by today's neoliberal form of it. During the liberal form of modernity, the grow-or-die dynamic of the market economy led to an increasing internationalisation of the market economy, which was accompanied by the first systematic attempt of the economic elites to establish a purely liberal internationalised market economy in the sense of free trade, a 'flexible' labour market and a fixed exchange rates system (Gold Standard). However, this first attempt failed and liberal modernity collapsed, as it did not meet the necessary condition for a self-regulating market economy, namely, open and flexible markets for commodities and capital. Obviously, such markets were not feasible in a period in which big colonial powers like England and France were still exercising almost monopolistic control over significant parts of the globe at the expense of rising non-colonial powers (like the USA) or smaller colonial powers (like Germany).<sup>91</sup> Therefore, the failure of this first attempt for internationalisation was inevitable given that the economic elites at that time were purely national, unlike the present situation in which a

90. See Fotopoulos, *Towards An Inclusive Democracy*, pp. 14–21.

91. *Ibid.*, pp. 17–21.

transnational economic elite has emerged—a necessary condition for the development of a truly internationalised market economy.

So, after a transitional period of protectionism, the liberal form of modernity was succeeded, with the decisive help of the socialist movement, by a new form of modernity, statism, which took the form of social democracy in the West and Soviet statism in the East. The statist form of modernity was characterised by a systematic attempt to eliminate the market-based allocation of resources in the East, and a parallel attempt to introduce significant controls over markets to protect labour in the West. But, for reasons that I expanded elsewhere,<sup>92</sup> both forms of statist modernity collapsed.

Thus, the Eastern form of statist modernity collapsed because of the growing incompatibility between, on the one hand, the requirements of an ‘efficient’ growth economy and, on the other, the institutional arrangements (particularly centralised planning and party democracy) which had been introduced to these societies, in accordance with Marxist–Leninist ideology.<sup>93</sup>

Similarly, the Western form of statist modernity collapsed because of the fundamental incompatibility between the requirements of a growing statism and the parallel accelerating internationalisation of the market economy.<sup>94</sup> Important changes in the objective conditions, and their effects in changing the parameters of the social struggle, brought about the collapse of the statist form of modernity in the West. Such changes, as I mentioned above, were the growing openness of the commodity and capital markets and the corresponding change in business requirements, which led to the rise of the neoliberal movement and the parallel decimation of the working class, as a result of de-industrialisation and technological changes, which led to a major retreat of the labour movement.

So, according to the ID approach, the internationalisation of the market economy is a process, which was set in motion with the very emergence of the market economy itself. Therefore, although it is true that throughout the post-war period the internationalisation of the market economy was actively encouraged by the advanced capitalist countries, in view—in particular—of the expansion of ‘actually existing socialism’ and of the national liberation movements in the Third World, still, this internationalisation was, as we have seen above, the outcome mainly of ‘objective’ factors related to the dynamics of the market economy. The ‘subjective’ factors, in the form of the social struggle, played a passive role with respect to this intensifying internationalisation of the market economy; particularly so after the above mentioned major retreat of the labour movement. In this sense, the changes in the policies of the major international institutions (IMF, WTO, World Bank, etc.) and the corresponding changes in national policies, which aimed at opening and liberalising markets, were ‘endogenous’, reflecting and institutionalising existing trends of the market economy, rather than exogenous, as those in the reformist Left suggest.

92. *Ibid.*, pp. 28–33.

93. *Ibid.*, pp. 73–85 and 100–104. See also, Takis Fotopoulos, ‘The Catastrophe of Marketization’, *Democracy & Nature*, Vol. 5, No. 2 (July 1999), pp. 275–310.

94. See Fotopoulos, *Towards An Inclusive Democracy*, pp. 28–32 and 85–100.

It is therefore clear that although, as I tried to show in *Towards An Inclusive Democracy*,<sup>95</sup> it is true that the creation of a self-regulating market system in the 19th century was impossible without crucial state support in creating national markets, still, once this system was set up, it created its own irreversible dynamic which led to today's internationalised market economy. In this sense, although the ID approach to globalisation is influenced by Polanyi's work, still, it differs significantly from it (particularly as regards its social democratic conclusions about social democracy being capable of stopping the marketisation of the economy), and also from similar social democratic approaches today, like for instance the one developed by John Gray,<sup>96</sup> who, also drawing on Polanyi's work, sees the opening of markets as simply the effect of the presently dominant neoliberal ideology and of corresponding changes in economic policies.

Therefore, in the ID problematique, the emergence of the neoliberal internationalised market economy is basically the outcome of this dynamic process and not the result of conspiracies, or of the policies of evil neoliberal parties and/or degraded social democratic parties, as reformists in the Left assert. It represents, in fact, the completion of the marketisation process, which was merely interrupted by the rise of statism in the 1930s and its subsequent fall in the 1970s, when it became obvious that the kind of state intervention in the market that marked the statist period of marketisation was no longer compatible with the new internationalisation that emerged at the same time. This monumental event, at the political level, implied the end of the social democratic consensus which marked the early post war period, i.e. the consensus involving both conservative and social democratic parties which were committed to active state intervention with the aim of determining the overall level of economic activity, so that a number of social democratic objectives could be achieved (full employment, welfare state, better distribution of income, etc). The statist phase was succeeded by the present neoliberal phase and the emergence of the neoliberal consensus, i.e. the consensus involving both centre-Left and centre-Right governments that are committed to follow the type of policies we have seen in the first section.

The main aim of the transnational economic elite, which emerged in the post-war period and today controls the internationalised market economy is, and has always been, the maximisation of the role of the market and the minimisation of any effective social controls over it for the protection of labour or the environment, so that maximum 'efficiency' (defined in narrow techno-economic terms) and profitability may be secured. Of course, this does not mean the abolition of all kind of social controls over markets since some of them, like the regulatory controls, are needed for the efficient functioning of the markets, while others (including a minimal level of social protection and welfare provided by the various safety nets for the destitute) are needed to secure the reproduction of the labour force with no risk of a resurgence of the social struggle.

Furthermore, the transnational economic elite, realising the significance of the ecological crisis but at the same time not wishing to antagonise those parts of it

95. *Ibid.*, ch. 1.

96. Gray, *False Dawn*.

which thrive in eco-destructive activities (e.g. the oil industry) attempts to find a compromise in terms of a strategy for a 'sustainable development', like the one promoted by Green politicians and organisations (Greenpeace, Friends of the Earth, etc.), which are directly or indirectly sponsored by TNCs.<sup>97</sup> All this, despite the obvious fact that a 'sustainable development' within the existing system of the internationalised market economy is a contradiction in terms.<sup>98</sup> The case of Bush's administration withdrawal from the Kyoto treaty (induced by the oil industries which sponsored his election to Presidency)<sup>99</sup> is an obvious example. It seems that despite the moderate and, in fact, utterly insufficient targets of the Kyoto treaty, the balance in it favours certain members of the transnational elite (which express the interests of the insurance, tourist and agricultural industries that, for obvious reasons, are particularly concerned about the effects of the greenhouse effect) at the expense of the oil industry members. It was this imbalance that prompted the Bush administration to attempt to restore the balance, despite the obvious adverse effects on world environment.

Therefore, the present neoliberal form of modernity represents in fact a new synthesis between, on the one hand, the old liberal form of it and, on the other, the statist form—a synthesis in which the essentially liberal self-regulated market is integrated into a system of statist controls to secure a minimum level of protection for human life and the environment. The role of the state with respect to the market today is therefore very different from both that of the liberal phase, when it restricted itself mainly to the role of the night watchman, as well as that of the statist phase, when it played the role of the guardian angel of society over the markets. In the new synthesis, the state has to secure the stability of the market environment, the enhancement of the 'supply side' of the economy (so that competitiveness and 'efficiency'—i.e. profits—improve) and the survival and control of the marginalised part of the population. All this involves an obvious loss of economic sovereignty that is also reflected in the creation of huge economic blocks, within the context of which the economic role of the individual nation-state is being progressively downgraded in favour of supra-national institutions.

This applies, in particular, with respect to the EU, where the relevant process has already begun. Thus, the complete liberalisation of the commodities markets within the EU block, combined with the liberalisation of labour and money markets, creates a vast economic area where a fixed exchange rates system, similar to the Gold Standard system of the earlier internationalisation, will start functioning next year. If we substitute the Euro for gold, Europe will soon be operating under a contemporary Gold Standard system which will have a much better chance than the earlier system, given that the basic factor that led to the collapse of the Gold Standard system has been eliminated, that is, the various restrictions on the markets for goods, labour and capital that represented not only

97. Sklair, *The Transnational Capitalist Class*, p. 207.

98. See, for instance, Serge Latouche, 'The Paradox of Ecological Economics and Sustainable Development', *Democracy & Nature*, Vol. 5, No. 3 (November 1999), pp. 501–510.

99. See, e.g. Ed Vulliamy, 'The President who Bought Power and Sold the World', *The Observer*, 1 April 2001.

the interest of the national economic elites but also society's self-protection mechanisms against its marketisation. Therefore, the neoliberal elimination of many of these restrictions creates a historic opportunity for the marketisation process to be completed and for the present neoliberal form of internationalisation to be more successful than the earlier liberal attempt.

Finally, the breakdown of 'actually existing socialism' in the East<sup>100</sup> and the collapse of social democracy in the West<sup>101</sup> have created the political conditions for the completion of the marketisation process. So, the fact that neoliberal policies are supported today, with minor variations, by both centre-right and centre-left parties, in government or in opposition, and that the basic elements of neoliberalism have been incorporated into the strategies of the international institutions, through which the transnational elite controls the world economy (IMF, World Bank, WTO, EU, NAFTA, etc.), makes it plainly evident that the new consensus accurately reflects the radical structural changes brought about by the emergence of the internationalised market economy.

Therefore, the crucial issue today is not whether the present neoliberal internationalised economy is more open and integrated than the old liberal one but whether it has better chances of success in creating a self-regulating internationalised market economy than the first unsuccessful attempt at the end of the 19th–beginning of 20th century. In my opinion, the chances are much better today for the new attempt to create a self-regulating internationalised market economy to be successful. This is for several reasons having to do with the basic fact that the four major institutions on which, according to Polanyi, a social system based on a self-regulating market relies, have, for the first time in history, been established. These institutions are:

- A self-regulating market ('market economy')—an institution which today is more advanced than ever before in history, as a result of the present degree of freedom that capital and commodity markets enjoy, the retreat of statism everywhere and the universal enhancement of flexible markets for commodities, labour and capital;
- The liberal state (representative 'democracy')—an institution which is intrinsically connected to a self-regulated market and which today is universal;
- The balance-of-power system, which today, after the collapse of 'existing socialism' and the internationalisation of the market economy, has taken the form of a New World Order, which is the necessary complement of the New Economic Order that the internationalised market economy represents;
- The new international monetary system, which has been established with the launching of Euro at the beginning of the new millennium, and parallel moves in North and South America to create a pan-American dollar. One could reasonably expect that such moves are bound to get momentum and lead to fixed parities between the three major currencies (US dollar, Euro, yen) and eventually to a new world currency and a new planetary international monetary

100. Fotopoulos, 'The Catastrophe of Marketisation'.

101. Takis Fotopoulos, 'Welfare State or Economic Democracy?', *Democracy & Nature*, Vol. 5, No. 3 (November 1999), pp. 433–468.

system that would secure a stable financial environment for the interlinked economic space, which is being created by globalisation.

### **3. The main trends in the anti-globalisation ‘movement’ and its contradictions**

To start with, one has to emphasise that the very fact that part of today’s youth returned to politics, despite the general apathy created by consumerism, postmodernism, the massive explosion of drugs abuse and the flourishing irrationalism of various forms, is a significant development indeed. However, this should not lead to the usual uncritical glorification of the anti-globalisation ‘movement’ or to illusions about its potential. In this section, I will attempt to examine some crucial questions about the nature and the potential of this ‘movement’ that, hopefully, will help in a critical assessment of it.

#### *The nature of the anti-globalisation ‘movement’*

As is well known, the anti-globalisation movement consists of heterogeneous elements with a huge diversity of goals ranging from reformist demands proposed by NGOs, mainstream Greens, trade unions and others up to revolutionary demands of a systemic nature supported mainly by anarchists, eco-anarchists and the like. This heterogeneous nature of the movement has a number of very serious implications.

First, one may raise serious reservations as to whether the term ‘movement’ itself is appropriate in order to describe the forms of direct action which have marked the anti-globalisation activity in the last couple of years in London, Seattle, Prague, Quebec and so on. Second, similar reservations could be raised against the supposed ‘anti-systemic’ nature of this movement.

Starting with the reservations about the ‘movement’ character of the anti-globalisation currents, the heterogeneous nature of the various groups participating in these actions makes it doubtful -to say the least- whether those participating in these activities may be considered as constituting a kind of ‘movement’. A movement presupposes a common analysis of the present situation or, at least, common goals and means to achieve the shared goals. But, the activists involved in these activities not only differ significantly with respect to the means used, which range from violent direct action to passive resistance and peaceful demonstrations, but they also differ on the goals themselves, let alone the analysis of the present situation. The organisers of the anti-FTAA meeting in Quebec (April 2001) summarised correctly the character of the anti-globalisation ‘movement’:

We believe it is possible to radically and creatively oppose imperialism and the capitalist system while at the same time maintaining the spirit of openness that is necessary to develop a diverse and pluralistic resistance movement.<sup>102</sup>

102. ‘Mobilizing Against the FTAA’ in <http://www.a20.org>.

It is therefore obvious that in the name of plurality and for the sake of uniting in protest as many people as possible, the anti-globalisation ‘movement’ has taken the form of the old Left’s popular fronts, which proved so ineffective in history to bring about any radical change.

As regards the analysis used by the activists involved in the anti-globalisation movement, we may-broadly-distinguish between the following trends: some of the activists involved (at present a minority) blame the socio-economic system itself for leading to the present form of globalisation and the institutionalisation of political and economic structures that secure the concentration of political and economic power at the hands of various elites; others just blame the ideology of the system and in particular the ideology of consumerism and economic growth—as if ideology was something independent of the structures institutionalised by the socio-economic system and could be the exclusive target of a radical movement to change it; still others, in fact the vast majority, criticise the symptoms of the workings of the socio-economic system (concentration of political and economic power, corporatisation, effects on labour and the environment and so on) rather than the system itself and usually adopt most of the demands of the reformist Left.

Finally, concerning the goals of the activists involved in the anti-globalisation movement, they obviously follow the type of analysis used to interpret globalisation. Thus, some currents declare that their aim is to overthrow the present system of concentration of power, although none of them proposes any alternative form of socio-economic organisation restricting themselves instead to the listing of some abstract generalities or alternative values; others aim at just persuading people about the evils of globalisation and consumerism in the hope that enough pressure from below will persuade, or force, the elites (because of the social cost involved in suppressing discontent), to take appropriate action in order to protect labour and the environment; still others believe in the revolutionary ‘undoing’ of present societies by destructively reconstituting pieces and parts of existing institutions, technologies and values.<sup>103</sup>

The above diversity of goals and viewpoints makes it therefore clear that one could not seriously talk about a ‘movement’ to describe the activities of the participants in the direct action events against globalisation.

As regards the reservations about the anti-systemic nature of the anti-globalisation ‘movement’, it is clear that the vast majority of the participants adopt reformist demands, as it became abundantly clear by the 2001 World Social Forum in Porto Alegre which was adopted by the entire ‘reformist’ Left (as defined above): from Noam Chomsky,<sup>104</sup> NGOs and trade unionists up to various

103. Timothy W. Luke, ‘Globalization, Popular Resistance and Postmodernity’, *Democracy & Nature*, Vol. 7, No. 2 (June 2001), (this issue).

104. As N. Chomsky stresses: ‘The World Social Forum offers opportunities of unparalleled importance to bring together popular forces from many and varied constituencies from the richer and poor countries alike, to develop constructive alternatives that will defend the overwhelming majority of the world’s population from the attack on fundamental human rights, and to move on to break down illegitimate power concentrations and extend the domains of justice and freedom. (Text especially written for the Forum launching in Porto Alegre and reproduced on the newspaper *Folha de S. Paulo*, 10 September 2000.)

parliamentarians and *Le Monde Diplomatique*! The reformist nature of the WSF was aptly summed up by Eric Toussaint,<sup>105</sup> president of the Committee for the cancellation of Third World debt and participant of the WSF in Porto Alegre, who summarised as follows the points of convergence among participants:

- The necessity of a democratic and internationalist alternative to neoliberal capitalist globalisation;
- The necessity of realising equality between women and men;
- The necessity of deepening the crisis of legitimacy of the World Bank, the IMF, the WTO, the Davos Forum, the G7 and the big multinationals;
- Support for the cancellation of the Third World Debt and the abandonment of structural adjustment policies;
- Support ending the deregulation of trade, opposition to certain uses of genetically modified organisms and rejection of the current definition of intellectual property rights in relation to trade ('TRIPS');
- Opposition to privatisations;
- Opposition to militarist policies (for example, Plan Colombia);
- Support for the right of peoples to an endogenous development;
- Financing on the basis of the taxation of capital through a Tobin type tax;
- Support for the rights of indigenous peoples;
- The necessity of agrarian reform and a generalised reduction of working hours; the necessity of a common North/South and East/West struggle;
- The promotion of democratic experiences like the participatory budget practiced at Porto Alegre.

At the same time, as if his intention was to dissolve any doubts about the reformist nature of the WSF, he described as follows the points of divergence among the various movements and intellectuals who took part in WSF:

Some big questions remain the subject of debate: is it necessary to 'abolish' the World Bank, the IMF and the WTO or can they be reformed? Should we fight in the countries of the periphery for the suspension of the payment of the debt or rely on negotiations without recourse to this measure?

The *Porto Alegre Call for Mobilisation*,<sup>106</sup> which was signed by some 200 organisations, makes even more clear the reformist character of the anti-globalisers who supported the WSF gathering. This declaration, starting with a supposedly radical call for 'a great alliance to create a new society, different from the dominant logic wherein the free-market and money are considered the only measure of worth' proceeds to define the 'new society' in a way which makes clear that the main institutions of concentration of power today, i.e. the system of the market economy and representative 'democracy', are taken for granted. As the text makes abundantly clear, the target is not the market economy itself but its 'neoliberal globalisation', and not representative 'democracy' itself but its undermining by globalisation, militarism and so on. The fact that behind such

105. Eric Toussaint, *Another World is Possible* (WSF: Porto Alegre, 2001).

106. *Porto Alegre Call for Mobilisation* (Brazil: 19 February 2001).

conclusions lies the reformist Left's analysis is obvious: globalisation does not represent the outcome of endogenous changes in economic policies reflecting the grow-or-die dynamics of the system of the market economy but simply the outcome of exogenous changes in economic policies which are reversible, simply by putting enough 'pressure from below' on the elites. No wonder that this sort of analysis ends up with a list of purely reformist demands, which are spelled out in detail by the 'Call for Mobilisation': Tobin tax; fair trade; no interference by IMF, WB, WTO and NATO in national policy; agrarian reform and so on. Not surprisingly, the WSF meeting at Porto Allegre and the simultaneous meeting of the economic and political elites at Davos were seen by some libertarian anti-systemic groups, like the Association Internationale des Travailleurs (AÉÔ),<sup>107</sup> as representing 'two faces of the same capitalism'.

### *The potential of the anti-globalisation 'movement'*

What is the potential of the anti-globalisation 'movement' to bring about a systemic change, as some participants demand, or at least a radical social change to drastically alter the character of the present globalisation, as the majority calls for? To answer this question it is obvious that, given the heterogeneous nature of the anti-globalisation 'movement', we have to refer to the main trends within it. We may classify these trends as follows:

- The 'direct democracy/direct action' trend, which is usually adopted by libertarian groups (Peoples' Global Action, Reclaim the Streets, Ya Basta! and others) that were mainly responsible for the anti-globalisation events in London, Seattle, Prague and elsewhere. This is the only trend within the anti-globalisation 'movement' which clearly supports anti-systemic demands, although some currents within it adopt also reformist demands bringing them close to the next trend.
- The 'reformism-as-a-strategy' trend, which is supported mainly by the statist Left (Marxist-Leninists, Trotskyites—like the British Socialist Workers Party and its Greek branch—some Third World activists and the like) who adopt reformist demands, not necessarily in the belief of a gradual transformation of society, but as a strategy to bring about a systemic change.
- The postmodernist trend, which has been adopted by some activists, particularly feminists, Greens and others belonging to what used to be called 'new social movements'. Supporters of this trend adopt a post-modern attitude that rejects any idea of a 'universal' political project and collective 'interests' and 'needs'—a thesis that inevitably ends up with a reformist strategy of alliances and coalitions between and amongst heterogeneous groups.<sup>108</sup>

107. See statement of the Association Internationale des Travailleurs (AIT) adopted also by various anarcho-syndicalist groups in Brazil and Spain (published in the Greek daily *Eleftherotypia*, 4 February 2001).

108. See, for instance, Simon Tormey, 'Post-Marxism, Democracy and the Future of Radical Politics', *Democracy & Nature*, Vol. 7, No. 1 (March 2001), pp. 119–134.

- The social democratic trend, which today is mainly supported by trade unionists, NGOs and ex-Marxists who have moved to social democracy, after the move of social democrats to social-liberalism. Supporters of this trend adopt the reformist Left's analysis of globalisation and, inevitably, end up with reformist demands. The strategy behind such demands is the old social democratic strategy of pressing for reformist demands, in the hope of gradually reforming society through building political alliances around such demands.

As it is obvious from the above description of the main trends within the anti-globalisation 'movement', the reformist trends are clearly dominant and give it the present overall picture of a reformist movement. But, let us see in more detail each of these trends.

### *The 'direct democracy/direct action' trend*

The picture emerging from an examination of the anti-systemic currents within this trend is a pretty confused one, with some of these currents consistently promoting lately anti-systemic demands (e.g. Reclaim the Streets) whereas others, mixing anti-systemic with reformist demands, do not have any qualms even to adopt the Porto Alegre reformist programme (e.g. Ya Basta!).<sup>109</sup> This confusion is reflected in the manifesto of Peoples' Global Action (PGA), an 'umbrella-organisation' which was formed in 1998 with the aim of building a global coalition of grassroots movements from the bottom against what they perceived as a global alliance at the top. This manifesto,<sup>110</sup> involves an odd mix of reformist and anti-systemic demands. Thus, after describing globalisation as a kind of capital's plot 'to assert its power and neutralise peoples' resistance', it goes on to embrace the fragmentary local strategies being developed all over the world at the moment:

Our struggles aim at taking back control of the means of production from the hands of both transnational and national capital, in order to create free, sustainable and community-controlled livelihoods, based on solidarity and peoples' needs and not on exploitation and greed. ... These tools for co-ordination and empowerment provide spaces for putting into practice a diversity of local, small-scale strategies developed by peoples all over the world in the last decades, with the aim of delinking their communities, neighbourhoods or small collectives from

109. Ya Basta's confusion is particularly revealing. A leading activist of this organisation in a recent interview to a Greek newspaper of the statist Left was stressing: 'There is a blurred conception that the anti-globalisation movement is only anti-capitalist and nothing more. We maintain that we can create a new world from day to day, from city to city and from country to country' (Prin, 8 April 2001). Obviously, for Ya Basta!, in order to change the world it is enough to take part in demonstrations in the framework of a 'revolutionary tourism' and create 'alternative institutions' in our neighbourhood, without any concrete vision about the form of a future society, without any long-term strategy and without a short term program as parts of a clear anti-systemic political programme that rules out reformist strategies like those of the WSF!

110. *Peoples' Global Action Manifesto* (Geneva: February–March 1998).

the global market. Direct links between producers and consumers in both rural and urban areas, local currencies, interest-free credit schemes and similar instruments are the building blocks for the creation of local, sustainable, and self-reliant economies based on co-operation and solidarity rather than competition and profit.

However, the local strategies adopted by the manifesto, far from succeeding in delinking communities from the global market, usually end up as tools of reformism. This is, of course, not surprising given that these strategies are not part of a comprehensive political programme for systemic change. No wonder therefore that some of these strategies (e.g. LETS schemes, credit unions, etc.) are even supported by social-liberal governments, like Tony Blair's government in Britain, with the obvious aim to assist the state in its effort to reduce the provision of welfare services and relieve correspondingly its welfare budget.

The attempt of 'fusion of all these particular local struggles', which still is considered a big issue by PGA activists today,<sup>111</sup> represents an obvious effort to get rid of the present 'stratospheric' character of the anti-globalisation 'movement' (some call it 'revolutionary tourism'), which was the inevitable result of the type of activity in which the participants have been mainly involved, to date. As it is well known, the main activity of this 'movement' up to now has involved demonstrations and other direct action 'events' during the conferences of the major international institutions (IMF, WB, ITO, Group of 7, etc.) attended by thousands of travelling activists and usually watched indifferently by the apathetic, if not hostile, 'locals'. The immediate aim of this activity was to disrupt, as much as possible, the proceedings of these meetings and promote, through the ensuing mass media attention, the anti-globalisation cause. The ultimate end depends on how each particular trend sees its goals, as we have seen above. However, apart from the fact that the elites have already started responding effectively to such tactics, with the aim to reduce the risk of disruption, as well as mass media coverage, the fact is that these activities have never created (nor were they capable of doing so) any significant ties between the activists involved and the communities of the host places, let alone their own local communities.

PGA activists are, of course, well aware of this major defect of their tactics, which tends to create a new division between an avant-garde of activists and the local communities, and stress the need for the creation of strong ties between this kind of 'stratospheric' activism and the local struggles, in full knowledge that they are the real, grassroots forces that could really change the course of history. They point out however to the difficulties they face, particularly in the North, where the organisations that are acting locally are not necessarily thinking globally while their leadership is usually reformist. But, the way out of this cul-de-sac that they propose, i.e. the organisation of Global Days of Action (GDA), targeting local aspects of WTO policy all over the world, is bound to fail. Such activity would simply reinforce the kind of ideological 'soup' that characterises the present political platform of the anti-globalisation 'movement' and would

111. See e.g. PGA, 'Introduction to the PGA Milano Meeting and Program' (March 2001).

further enhance the reformist trends within it, given that most of these local struggles, and not only in the North, are of a reformist nature.

It is obvious that for the anti-systemic trends within the anti-globalisation movement to be enhanced and to really get rid of their stratospheric character (which already leads to a dwindling of the numbers of activists involved),<sup>112</sup> a truly anti-systemic mass political movement against the market economy and representative 'democracy' has to be created. Such a movement would clearly distinguish itself from the various reformist Left trends, which can only offer utopian demands that can neither be met within the existing institutional framework, nor could they lead to the creation of an anti-systemic consciousness.

Coming now to the 'direct democracy/direct action' currents that promote reformist demands, supporters of these currents argue in favour of raising reformist demands, particularly of the 'non-winnable' type, with the aim of raising the social cost to the elites and, in the process, the level of consciousness of the movement's participants and all citizens in general. It is for the same reason that supporters of this trend, like the supporters of the statist Left we shall consider next, do not have any qualms in making alliances with reformist trends within the anti-globalisation movement. Thus, as Michael Albert<sup>113</sup> puts it:

To win reforms of any scale, especially non-reformist reforms that leave us in good position to win still more gains, we must apply extreme pressure to people in power who are able to grant our demands. We must raise social costs to those elites to the point where they decide that giving in is their best course of action. This will be needed to change trade arrangements or to eliminate the IMF, just as it is needed for winning wage gains or new laws reducing sexism, or whatever else. Elites don't respond to reason or to morality. They respond to movements that will do more damage to their interests if elites don't give in than if they do.

The same author then goes on to lament the lack of a clear long-term vision (presumably of the 'participatory economics'<sup>114</sup> type that he promotes) and of a strategy. However, the type of participatory planning he suggests (which is a variation of socialist planning and has little-if anything—to do with a real economic democracy)<sup>115</sup> can only be implemented after a revolution at a national scale has been successful. At the same time, the strategy he envisages involves a struggle around reformist demands. But, a struggle around a programme of reformist demands can never create a revolutionary anti-systemic consciousness

112. M. Albert, 'The Movements against Neoliberal Globalisation from Seattle to Porto Alegre', speech delivered electronically in lieu of attending a 9 March 2001, Athens Conference organised by Synaspismos, a party of the Greek reformist Left.

113. *Ibid.* Michael Albert is the editor of Z magazine and responsible for the z-net website—both expressing mainly the views of Noam Chomsky and his sympathisers.

114. See, for instance, M. Albert and Robin Hahnel, *Looking Forward, Participatory Economics for the Twenty First Century* (Boston: South End Press, 1991).

115. See for a critique of 'participatory economics', Fotopoulos, *Towards An Inclusive Democracy*, pp. 253–254.

and never has done so in history, as we shall see in connection with the next trend that is very close to these currents.

*The 'reformism-as-a-strategy' trend*

This trend represents the old Marxist strategy of pressing for reformist demands in the expectation that the elites will be unable to meet them, so that the ensuing crisis would set in motion a dynamics that will lead to the radicalisation of consciousness and, possibly, to a 'revolutionary situation'. Theoretically, therefore, this is an anti-systemic approach, although in practice it ends up as a reformist trend—something that it is indicated, also, by the fact that supporters of this trend deliberately pursue a strategy of alliances with supporters of the pure reformist trends (trade unionists, NGOs, environmentalists etc). Obviously, such 'unholy alliances' have become feasible because supporters of this trend do not propose any anti-systemic political project but restrict themselves to purely reformist demands. No wonder that Alex Callinicos, the theoretical guru of the British Socialist Workers Party, sees in Pierre Bourdieu the intellectual who represents the emerging international Left, and proposes 'an international economic regulation which would control capitalism ... a reform of capitalist globalisation'<sup>116</sup>

However, the potential of this strategy to radicalise consciousness and bring about a liberatory society has already been shown in History when similar strategies had led to either a reformist mentality and reforms which were easily reversible, or to totalitarian regimes. The former was the case in West Europe, (where the bulk of the labour movement developed a reformist mentality whereas the old social democratic parties were converted into today's social-liberal parties, which preside over the building of the neoliberal form of modernity),<sup>117</sup> and the latter was the case in East Europe.<sup>118</sup>

This is the inevitable outcome of the fact that a strategy based on reformist demands is, by its nature, incapable of creating a massive anti-systemic consciousness, let alone a really democratic one that can only be created within a long process of 'democracy in action', which would eventually lead to an inclusive democracy (see Section 4). It is for the same reason that, even when this strategy was successful in leading to a revolutionary situation, again, it never led to the emergence of a massive anti-systemic consciousness but it simply made the division between the *avant garde* and the 'masses' permanent. The fact that statist of all persuasions, particularly Marxist–Leninists and Trotskyites, prefer this strategy is not of course surprising in view of their adoption of a 'scientific' view of the liberatory project and of the related Leninist principle of 'consciousness from without' which, as Marcuse<sup>119</sup> aptly pointed out, is a one way street to Stalinism.

116. See Alex Callinicos' interview for the Greek daily *Eleftherotypia*, 1 October 2000.

117. See Fotopoulos, *Towards An Inclusive Democracy*, pp. 85–100.

118. *Ibid.*, pp. 73–79.

119. H. Marcuse, *Soviet Marxism* (London: Routledge, 1958), p. 145.

*The postmodernist trend*

As regards the potential of the anti-globalisation movement with respect to its postmodernist trend, the strategy of alliances and coalitions between and amongst heterogeneous groups adopted by supporters of this trend unavoidably leads to a fundamental lack of unity, even on short-term goals. This is clear once supporters of this trend define the movement as a negative one with no need for a vision of a future society, a long-term strategy and a short-term programme. As Luke<sup>120</sup> describes this ‘democratic populism’:

There is no definitive program for democratic populists that articulates what to do. Populism does not provide a failsafe recipe for the future or a surefire method for realizing successful commonwealths. Rather this new populism only starts to outline tactics for the present by elaborating clearly what to undo in the subpolitical systems of expert decision-making.

It seems that postmodern influences are significant among the anti-globalisation activists and this is reflected in the lack of unity that characterises the various currents. Thus, as Michael Albert<sup>121</sup> pointed out in connection with this problem (seemingly unaware of its causes in terms of the influence of postmodern trends):

Our current movements literally avoid seeking a broad overarching unity. They don’t even try to attain it. Why? I think many of us believe that seeking unity risks falling into authoritarianism and sectarianism.

In fact, it is exactly this lack of ‘universalism’ (expressed in the form of a lack of a positive political project and the corresponding lack of unity among the various currents) that persuades post-Marxists<sup>122</sup> and other postmodernists to consider the anti-globalisation ‘movement’ as a typical example of postmodern politics. The consequence however of this lack of unity, common goals and strategy is that the anti-globalisation ‘movement’ shows signs that it has already reached its peak.

Furthermore, and this brings us to the potential of the social democratic trend, as the issue of a universal social change is not even raised by supporters of such trends, this potential is by definition limited to the possibility of effecting some social reforms within the existing system of market economy and representative ‘democracy’.

*The social democratic trend*

In the previous section we concluded that an effective control of globalisation with the aim to protect labour and the environment is non-feasible. Even if pressure through the anti-globalisation ‘movement’ leads to some kind of social

120. Luke, ‘Globalization, Popular Resistance and Postmodernity’.

121. Albert, ‘The Movements against Neoliberal Globalisation from Seattle to Porto Alegre’.

122. See Tormey, ‘Post-Marxism, Democracy and the Future of Radical Politics’.

reforms aiming to provide a degree of protection to labour and the environment, such reforms would not only have to be compatible with the requirements of the internationalised market economy but they would also be as irreversible as social democracy was in the past. In other words, as long as the system of the market economy and representative democracy reproduces itself, all that reforms ('from above', or 'from below') can achieve today is temporary victories and reversible social conquests similar to those achieved during the period of the social democratic consensus, which are now being systematically dismantled by neoliberals and social-liberals alike.<sup>123</sup>

It is clear that as the growth (and therefore the profitability) of the TNCs depends on the continuous expansion of world markets, a market economy today can only be an internationalised one and this implies that markets have to be as open and as flexible as possible. So, globalisation and its main effects, i.e. the present concentration of power and the continuous worsening of the ecological crisis, will persist for as long as the present institutional framework that secures the concentration of political and economic power reproduces itself, in other words, for as long as the market economy system and representative 'democracy' are not replaced by an institutional framework securing the equal distribution of political and economic power among all citizens, i.e. an inclusive democracy.

It is therefore obvious that the reformist trend, which is the dominant trend within the anti-globalisation movement at large, is incapable of bringing about any radical changes in the present institutional structures. Furthermore, contrary to the claims of statisticians as well as of some libertarians, a movement based on reformist demands cannot even create the anti-systemic consciousness required for systemic change since, by its nature, it has to work on a consensus platform that would necessarily express the lowest common denominator of the demands of the various activists taking part in it. This means that it is more than likely, given the present structure of this movement, that this political platform will be a reformist one. So, the activities of the anti-globalisation activists, as well as those of the activists involved in building alternative forms of economic and social organisation with no clear goals and strategies (alternative media, credit unions, LETS schemes, etc.)<sup>124</sup> have no chance of functioning as catalysts for systemic change, or even as elements of a transitional strategy for the same purpose. This is not only because the actions of anti-globalisers cannot hope to achieve anything more than a few reversible reforms but also because such actions, by themselves, are hardly useful in the creation of an anti-systemic consciousness. Particularly so, if they do not constitute an integral part of a programmatic mass political movement for systematic change.

123. Fotopoulos, 'Welfare State or Economic Democracy?'

124. See Fotopoulos, 'The Limitations of Life-style Strategies'.

#### 4. Towards an alternative globalisation and a movement to achieve it

##### *A New Democratic World Order*

The last question raised by globalisation is, assuming that it is a systemic problem, as I tried to show above, is there any alternative internationalisation that we may envisage? In other words, an internationalisation that, being outside the present institutional framework that has created this crisis in the first place, will also constitute the way out of the present multi-dimensional crisis.

To my mind, the ID project offers a meaningful and realistic way out of the present multidimensional crisis, and also a way of building a new globalisation, or a New World Order, which is based on really democratic structures. The starting point in this approach is that the world, at the beginning of the new millennium, faces a multi-dimensional crisis (economic, ecological, social, cultural and political) which is caused by the concentration of power in the hands of various elites, as a result of the establishment, in the last couple of centuries, of the system of market economy, representative 'democracy' and the related forms of hierarchical structure. If we accept this premise, then, an inclusive democracy,<sup>125</sup> which involves the equal distribution of power at all levels, is seen not as a utopia (in the negative sense of the word) but as perhaps the only way out of the present crisis.

A New World Order based on an inclusive democracy is a form of social organisation that re-integrates society with economy, polity and nature within an institutional framework that secures the necessary conditions for the equal distribution of all forms of power. This involves the creation of institutions of:

- *Political Democracy* (direct democracy), which are based on *processes* securing that all political decisions (including those relating to the formation and execution of laws) are taken by the citizen body (*the demos*) collectively and without representation, as well as on *structures* institutionalising the equal distribution of political power;
- *Economic Democracy*, in which the *demos* control the economic process, within an institutional framework of demotic ownership and control of the means of production and distribution, beyond the confines of the market economy and state planning;
- *Democracy in the Social Realm*, in which all public realm institutions in which collective decisions can be taken (e.g. workplaces, educational places, cultural institutions) are self-governed under the overall control of the *demos*, whereas personal relations are based on a value system which is compatible with the overall democratic institutions of society, i.e. one based on the principles of individual and social autonomy and solidarity that rules out any form of domination based on sex, race, ethnicity cultural differences and so on.
- *Ecological Democracy*, in which the ID institutional framework and the value system that is compatible with it secure the necessary conditions for the reintegration of society and nature.

125. See for a detailed description of an inclusive democracy, Fotopoulos, *Towards An Inclusive Democracy*, chs 5–6.

The creation of a New World Order based on an inclusive democracy involves the building of confederations of inclusive democracies that have been created at the level of regions, nations, continents and, at the end, the world as a whole. This will lead to a globalisation which will not be based on the unequal distribution of power and the domination of human being over human being and Nature, as under the present globalisation, but on the equal distribution of all forms of power between autonomous human beings and the elimination of all forms of domination. It will also be founded on a sustainable economic system that meets the *basic needs* of the planet's population, through a mechanism of allocation of resources between the confederations, within a planetary confederal plan of allocation of resources. Finally, meeting the *non-basic needs* would be determined at the local level, in a way that secures freedom of choice, whereas exchanges of surpluses between confederations would be arranged through multilateral agreements.

*A long-term strategy for a democratic globalisation*

The project for ID offers not only a realistic vision of an alternative society, really missing today after the collapse of statist socialism, but also a long-term strategy and a short-term programme that will lead us to this society.<sup>126</sup> Briefly, as we have seen above, the activities of the present anti-globalisation 'movement' have no chance of functioning as transitional strategies for systemic change, unless they become an integral part of a programmatic mass political movement for systemic change. At most, the present anti-globalisation movement can function as a kind of 'resistance movement' to globalisation and bring about some sort of (easily reversible) reforms.<sup>127</sup> But, it could never bring about a systemic change, since it can not even create the anti-systemic consciousness required for systemic change, given its lack of any concrete vision about the form a future society will take and of a clear strategy and a short-term programme to bring it about. In other words, the present anti-systemic activities can never become truly anti-systemic outside a comprehensive political programme which includes a vision, a strategy and a short-term programme that are consistent with it.

126. See for a detailed description, Fotopoulos, *Towards An Inclusive Democracy*, ch. 7. See, also, Takis Fotopoulos, 'Mass Media, Culture and Democracy', *Democracy & Nature*, Vol. 5, No. 5 (March 1999), pp. 33–64 and 'The Limitations of Life-style Strategies'.

127. An obvious example is the supposed stopping of MAI (Multilateral Agreement on Investment), hailed by Chomsky and others in the anti-globalisation 'movement's at the time, as a victory against globalising capital. Today, it seems that the agreement is already being implemented 'by instalments', through the 'back door' of the IMF and bilateral agreements, (see Fotopoulos, 'Mass Media, Culture, and Democracy') and possibly the WTO, in the future as I mentioned above the proposed GATS includes a plan to create an international agency with veto power over parliamentary and regulatory decisions on the grounds of economic efficiency (Article VI.4 of GATS), Gregory Palast, 'Necessity Test is Mother of GATS Intervention: The World Trade Organisation has Plans to Replace that Outmoded Political Idea: Democracy'.

The ID strategy involves the building of a massive programmatic political movement, with an unashamedly universalist goal to change society along genuine democratic lines, beginning here and now. Therefore, such a movement should explicitly aim at a systemic change, as well as at a parallel change in our value systems. This strategy would entail the gradual involvement of increasing numbers of people in a new kind of politics and the parallel shifting of economic resources (labour, capital, land) away from the market economy. The aim of such a strategy should be to create changes in the institutional framework, as well as to value systems, which, after a period of tension between the new institutions and the state, would at some stage replace the market economy, representative 'democracy' and the social paradigm 'justifying' them, with an inclusive democracy and a new democratic paradigm respectively.

The rationale behind this strategy is that, as systemic change requires a rupture with the past, which extends to both the institutional and the cultural level, such a rupture is only possible through the development of a new political organisation and a new comprehensive political programme for systemic change that will create a clear anti-systemic consciousness at a massive scale—rather than at the level of *avant garde* (as in the case of the state socialist movement), or at the level of 'our neighbourhood' or 'our commune' (as in the case of various libertarian 'groupuscules'). However, the creation of a new culture, which has to become hegemonic before an inclusive democracy could be launched, is only possible through the parallel building of new political and economic institutions at a significant social scale. In other words, it is only through action to build such institutions that a massive political movement with a high level of consciousness can be built.

The objective therefore of an ID strategy is the creation, from below, of 'popular bases of political and economic power', that is, the establishment of local inclusive democracies, which, at a later stage, will confederate in order to create the conditions for the establishment of a new confederal inclusive democracy. Therefore, a crucial element of the ID strategy is that the political and economic institutions of inclusive democracy begin to be established immediately after a significant number of people in a particular area have formed a base for 'democracy in action'—preferably, but not exclusively, at the massive social scale that is secured by winning in local elections under an ID programme.

### *Outline of a short-term programme*

The short-term programme involves the creation of a new type of political organisation, which will mirror the desired structure of society. This would not be the usual political party, but a form of 'democracy in action', which would undertake various forms of intervention not only at the political level but also at the economic, the social, ecological and cultural levels:

- At the political level, through the creation of 'shadow' political institutions based on direct democracy (neighbourhood assemblies, etc.), as well as through various forms of direct action (marches, rallies, teach-ins and civil disobedience);
- At the economic level, through the establishment of 'demotic' production and consumption units, i.e. economic units owned and controlled collectively by

the citizens who finance the setting up of such units (initially, privately, and, once a local authority has been taken over, through local taxation) and those working in them;

- At the social level, through the creation of self-governing institutions in the workplace, the place of education etc, as well as through participating in struggles for worker's democracy, household democracy, democracy in the educational institutions and so on;
- At the ecological level, through the establishment of ecologically sound production and consumption units and through direct action against the corporate destruction of Nature;
- At the cultural level, through activities aiming at the creation of a community-controlled art and alternative media activities that will help in making the value system which is consistent with an inclusive democracy the hegemonic culture in society.

As I stressed elsewhere,<sup>128</sup> people who today are alienated from all forms of power and particularly political and economic power would have every incentive to be involved in such a movement and vote in local elections for the establishment of 'democracy in action' in their area:

They will be fully aware of the fact that problems like unemployment and poverty could only be solved within the institutions of ID (demotic enterprises, demotic welfare etc) which may begin to be launched immediately after a significant number of citizens have formed a base for 'democracy in action' at a particular area. They will also know that problems like air/water/food pollution could only be sorted out effectively, and at a massive social scale, if citizens start taking control of local power within the institutions of ID, rather in the context of communes outside the main political and social arena. They will finally know that unless they get hold of political power at the local level and then, through confederations of local bases, at the regional level, they will never be able to control their lives. In other words, people will be involved in a struggle for the establishment of the ID institutions not out of hunger for an abstract notion of democracy but because their own action will help them to see that the cause of all their problems (economic, social, ecological) had been due to the fact that power was concentrated in a few hands.

In concluding, I think that humanity faces a crucial choice in the new millennium. Either we continue our present patterns of life, within the present institutions that secure today's huge and growing concentration of power at all levels and the consequent continuous deepening of the present multidimensional crisis, or, alternatively, we start building a new political movement that would involve the creation of institutions for a sustainable Inclusive Democracy, i.e. we embark on a process which would create the preconditions for the establishment, for the first time in history, of a new and truly democratic World Order.

128. See Fotopoulos, 'The Limitations of Life-style Strategies'.