

GEGENSTANDPUNKT

THE PHANTOM KNOWN AS GLOBALIZATION



The GegenStandpunkt (“Opposite Standpoint”) is a quarterly Marxist magazine. It publishes analyses of the capitalist economy, the state, imperialism and the mindset of the proletariat and the people in Germany and worldwide.

It is the successor of the Marxistische Gruppe (Marxist Group). The MG was founded in the 1970s and rapidly gained members. In the end, in 1992, there were approximately 10,000 members and people with strong interest.(1) It was a cadre-organisation, but not like Leninist ones. This means that members were well-educated in Marx’s “Capital”, the state theory(2) of the MG and the theory of imperialism today(3). The MG did not lose members after 1989/90 and the end of the Soviet Union, because the MG never had any sympathies with the Soviet Union.

After 1990, the Federal Republic of Germany started to fight against the MG. Many members and people near the group lost their jobs and it looked like this would not stop. As a result, the MG dissolved as an organization and the magazine GegenStandpunkt emerged. At the moment, GegenStandpunkt publishes a quarterly magazine. Moreover, GegenStandpunkt hosts regular lectures in bigger cities and there are about 20 local groups with strong ties to the GegenStandpunkt.

GegenStandpunkt’s website is: www.gegenstandpunkt.com

Footnotes

1. The Communist Party of Germany had in 1985 between 25,000 and 40,000 members; today there are around 3,000 members. Other communist organizations are either dissolved or are small groups with maybe 300 members. For the anarchists/anti-fascists, it’s hard to tell. If you’re optimistic, at the moment, maybe 10.000. But because of the anarchist/anti-fascist background, they are very poorly organised in hundreds of small groups.

2: See: <http://www.gegenstandpunkt.com/english/state/toc.html>

3: It was never translated.

Seattle, Melbourne, Prague

Global action against the phantom known as “Globalization”

Whenever the official delegates from around the world travel to the meetings of the World Trade Organization (WTO), International Monetary Fund (IMF) or World Bank, they are regularly accompanied by thousands of uninvited guests intent on disturbing the meetings of these world market agencies, or if possible preventing them from taking place. The reason: they hold these institutions responsible for the tremendous misery throughout what is truly, since the end of socialism, “one world.” In the name of poverty and those afflicted with it, this anti-poverty movement protests - and is thereby proud of maintaining “no ideology” and of making no attempt to clarify its understanding within its own ranks. Its protagonists are of the opinion that any theoretical dispute over the correct explanation of the conditions they denounce would only jeopardize the breadth of the movement. Those affected by poverty ought to know best what they suffer from and what their needs are. However, anyone claiming to have no “ideology” but rather to be directly challenged by poverty and guided by the righteousness of the poor without any mediating thinking, is already following a logic, if only a false one - a real ideology so to speak.

I. Treating poverty as a scandal

The main argument of the calls for demonstrations is the accusatory pointing to the poverty in the third world, and not only there. The authors of the calls seem to consider publicizing poverty to be the same as a critique of it.

“More than 4 billion people live on a daily income of less than \$2. About 17 million children die every year because of easily curable diseases. One third of the inhabitants of the Southern hemisphere

will not reach the age of 40. And 250 million children in so-called developing countries have to work as slave labor for transnational corporations to support their families. Meanwhile, there are 50 million people living in poverty and 5 million homeless in the European Union. There are 30 million people in the US suffering malnutrition.” (European call for global days of action against the IMF and World Bank in Prague; INPEG - Initiative of People against Economic Globalization; see www.inpeg.org)

Now these miserable conditions are not exactly unfamiliar. If what is necessary to put an end to them doesn't happen, then it certainly is not because peoples and governments haven't yet heard about them. On the other hand, if it's a matter of disapproving of these facts, then that's rather easily had - on the part of all decent persons in fact. Even when sympathetic citizens make a distinction between what Indians and Africans are entitled to, and what Europeans or Americans could claim, they aren't wishing stark hunger, dying from easily curable diseases, slave labor, etc., for anybody. According to the standards of humanity, things like this are simply not supposed to happen - in fact in the very society which with unsightly regularity brings these circumstances about. In light of such images of misery, people let themselves be stirred up to compassion and even to criticism, and that due to their very affirmative beliefs in the noble principles of this society, not at all out of doubts about them. What else could come from using pure facts as arguments? There is an implicit standard for judging these facts - actually a standard that everybody holds to.

By depicting the plight of the poor as a scandal, the demonstrators are preaching to the choir as far as church congregations, politicians and other persons of good will are concerned. But they therefore repeat the fitting verdict of these good people: if poverty appears only exceptionally and unduly in capitalistic states according to the standard of humanity, then it is really being characterized as the exception to what is usual, right and fair. In that case it counts as a lapse in the workings of the system, as a product of bad government and corrupt elites, even as a

consequence of the third world still not sufficiently integrated into the world market, or lacking the stability of a mature market economy.

The protest movement has no intention of critically correcting this thoroughly honest stupidity; they would rather stick to it to attach their own variety of “causality research.” If the misery of the third world is an abuse, a malfunction and a violation against everything that truly belongs to our human world, then it’s clear what has to come next:

II. Searching for the guilty parties

This is quite other than a search for causes. Whoever is looking for guilty parties has already answered the question of causes: either someone has failed to do his job properly or some criminal has fiddled with or wantonly damaged the correct working of the economy, society or whatever. Such people have to be found out and removed to restore the disturbed order that therefore technically already exists. The IMF critics spare no effort to derive a malicious damage from missions which ought to do better. To do so, they confront the miserable circumstances of the poor with the ideals found in the preambles of the WTO, IMF and World Bank charters - “promotion of growth, prosperity and development of all member countries” - to conclude on the basis of the discrepancy between them, that the purposes actually pursued by these agencies must be the complete opposite of the ideals: namely, the prevention of universal prosperity.

“For over fifty years, the influence of the IMF and World Bank has destroyed people’s lives. ... In the framework of structural adjustment programs the IMF and World Bank impose strict conditions on the allocation of credit to the developing countries. These measures strengthen the position of capital, but they also worsen the situation of the majority of the world’s population. We bare witness to a daily mass murder of tens of thousands of people and a daily crime against the human rights to live in dignity and

contentment.” (ibid.)

Those in the protest movement apparently don't know that there is not a single job in this society requiring misanthropism as a qualification, and that good intents are as cheap as they are widespread. The accused heads of the world market agencies honor the unmistakably legal-ethical reproaches levied by the street tribunal, to vindicate themselves. They insist that they too are driven by the best of intents. World Bank president Wolfensohn, a special object of the fury of the opponents of globalization, conveys to the movement his full sympathy for their “passion in the fight against poverty” - his bank also musters tremendous resources for the cause. In September, 2000, the movement divided a bit, particularly over this issue.. One fraction among the protesting non-governmental organizations (NGOs) accepts the invitation and holds a dialogue with Wolfensohn and Köhler (head of the IMF) about the best ideas in the struggle against poverty. They find themselves at the round table, with their demands for debt forgiveness for poor lands and easier conditions for allocating credit, right in the middle of the same questions mulled over by the heads of state of the Group of Seven (G7) in their periodic meetings.

The radicals remain on the street, insist on their reproach and thereby the difference between a suggestion for improvement and an accusation. But they still don't go beyond the level of investigating the moral conscience. They give no credence to the good intentions of the managers of the world market, and refuse to engage in the tricky conversation over the possibility of international credit and trade diplomacy making amends. They won't let their indignation over the cynical convictions of office holders be diluted. Having found them guilty of a lack of principles, they consider a critical examination of the real functions of these offices to be superfluous anyway.

They don't want to see just how off-topic their accusation is. In their partisanship for the poor of this world, they refuse to see that

an agency such as the IMF, which devotes itself to the stability of the international currency and finance system, and for that purpose grants credit to states with balance-of-payment problems, simply has a mission completely other than the promotion or prevention of social progress. Likewise they energetically apply their humane measuring rod to the forum for world trade disputes (WTO) created by the competing nations in order to haggle over the trade openings and barriers that they respectively grant and erect against each other, and to check that agreements made are also observed. The question of whether such institutions were invented for the benefit of or harm to job-seekers in the First World and rice farmers in the Third World simply misses the point. And people bent on accusing the WTO and IMF don't ever realize that poverty could be caused by the operation of principles more fundamental to this world order than the misguided granting of credit and unfair trade regulations - namely in credit, trade and the purpose of production and (international) exchange itself. They just ought to notice that they are barking up the wrong tree.

The indifference to the real functions of international credit agencies gives play to a colorful confusion of reproaches that completely belie the sharp words against "*the diabolical brain of world capitalism.*" The institutions are reproached for wrong credit policies toward developing countries, which implies that a better IMF and a World Bank worthier of the name could be envisaged. For once their allocation of credit is said to have been *too generous* - mostly in earlier times but still these days, with the funding of dams and similar "*gargantuan projects which destroy the local ecosystem and lead to the eviction of millions of people.*" In these cases the World Bank is criticized for having pressed more funding on the Third World countries than could profitably be invested, and therefore repaid with interest. By this they are said to be lured into a debt trap: they have to seek refinancing for credits they can't serve, thus falling under the regime of the notorious stabilization programs of the IMF. This time the agency grants credit under *all-too-restrictive* conditions, i.e., firstly too little of it, and secondly with *demands* for the states to get out of national industries, for

privatization, cutting of state expenditures for anything the least bit social, austerity policies and a greater orientation to exports. Thus growth in these countries is handicapped, and even the ability of the indebted states to serve their continually growing debts is ultimately undermined, according to the know-it-all alternative experts on credits between states. That's why debt forgiveness is supported by them unconditionally. The decision in this regard by the big funders of the international credit agencies is merrily welcomed, although the program advances too slowly for their taste. As if debt forgiveness signified something like a hopeful new start for the indebted lands so that exactly the sort of investment on the world market that led to bankruptcy could begin all over again! Instead, what is really happening is that these countries are being written off by their creditors because they don't justify the debts that had already been approved. This is tantamount to a complete, globally-public bankruptcy of almost a fourth of the world's states. In this world of capital, in which participation in the world market secured by credit has ruined countries less endowed with capital, exclusion from the world market is in no way a blessing. The IMF critics apparently don't know all that.

Instead, they reproach the IMF for having given too much and too little credit for the Third World, for having granted credit under too tough conditions, and for having promoted the wrong projects. They uncritically believe that credit, if only granted in the right amounts and invested in the right projects, could and actually would be a real means of subsistence for the poor of this world - and not what it really is, namely money capital advanced in order to flow back even bigger to the lender. The right amount that would supposedly transform the curse of indebtedness into the blessing of anticipated growth is of course not calculated by them. All the same they maintain their accusation that the IMF and World Bank deliberately push wrong policies on the developing countries - wouldn't finance capital and the world market otherwise have turned out to the benefit of all lands and peoples?

III. The true victim of globalization: the good, social, ecological state!

So much do they adhere to their belief in the better possibilities of the worldwide market economy that the slightly paranoid question naturally pops up as to why it always turns out wrong, when even finance experts at Harvard have known for a long time how to do it better. Why is an “*unbridled liberalization*” of the world market allowed, one that not only drives the states of the Third World into ruin, but altogether “*harms the majority of the people - in the industrialized countries as well?*” (ibid.)

The movement is not at a loss for an answer: such irresponsibility comes about because the technically responsible nation-states are no longer masters of the situation, but rather themselves victims of the globalization pushed on them by international agencies. Through continually lower customs barriers, national borders lose their “protective effect” and governments their ability to take care of their capitalistic public interest, an interest that apparently is (respectively was) a great thing in the eyes of the world market critics.

“The IMF claims that further liberalization of the world economy is the only solution for the problems of the world. However these problems, on the contrary, are only deepened.” (loc. cit.) *“Both institutions play a crucial role in curtailing the states’ influence on the circulation of transnational capital. The task of the World Bank and IMF is to open the developing countries for foreign investors and their speculative interests by means of their policies. That means, e.g., the removal of all levies with which the poor countries try to protect their environment and their less competitive economy from the capital of the rich countries.”* (Caravan to Prague, see website above)

Do the authors of the call for protest really believe that developing countries, desperate to woo international investment, would erect

obstacles to investors for the protection of forests and ground water? No matter: it just would be a good thing that has become impossible due to globalization. That only capitalistically-calculating states seeking to conquer the markets of other states with national export products are open to political trade extortion seems to be lost on the critics. The “poor countries” are spared such reproaches because they are the losers of world market competition. As losers they are exhibited as ethically perfect and convincing victims of a development that the critics apply to all states. And they credit these states with terrific good deeds vis-à-vis their citizens - simply because these deeds are allegedly no longer possible due to globalization.

“The WTO, the successor organization to the GATT-General Agreement on Tariffs and Trade, functions as a virtual shadow government, in fact a Super-government, that rides roughshod over the national and state concerns seeking to protect the wages of workers, insure environmental standards, and protect collective bargaining gains. To the extent that the WTO consists of a collection of governments, it in fact protects corporate interests: the primary interest of capital, over and above all other interests.”
(Mumia Abu Jamal, www.zmag.org/mumiawto.htm)

Obviously, the anti-globalization movement is convinced that political power over persons is only in the world to do them good. So, when social expenditures are cut, and work and environmental protection regulations are relaxed, it must be the work of the machinations of international agencies that have “*wrested away the power of national legislatures.*” The strongest reproach against the WTO and its sister organizations and the last proof of their inhumanity is therefore: “*undemocratic!*” Instead of real sovereigns they are led by “*faceless bureaucrats*” unaccountable to any voter. Elected holders of state power apparently can’t do anything but serve the people.

With their fantasy of the emasculation of the national state, the protest movement falls completely for the legend of

“globalization” as an “objective constraint” to which governments like to appeal when decreeing hard times and sacrifice for their citizens. The politicians talk about how the country has to position itself for globalization, defend the domestic economy and court a reluctant capital investment. They bemoan that social, economic and tax policies faced international competition and can no longer be regulated by national values. The movement doesn’t take these maxims as expressing the will of governments to use the world market for national growth and to win international competition, but rather as weakness in the face of the powers of global capital.

The belief in this weakness suffers only little from the knowledge that it is precisely the national governments that have created the IMF, WTO, etc. for themselves, who send their national emissaries to these authoritative bodies and haggle there with other global trading nations over their own advantage. All that can’t dissuade the adversaries of globalization from the notion that the ambassadors to inter-governmental world market agencies don’t represent the interests of their nations but rather strive to deprive them of power. To them, this monstrous case of betrayal accounts for the national representatives departing from the standpoint of their domestic common good and prostituting themselves instead to a most particular interest: the profit of transnational companies.

The international protest community disparages national governments as puppets of capital that rule according to the firms’ wishes. However if they denounce the political furtherance of the foreign economic success of capital as a violation of national duty, then they don’t believe at all in an actual identity of interest between politics and capital. They won’t admit that the free market community has really elected capital to be its means of existence, that in these countries nothing takes place which is not useful for national capital or is the result of its success in international competition. The protest, which attributes the emasculation of states by means of the “liberalization of markets” to the “unchecked” dominion of transnational capital, directly disputes that the success of capital is the primary goal and the main task of

capitalistic states - a goal that the state pursues within its borders with all the methods of class rule, and outside them with economic and military deployments of force to open and secure foreign markets.

The critics consider the national state as nothing less than an invention to limit and hinder the “logic of capital” - as if the political power of states were not necessary to secure property as a means of production for capitalists and to subject society to their domination. Unswayed, they perceive capital to be a power remote from the state, with the state as something like a healthy counterbalance. The characterization of the evil as “pure shareholder capitalism” and an “absolute market economy” concerned “solely with profit” makes clear that the critics of globalization think of the “capitalistic system” as nothing other than an exaggeration. Not capital, its manner of calculation and laws which would account for the character of the system and its lack of compatibility with the demands of normal citizens, but a weakness of the state no longer able to limit the excessive egoism of capital-owning citizens to the proper amount. The “profit principle” that the movement holds “responsible for present-day social and ecological disasters” is for them only an expression for that ineradicable human egoism which has to be tamed.

A movement, which mourns damage to the social and economic sovereignty of the state because they consider it to be something good, and fights an alleged domination by transnational capital over national communities, notices that they are not wholly alone with this concern. Since fascists share the love of the good state, although for its power alone and not for its humanistic deeds, they can to some extent agree with such a criticism of “capital without nationality.” But also democratic politicians and parties see a bit in it - not least was this approval responsible for the breadth of the protest in Seattle and for the public resonance which it aimed at. The political elite admittedly doesn’t have the same fear of being hamstrung by international bodies, even if they sometimes sound like they do. Their doubts refer more to the usefulness of the IMF,

World Bank and WTO for the interests of their capitalistic nation - and in this regard many Republicans in the US congress are of the opinion that while their country needs no credits from the IMF, countries which do are not worthy of American contributions. They are furthermore of the opinion that America could easily carry on trade disputes without the WTO, etc. Therefore the leftist movement, with their “*stop the WTO*” and intention to demonstrate as long as it takes for the IMF and World Bank to “*disband*,” has many a false friend to reject. They certainly don’t want to be making a rightist criticism of the supranational institutions, so they hasten to add, “*We don’t believe that globalization can be stopped through protectionism by the nation-states.*” However, they also don’t really want to advocate that nations simply carry on their competition about national income and currencies unregulated by international forums and credit agencies, and so deny the only logical consequence that follows conclusively from a criticism of liberalization. All right, but what do they propose then?

IV. For grassroots globalization!

The victims, as the good, face the bad, mighty authorities at the international bodies, who in their national irresponsibility have to answer for the need and misery around the globe. Simply by having failed in the pursuit of their interests, the victims have every higher right to resist and get credit for having the right, forward-looking purposes. That these interests go to the dogs actually ennobles them, and predestines their bearers to global solidarity and mutual friendship. All those who see their concerns somehow damaged by cross-border profit maximization only have to join together in an international community of good-willed people.

“Like on previous occasions, people of different movements and countries will on this day combine their powers against the social, political and economic institutions of the capitalistic system - the World Bank and the IMF. Workers, the unemployed, students, union members, farmers, the landless, fishermen/women, women’s

groups, ethnic minorities, indigenous peoples, peace activists, environmental activists, ecologists and so on, will work together in solidarity, with the understanding that their various struggles are not isolated from each other.” (S26 - Global days of Action against Capitalism)

To organizers of the protest, it's of no importance that this beautiful image is not correct, - and that betrays how little of practical value they actually expect from the global solidarity of the good. How else could they overlook that the victims of international competition, just as they come, are indeed not doing well, but even more, they are not doing well as defeated competitors or unused wage-workers, whose oh-so-respectable interests aim at nothing other than improving their competition the next time around. The call for solidarity with the international “victims of globalization” brings about some wonderful coalitions. There, side by side, stand the poor people of the Third World together with their “*poor states*” that ruin these same people by surviving as states in the world economy; then add to these some small national capitalists that lost their “*local markets*” to global players.

In Seattle for example, Third World activists denounced starvation wages, inadequate work and health protection in the sweatshops of the southern hemisphere, and the American companies operating these sweatshops. Co-demonstrating American trade unionists supported them: such unfair competitive advantages of Asian locations cost American jobs! They also demand higher wages and “labor standards” for Asia, because these work like tariffs, making Asian export products more expensive on the American market. By this America would remain spared from competition from low-wage countries, and American workers could thereby gain job security, while Asians at the same time would lose whatever prospects they had for earning money. Can one really imagine Asians taking pity on the American working class and staging fabulous demonstrations in Thailand to save vacation benefits and jobs in America? Ecological groups desired environmental protection and healthy living conditions for the Third World -

again applauded by trade unionists and American farmers, who were counting on increased production costs at the competing sites. Delegations from the Mexican Zapatistas and other Latin-American farmer initiatives demanded solidarity for the exact opposite: credit at favorable interest for agricultural development and better conditions of access for their products to the North American market. The movement considered its solidarity quite otherwise, expressing pity that the IMF and agribusiness impose agricultural export production on them and so destroy their paltry “subsistence economy.”

If for once the militants of the anti-globalization movement stopped considering the unity of the victims so self-righteously, but took it instead as an actual political front, they would have to notice that their agreement on matters concerning national borders is highly paradoxical. *Together* they paint the injustice that “globalization” does to them as a damage to the protection of the economy, the workplace, social security and the environment - a protection the national state is allegedly responsible for and would even take care of were it not for so long incapacitated by liberalization. However, the protection that a state offers them with its borders is nothing other than a *protection from each other*. What else could borders, tariffs, controls on capital and the like do, other than subject the flow of cross-border business to the point of view of the national advantage? What else could they be useful for, if not to keep away foreign commodities, foreign capital and foreign manpower as soon as these are viewed more as damaging competition than as a desired contribution to the national growth of capital? If capital uses labor internationally as it sees fit, then doesn't it make sense that capital, and not borders be the subject of critique? The activists don't seem to be bothered by such practical questions.

Instead, with their oh-so-international and supportive demonstrations, the adversaries of globalization implore all states to free themselves from international entanglements and thus dedicate themselves anew to their “true” tasks, the welfare of

their respective peoples. The “struggle against global capitalism” proceeds accordingly.

V. The protest culture

The activists are content to gather the good (the victims), or more precisely: to represent in and through their activities this completely non-existing collectivity, and to reproach the bad (the irresponsible mighty powers) for their irresponsibility. They push this neglect of duty into the spotlight, documenting nothing but the goodness of the good. By no means do they want to appear in public as resolute - crotchety apparently - adversaries of the system. Why else does a fight against political and economic power have to be “*as global as capital is - and much more creative.*” So they creatively stage an appearance that gives voice, not to enmity against the global economic order, but to their own responsibility. Contrary to the martial mode of expression, the protest aims not to gather comrades for a necessary fight, but rather to beguile democracy’s “fourth estate,” the free press. The organizers learn from PR pros how “*to produce images that the press likes,*” coming up with a veritable demonstration-kindergarten replete with games and toys that more than anything conveys one thing, namely, that these folks couldn’t possibly have anything bad up their sleeves.

“Examples for possible actions are: strikes, demonstrations, critical-mass bicycle caravans, carnivals, street parties, taking back the streets, government-owned land or office buildings for non-commercial and good activities, marches, music, dance, speeches, distributing flyers, hanging banners, distribution of community-controlled newspapers, street theaters, laying out gardens, distribution of free food, simulation of trading markets, offering interest-free credit in front of big banks’ buildings, solidarity actions, pickets, occupation of offices, blockades and spontaneous shutdowns, acquisition and distribution of luxury consumption items, sabotage, damage or disruption of capitalistic infrastructure, acquisition of capitalistic wealth and giving it

away to the working population, declaring oneself independent of capitalistic or authoritarian regimes ...” (Caravan to Prague)

Yes, it is possible to feel in global solidarity, if one abstracts from the antagonisms within which this enterprising manner of protest maneuvers people and nationalities around. Yes, one can conceive of and symbolically realize many an unreal good deed. And above all one can without further ado publicly declare that one will have nothing to do with capitalism and fascism. Into the powder-smoke of their revolutionary scenes, the fighters against poverty then hurl the most extreme threat at the high and mighty that they can imagine: if the “system” does not improve itself right away, they might almost lose the belief that it is the best one possible. *“We will no longer accept this system as the way to advance society!”*

The myth of “Globalization”

The World Market as an Objective Constraint

[translated from *GegenStandpunkt: Politische Vierteljahreszeitschrift* 4–99, Gegenstandpunkt Verlag, Munich]

1. An idea makes it big...

When a word becomes a slogan, it starts getting treated as a concept. Yet, just because it gets used over and over again doesn't guarantee that those who use the word, who consider it to be so meaningful, have actually conceived anything. In fact, people never start with an explanation of what exactly the discussion is about when they haul out their clever word. On the contrary, a proper slogan indicates someone in the know, spares the need for any further comment, and demands general agreement; this, no doubt, explains the popularity of slogans among those of our contemporaries intent on earning a bit of irrefutability for their otherwise quite personal opinions. On the other hand, slogans have earned a bad reputation among people mindful of the bad habit of using some shorthand to avoid reasons and explanations, and to kill off any attempts by others in this direction. To those who occasionally want to know something more precisely, fiddling about with slogans is a dishonest manner of discourse. It is a way of conjuring up necessities without any sensible basis and demanding general recognition for them — necessities that are in no way as necessary as the so eagerly bandied-about slogan would suggest. On the contrary, these necessities are intended to conceal interests and intentions that really deserve no recognition at all, but rather closer examination.

The slogan “globalization” has been spared any such suspicion. The intellectual community populating editorial offices and universities makes lively use of this “concept” as an argument; and thereby spares politicians and businessmen — the leading

authorities of “democracy & market economy” — from accusations to the effect that they merely use their litany of “globalization” to justify what they would do anyway but for different reasons. Ever since governments and leading industrialists each started admonishing and urging the other to take up the *challenge* called “globalization,” a considerable amount of literature on this topic has appeared:

- Some thinkers, accustomed to taking the success of the state and the economy as the object of concern in their theoretical efforts, promptly accepted the news of a new “situation,” with which politicians and entrepreneurs would have to *cope*; right away they knew all about a historical phenomenon that the business world has to *fend off* and which no political leadership can evade. They diligently depict what “globalization” supposedly consists in — some discover “the emergence of worldwide markets for products, capital, and services;” all of them are amazed at how money gets shoved around the globe in “fractions of a second.” Of course they simply can’t fail to warn about worldwide environmental pollution, which also spreads in a jiffy, since the nations contributing the most to the global mess can’t agree on, much less implement, any regulations. Children’s toys are made of Chinese plastic instead of local material; millions of people are not staying put where birth has cast them but hie themselves instead over to foreign countries; and so on. To round out the image of “globalization,” which numerous authors depict with plenty of illustrative material, they never fail to revert to the message they want to send. The above phenomena supposedly represent just so many *problems*, which states are not really up to dealing with; states are confronted with the concentrated power of “global players” on whom they are *dependent* without having them *under control*; at the very least, these states run the *risk* of “losing their economic and monetary sovereignty as a consequence of the globalization of private industry;” and nowhere to

be seen is any kind of “global governance” — a possible response to the machinations of “global players,” which “in any case cannot be undone.” This doesn’t stop the globalization pundits from advising politicians to act resolutely in the face of globalization and *prove their mettle*. For then it could also represent an opportunity.

- Others start where the narrators of stories that take place these days on the world market unerringly end. They share the diagnosis of economic internationalization causing nation-states a heap of trouble. Given that the successes of big and small business alike are after all based on profitable exports and imports, as well as on worldwide investments, these thinkers are just as convinced that “globalization” isn’t something that “can be halted or even turned back just like that.” Since they also recognize that these successes are a matter of great importance for nation-states, they count on politicians following their advice to use their power to satisfy the requirements of “globalization.” So there’s a second type of globalization literature appearing, one that takes into account all the responses to this striking phenomenon, forecasts and problematizes the inescapable consequences for “society” and pleads for adjustments, adaptation, rethinking, stuff like that.

- Sociologists and social philosophers expect businessmen to get their companies fit for “globalized markets;” they expect politicians to attend to their mandate to govern the country *qua* business location in such a manner that it withstands the pressure of globalization. All the measures taken in this regard, while reported in the newspapers, are touched on but little in the commentaries of authentic social thinkers. They are more interested in the changes “society” must go through, “society” by definition being for them nothing but a more or less stable social life of people who behave and relate to each other in accordance with norms and values that they have internalized. For this branch of science, “globalization” has many an effect in store that will be decisive for the “future”

and “stability” of “society.” That means readjustment for the world, many a value lost, new behavior demanded, and relationships governed by modern means of communication. Deep reflection is called for: what shall we do about the strange, global values descending upon us, possibly contrary to the local or regional traditions that we feel at home in and that convey a feeling of familiarity? Is there a home in the digital world of work for our acquired professions, or will we be forced to rush hither and thither with our computers after jobs whose requirements change from day to day? And what will we do with all our mobility and our CD-ROM-knowledge if — as is predicted — globalization isn’t able to provide us all with jobs? Are we then going to employ ourselves or merely occupy ourselves? While, for example, in deciding whether to buy Chinese gym shoes or good-old, locally made slippers, we are struck by the enormity of “global communication and information systems not failing to influence the various national and regional cultures, now and then altering them right down to our daily habits?”

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If, as is here the case, scientific publications cannot be distinguished either from opinion pieces or from the harangues of soapbox orators, then the campaign for proper respect for “globalization” has gone down well. It means that this idea is making headway, and as is always the case when an inspiration catches on, does so because humanity is spared the unreasonable demand that something essential needs to be changed. On the contrary, the changes that globalization theorists report on have long since taken place, or are already under way anyway. The *diagnosis* of “globalization” is accordingly dedicated to those who are now and then mentioned as being responsible for the enormous upheaval. The process of globalization is described as being “to a great extent the result of decisions that states have made in the past and are still making. It is the governments, which have step by step torn down the bulwarks around their economies and continue to

do so (liberalization of foreign trade).” It’s just possible their *aim* was and is to enable lots of companies to expand their business *internationally*: selling and buying, investing, merging and so on. Not that globalization theorists don’t know that, but it just isn’t important for the considerations they are intent on circulating. Neither do they attempt to explain the calculations coming into play in the modern world market in such a way that one could learn how governments and capitalists cooperate as well as get in each other’s way. Nor are they concerned that governments — bent on foreign trade in commodities, money and capital — together with the calculations of experienced businessmen make *binding* laws for the production and distribution of wealth around the world. They simply take it the other way around, putting themselves in the position of the decisive authorities of the world economy to certify to them that they have *succumbed* to foreign “entanglements.” That’s why the diagnosis regularly leads to the worried *recommendation* that state and capital should take care, bearing in mind how dependent they are on the worldwide course of business. Giving themselves the air of neutral observers, globalization thinkers discover that the *world* market is indeed a *market* and thus an organized *competition*, in which the achievements of companies and nations do not complement one another — wouldn’t that form of “dependency” be a fine thing! — but rather, in the form of growth measured in money, exclude one another. And this outstanding discovery is designated as the very newest and latest *objective constraint* at the end of the twentieth century! Merely mentioning the slogan “globalization” is thus tantamount to, and understood as, a demand for one and only one practical conclusion: companies and states that make the whole world serve their interests are under enormous pressure — after all, they could lose out in the competition — and have to pay close attention to their *competitiveness*. Quote: “But in an extensively liberalized world, even whole states compete as production sites against each other in commodity and labor markets due to [?] their different social and societal relations. For that reason it’s even being discussed in Germany whether the [nation] is economically competitive ...” Unquote.

This is really remarkable. Finally, at last there's supposedly something *truly new* happening in this world of capitalistic haggling with its charming contrasts, familiar to and beloved by us all, between poverty and wealth, work and power. A veritable upheaval has unfolded before our very eyes: the void left behind by "imperialism," which made its exit long ago, has been filled by globalization — and what's the outcome? The leading authorities of "democracy & market economy" are now experiencing the phenomenon of globalization, which they themselves had laboriously developed, as a regime of tyranny; the brave new world categorically forces them to stand up to international comparison. And in order to prevail despite the dependency they find themselves in, they *must* do almost *exactly the same* as they were intent on doing for their success long before the alleged turning point in the world economy at the end of the twentieth century. That hurts, but it can't be avoided — not to mention for the many walk-on extras of the world economy who, for their part, are dependent on their nations' and economies' success. The guardians of their homelands and their employers carry the responsibility for them — as the means, as the victims, as the appendages, so to speak, of every competitive endeavor.

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Politicians and leading businessmen quickly noticed how useful the new ideology was. After all, their job isn't merely restricted to making decisions. It is also always a matter of giving the rest of the world — which is always afflicted by their decisions — *good reasons* for the use of their political and financial power. And this slogan handed them a reason on a plate: a reason that makes no fuss whatsoever about their responsibility for the conditions of life of the entire community, a reason that therefore at best allows only for the demand that they do "their job" well; a reason that exempts the fundamental rules for the capitalistic dealing with labor and for political calculations with money and power from any further discussion, in that it transfigures the bearers of political and economic control into mere executive bodies for objective constraints at whose mercy they stand; and finally, a reason which

promotes them as honest heirs of Martin Luther (who stood there, and couldn't do otherwise)¹ by claiming that the acquisition of money to the exclusion of others and the accretion of political power were never their aim, but rather just an inescapable method of competition. Even for the dumbest politician or industrialist who otherwise only distinguishes between plus and minus, such a reason is just what the doctor ordered — so to speak, the *multi-tool for justifying whatever measures* the managers of state and capital can think of. Ever since this slogan became available, absolutely everything — from wage and spending cuts to privatization and the launch of a new European currency, is passed off *as* a reaction to globalization.

2. ... and finds suitable material

Subsuming every capitalistic affair under the category of competitive pressure is, from the standpoint of logic, a clear case of abstract thinking. Nobody is really interested in this point, however; at any rate not from the point of view that said thinking shows certain defects in its judgment concerning the world market and its movers and shakers. Abstract thinking is unpopular because it isn't "concrete," which is understood these days by educated people as a call to supplement their slogans with a collection of examples so that everybody is able to understand what is thereby meant.

In our case, for example, misunderstandings would possibly have arisen had the pundits of globalization simply pronounced: "On the world market, where we are active, there is competition!" This might not have been met with the desired, unanimous response, something like: "Well, if that's the way things are, then there really isn't any alternative." Instead, a curious youth might have even raised the question: "So, what is your competition all about then?" — and found an answer; namely, that competing is somewhat the opposite of international "cooperation" and "division of labor;" being rather only the form in which the nasty business of making money at the expense of other people and nations takes place. Yet

in our case, it hasn't come to that, since young and old have been successfully hoodwinked — by the slogan of “globalization” and the flood of examples coming along with it. The latter demonstrate “concretely” to the audience what exciting upheavals it is witnessing, thereby showing what you supposedly can't rely upon any more due to globalization, what kind of difficulties those at the top have to contend with, and how many objectively-constrained situations meanwhile reflect globalization at work. In the end, everybody, from bankers to tabloid readers and unemployed voters, frankly wishes nothing more than that the world economy could, at last, be controlled — by whom is not in question. The responsibilities have already been assigned; what is required is, of course, carrying them out responsibly.

a) Every study on “globalization” feels obliged right off to strike the blow that will somehow unsettle the citizen's mind. Each text deals with globally active capital that is allegedly beyond the control of a political power sadly restricted to its national sovereign territory. “Diminishing government influence” is one of the more feeble findings. More thought-provoking is the assertion that the state can no longer fulfill its tasks, even less so democratically (meaning with the people participating somehow) when the economy is run by multinationals. This is not at all meant as a critique of the system, as it would have been decades ago, but rather spurs concerns for the state of health of the nation. Some just as urgently illuminate the problem that has arisen with globalization with the warning that the state is endangering itself by gambling with its sovereignty. This hits home; this is just what you get for single-mindedly not paying attention to the economic symbiosis of business and state power. But when globalization theorists get to their point, they show rather little concern for everything they already know so well. Certainly nobody need tell them that states have indeed exercised their sovereign power in “paving the way” for domestic and formerly foreign companies to go about their global business. Nor would they take it for an eye-opening pronouncement were the aim of market economy internationalism to be recited — that growth is supposed to come

about by earning money abroad at the expense of foreigners. Nor have they in any way failed to notice that the governments of market economy democracies, for each of whom the status of “leading industrialist nation” is beyond doubt, have indeed during the last decade pursued their budgetary, monetary, and economic policies in a very sovereign way; and further that there is no lack of “influence” as far as events beyond their borders are concerned. So is there no way of getting one up on the folks spreading the myth of the *weakness of states* by reminding them of the achievements of “national states” in the creation and utilization of the world market.

Despite many an exaggeration in their portrayals of the world market, where big business high-handedly pursues its free trade ventures while condemning the state to respect its concerns, the ideologists of “globalization” still never go so far as to put forward a critical theory of the world economy that would maintain that states no longer had a role to play in the movement of *internationally engaged capital*, much less shut themselves out of it! On the contrary, it is precisely *in depicting the state’s predicament*, thanks to the global economy, that they discuss nothing but the *necessity of government action* that worldwide “integration” demands. They unfailingly end up with proposals to their favorite state power recommending what use they ought to make of their *power*. The preparation of a country *qua* business location for “competitiveness” is as obvious for them as is their own government’s forceful interference in the governmental business of other nations — after all, these are the undeniable requirements of “globalization.”

The advantage of limited perception for the formation of a theory is not to be underestimated. People who, in their view of the contemporary world economy, content themselves with the observation that there “*is*” *competition* have obviously already made up their minds. First of all, they find it quite correct that capitalists all over the world try for business success at home and abroad because growth, on which jobs and well-being all over

the world depend, results from this success. As far as this goes, they have no problem admitting this is capitalism; after all, why deny something when there is no alternative? Secondly, they take it for granted that states, indeed especially states, “live” on this business success and so, in the interest of their own power, simply have to clear away any and all barriers to business. That’s why they stick to the hollow phrase that there is no way back from the internationalized economy. Thirdly, they agree that states must see to it that enough of the cross-border accumulation of capital accrues for their own balances of payments and budgets, which puts them into conflict with like national capital sites. Fourthly, they want their favorite nation to firmly ward off the risk of coming up the loser. The *friends of globalization* never weary of warning against the risk that their country could fall behind in the competition of nations should the proceeds of the globalized economy end up being delivered to the wrong address. So that without any theory of imperialism they come up with a forceful call for *politico-economic nationalism*, and without any sense of shame they — after having discovered competition to be an “objective constraint” — recommend *imperialistic practices*.

b) People at home in the dialectics of the risks and opportunities of “globalization” are animated by an ideal that they demand their nation realize: politics must see to it that the *international rough and tumble* of capital takes place smoothly, and that the economic success achieved thereby coincides with the increase of power of their favored nation(s). And it is not only competitors’ parallel efforts that make a bad impression on those who sympathize with the successful national utilization of the world market. Danger also threatens from another corner; namely, from a very powerful creation of international capital. Of course, we’re not talking about the billions of human beings who have been turned into dependent variables of global growth and who have plenty of good reasons to get the regime of the market economy off their backs. No, we are talking about *finance capital*, which is profitably shuttled back and forth among all the nations. This branch of the markets has repeatedly raised suspicions among fans of the globalization myth

— always in those cases where *business fails*. In this respect, the attention paid to the markets that deal with money and debts and nothing else has turned out to be as scanty as that paid to the rest of capitalism.

The main thread running through the warnings about this financial sphere likewise concerns the experience of *helplessness* that the directors of the market economy have to undergo. Yet these troubles haven't materialized as they have in the conflicts with competitors due to their *achievements*; rather, economic interests are damaged in this case once "investors" of money capital *fail* in their trading in currencies, shares and derivatives. Globalization theorists are from the start in agreement with economic policymakers and industrial managers that the services provided by finance capital are indispensable — services that, however, only come about when the calculations on profit-yielding scraps of paper and computer-expedited orders work out. Once some banks go bust, a stock exchange crashes, and a currency gives up its purchasing-power ghost, then they know it all, but the other way around — after all, they're on the receiving end. Due to the effects on their own business, the "markets" come in for severe criticism. This has its comical side too, considering that the authorities that not only provide the international credit business with "products" to trade in and speculate with but also take an active part in it complain about what these "markets" are doing to them:

- Even slightly more abrupt movements on currency exchanges that mess up a nation's foreign trade occasionally induce financial policymakers to scold that "*merely speculative*" movements have led to an incorrect valuation of their monetary power and/or an undermining of their nation's competitiveness. Nobody is then supposed to raise the objection that this criticism is being brought forward by those very same people who, as their nation's officeholders, continually create money and expose the national credit to the test of the ominous "markets," thereby speculating on the speculation, and who, in those

cases where their speculation is confirmed, brag about the trustworthy strength of their nation and its economy. In this area as well, success proves who is right. Failure, on the other hand, is always the work of foreign agencies and, as a matter of fact, of inadmissible interests.

- If the financial shocks are somewhat more severe, as was the case during the currency crises of the 90's, the tone of criticism is turned up a notch to reflect the degree of damage. Statesmen and bankers, journalists and industrialists, who would never allow a harsh word to be spoken against capitalism, rail against "casino capitalism." That governments, banks and large companies equally and repeatedly share in this economic deterioration — as suppliers of the stuff that the casino can and should speculate in; and additionally as potent "institutional" investors attempting with their "puts and calls" to draw as many millions as possible from the casino — that they do all this is pretty much irrelevant to the critics. What is most important is that no one mentions who it is that vests these unpredictable "markets" with the power that enables them to mess up entire national economic accounts with just a few decisions. It is entirely sufficient to point to the disastrous effects on future business that an unleashed speculation can give rise to as soon as it withdraws its favor from state, industrial or financial projects, a favor it had been granting them up to that point.
 - The globalization philosophers take to heart the troubles besetting capital and state due to the dangerous unpredictability of international financial markets as much as they do those stemming from foreign competition. In the latter case — after having studied the "constraints of globalization" — they have not made any proposals to abolish the worldwide, capitalistic competition of nations; neither do they do make proposals for prohibiting the credit business after examining this branch of the economy. They do not deign to look into the nature of

this business, which is in fact founded to make money regardless of any producer's credit needs. On the contrary, they appreciate the function of this business as being all the more indispensable. It is clearly possible to attest to the achievements of a sphere in which credit is amassed in the interest of a functioning competition without being able to name a single one of them. And the "blunders" that precipitate *crises*, i.e., the general disruptions of the worldwide course of business, are characterized rather childishly by the friends of globalization: first of all, there is *too much* interest-bearing credit in circulation because secondly, thanks to modern means of communication, it all happens *too fast*.

3. The effects of the globalization debate

Considerations about the practical difficulties that plague economy and nation in their efforts to become big and strong on the world market have one virtue: regardless of the quality of the judgments, they are recognizable as efforts to contribute to the success of projects being carried out. Such considerations are always appreciated.

But they also have a disadvantage. As a corroboration of the calculations that have already been made by the authorities, as an outline of strategies which have long since been pursued, they are superfluous.

However, such well-meant offers are not refused by political and economic authorities merely because there is no demand for them. In order to get the nation *qua* site for capital accumulation shipshape for advancing against competing nations as categorically as possible; in order to make common cause with the competition in the IMF and elsewhere in watching out for erroneous moves of the markets so as to establish a bit of world order — for these initiatives, the decision-making masters of the world market certainly wouldn't have needed hundreds of publications on

“globalization.” Once, however, the members of the politicizing intelligentsia have wasted so much paper on the success of capital and state, which they see as standing or falling with timely responses to “globalization,” then the issue can be stood on its head. From this point on, every rationalization and merger, every international venture, from the launch of a new currency to a war, *is* a response to “globalization.”

Notes

1. *“Hier stehe ich und kann nicht anders!”* Apocryphal remarks of Luther at the Imperial Diet of Worms, 1521.

An Invitation

You've got questions?

We know that our analyses of capitalism, state and imperialism, as presented in the articles and books below, can be rough going. The same can be said of Marx' Capital, or of any new thinking. It's always easier to digest the old ideas and familiar prejudices. So, to help out, we'll make you an offer you can't refuse. Write to the GegenStandpunkt editors at **GSEditors@gegenstandpunkt.com** with your questions and comments, and we really will reply.

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