

THE DEVELOPMENT ROUNDTABLE SERIES PRESENTS

# UNDERSTANDING GLOBAL CAPITALISM

with Dr. William Robinson, Professor of Sociology, University of California in Santa Barbara

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## ABOUT DR WILLIAM ROBINSON

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### Dr. William Robinson:

Good evening to everyone, it's a pleasure to be here. This is actually the last of my engagements in the Philippines since I leave in 48 hours. So I want to take advantage, before I start, to just thank once again the

sponsors of my trip, Focus, and the Focus members that are present here. I am terribly grateful for this opportunity.

What I want to do this afternoon is give a brief summation of the arguments and analysis that I have been putting forward these past

two weeks or so. I know a number of you have been to some of those lectures, and others I'm seeing for the first time. We have a little bit of time tonight. We'll have 2 discussants so I'm just going to jump in to this in outline form.

## globalization as epochal change in world capitalism

I have been arguing that we are facing a global crisis; that we are facing a crisis which really is of civilizational proportions; that we are facing a world wide ecological holocaust of untenable consequences. The means of violence world wide have never been greater, the

means of destruction have never been greater. The system that we live in at this point is a system which now engulfs the entire planet, the global capitalist system. And so crisis in any one point is crisis for the system as a whole. The question is, how do we address this crisis of

humanity? That's what I attempt to do with my theoretical, and my scholarly and analytical work.

I think that **globalization is a concept with tremendous explanatory power**, so an analysis of globalization would be something that not only says something about the

crisis, the nature of the system and the crisis we are facing, but is also a template for understanding and analyzing a wide range of social, political, cultural and ideological processes in the 21st century.

In my theoretical approach, globalization is a qualitatively new transnational stage in the on-going evolution of world capitalism and one of the big debates here is what's new and I identify four things in particular that are novel about world capitalism as we get into the 21st century. The first of that is **the rise of truly transnational capital**. We are seeing the rise of an integrated global production and financial system, something we haven't previously seen, which is organized and driven by transnationalized capital. Secondly, we have a new class group which I describe as the hegemony fraction at a world level of global class structure, and this is the **transnational capitalist class**. It is distinguished by being a class group that is grounded in new global markets and circuits of accumulation rather than the previous national markets and circuits. The third novel aspect of our epoch is the rise of what I refer to as a **transnational state apparatus**. What I mean by this is a loose coalition of institutions

which is comprised of all super-national, transnational and international institutions. This does not mean that the nation state disappears, but rather that the nation state itself is in the process of being transnationalized, it's in the process of being penetrated and transformed by transnational social and political forces and synchronized with a larger emerging transnational institutional structure. Fourth, we're seeing **the appearance of novel relations of power and inequality in global society**. Social inequality is not new, but we're seeing new forms of global inequality that cut across the old north-south and nation state lines that group new types of transnational social inequality. We're seeing new configurations of global power and with transnational combination. We need to understand these things.

**"...globalization is a qualitatively new transnational stage in the on-going evolution of world capitalism..."**



IN THIS PHOTO

Dr. William Robinson delivering a lecture on global capitalism.





In my earlier presentations, and I think I'll skip over this part, just go very briefly, but I would suggest that we have gone through three previous epochs in the 500 year history of world capitalism.

The period that others have called **mercantile capitalism, or primitive accumulation** that runs from the symbolic dates of 1492 when this system was inaugurated with the conquest of the Americas through 'til 1789, which is a symbolic date because of the French revolution and the rise of the new class, the bourgeoisie and the consolidation of the nation state and the interstate system is now the structure or the organizing principle for this **(competitive or classical capitalism)** system. Then we get into the end of the 19th and the beginning of the 20th century and we have what others have called a monopoly stage of capitalism; what I prefer to refer to as the **national corporate stage of capitalism**. That brings us into the 20th century. What basically happens is that this national corporate stage of world capitalism, in order to understand the global stage that we're in, we want to look a little more into the details of what preceded it, because of the historical context.

So what were the

## **essential features of 20th century national corporate capitalism**

Two in particular. One is **the state intervenes within each national economy, in the circuits of accumulation** in the development of capitalism. The state intervened by redistributing wealth, by regulating the circuits of capital, and so forth. So the state had a major role to play in world capitalism in the 20th century. The second major feature is that there's a **redistributive component to national corporate capital**. We can say briefly that the whole, or the three regions of the world, for the First World we see the development of new deals, the welfare states, and the social democratic system which has these two features: state intervention in the economic process and redistribution. In the

so-called Second World, some might have called this socialist, others an alternative redistribution model, but in any case we see the same two features: state intervention guiding accumulation and redistributive mechanisms. And that in the so-called Third World, we have the developmental state of the 20th century, what some have called Keynesianism or Fordism. And again the same two features: the state played a major role in guiding and regulating accumulation and that other mechanisms were in place for redistribution.

What happens though is that all three of these models, or national corporate capitalism enters into a very severe crisis starting in the 1970s, the world economic crisis that you will all remember. There are many ways that we can analyze that crisis but I characterize it as a **crisis of nation-state capitalism**. It's that at this point,

## **capital outgrows the nation state and the interstate system as the institution through which capitalism had previously developed**

This becomes a restructuring crisis--what we mean by that is the crisis is so severe that the whole system is once again reconstituted on a new footing. And so we have 1970s and on, we have the breakdown and dismantling of the redistributive projects of the First World, the social welfare state, and so forth. We have the collapse of the so-called Second World, and the socialist projects with the complete demise of the Soviet Union in 1992. And in the Third World we have the collapse of the developmentalist projects, particularly after the debt of the 1980s. So it becomes clear, as I've said in my previous lectures, by the time we get to the 1990s, neither socialism in one country nor Keynesianism in one country is any longer a viable model in the 21st century. What's happening here is that we're entering into a new transnational phase of capitalism, which is coming to supersede the nation state phase of capitalism as a social system.

Now, let me stress as strongly as possible that this is not an argument for the end of the nation state nor that the nation state is



“...capital responds to the crisis of the 1970s, of Fordist-Keynesian capitalism, by going global...capital goes on the offensive, it attempts to, and is largely successful in breaking free of nation state constraints to accumulation..”

irrelevant. Rather, how has capitalism developed previously and what other dynamics drive capitalist development now? And the nation state interstate system, what was the framework, the political and institutional framework in which capitalism previously developed? And that is what is being superseded, not the nation-state as an institution and its significance, or the link between talking about the nation-state and globalization. Of course I've elaborated on this point previously; here I'm only giving a summary.

What takes place is that capital responds to the crisis of the 1970s, of Fordist-Keynesian capitalism, by going global. Capital goes on the offensive, it attempts to, and is largely successful in breaking free of nation state constraints to accumulation, particularly to the capital-labor relations that had developed in the 20th century, a regulated relation, a relation in which there were certain reciprocal commitments and rights. And that has broken down as capital breaks free of this whole framework and the new model of capitalism begins to emerge. What happens is that through construction of the new model of accumulation, which is now a global and transnational model, capital, and particularly the transnational fractions of capital that now become dominant, restore the prospects for accumulations that have begun to break down in the 1970s through



four mechanisms. One of these four that I have emphasized is by

**forging of new capital-labor relations, one based on a cheapening of labor, on the notion of flexible labor or deregulated and de-unionized labor, becomes now the general, worldwide model**

The relationship between capital and labor is no longer one of reciprocity and one of regulated labor and one of labor being capital-seeking to stabilize a labor force and to stabilize a social reproduction of labor. And so that becomes this new system of labor control based on the break down of those, that capital-labor relations now become the



norm. I'll just add very quickly here that this is also feminized labor as I've mentioned in other lectures, in a dual sense. In the one sense, that women now increasingly become the face of global labor, that doesn't mean that men are not workers but that the global labor force is becoming feminized. Secondly, it also means that

**women within the capitalist system always experience super-exploitation with relation to men, an exploitation that has brought together the responsibility that women have in social reproduction, and which brought together patriarchal domination with capitalist exploitation**

The second mechanism is a dramatic round of extensive and intensive expansion of capitalism itself. Extensive in the sense that regions of the world or pockets within countries that have previously been outside the system are now incorporated in the last few decades into the system. This would include of course the former Soviet block, China and the Third World revolutionary states such as Angola, Mozambique and Nicaragua. But also includes major areas within countries that had been part of a capitalist nation-state and world system but had been outside of the world capitalist relations, such as southern Mexico. Southern Mexico becomes fully incorporated into the world capitalist system and has really had structural underpinnings with the response by



**“the intensive expansion of capitalism takes place through massive privatization, through the massive conversion into a sphere of commodity and profit making of what was before public spheres...”**

It's that type of super or hyper exploitation that now becomes the more general labor norm through this new flexible globalized regime of labor-relations.

the Zapatista rebellion of 1992--but you see that everywhere. The intensive expansion of capitalism takes place through massive privatization, through the massive conversion into a sphere of commodity and profit making of what was before public spheres such as health, education, public housing, public enterprises, state enterprises, the development of intellectual property rights and the conversion of non-tangible wealth, such as genes into accumulation and into commodity. All this is actually in the intensive expansion of capitalism and the system itself. It spreads outwards and it deepens itself dramatically and that's the second mechanism.

The third is the creation of a global legal and regulatory structure to now facilitate the emerging global circuits of accumulation. We have the creation of the World Trade Organization and literally hundreds of multilateral, bilateral, and global free trade agreements. We have the conversion of the IMF and the World Bank into instruments which will now facilitate this new global stage and we have all kinds of other juridical and international and global legal structures, so that the same way we have these at the nation-state level, we increasingly see them emerging at the global level.

The fourth mechanism, again, these are four mechanisms which facilitate the emergence of a new model of global capitalism, is the neo-liberal structural

adjustment programs which seek to create the conditions for the free operations of the emerging transnational capital across borders and within each country, so that capital, particularly emerging transnational capital, is unhindered by both state borders and by regulations within states. That's the

larger objective of neo-liberal structural adjustment beyond its immediate proclaimed objectives of macroeconomic stability and so forth. And I've spoken at some length about neoliberalism and its relationship to capitalist globalization previously, that's all I'll say for now.

## global economy and transnational accumulation

With that as the context, **the crucial defining feature of global capitalism for me is the rise of truly transnational capital.** That's what we want to focus on. There is still national capital, there are still global capitals, there are still regional capitals, but really the hegemonic fraction of capital on a world-scale right now is transnational capital. In a sense, transnational capital has been able to, in recent decades, subordinate other capitals to itself and secondly, that we see a new fractionation of capital between transnationally-oriented and nationally or regionally-oriented capital. This transnational capital is increasingly divorced from specific countries. One thing I'm not saying here when I say that transnational capital is increasingly divorced from specific countries is not that transnational capital doesn't need the state, and not that transnational capital doesn't operate in distinct conditions, in distinct regions of the world and distinct countries--it does. But the nature of reproduction of transnational capital is no longer what we used to understand as national capital.

We have the global mobility of capital emerging in a dual sense. In a technical sense, the technical constraints to global mobility are increasingly lifted through computer and information technology with global

communications, with the revolution in systems of transportation and so forth. But also the political constraints to the mobility of this rising transnational capital have been lifted through changes in the state, through the neoliberal structural adjustment program and liberalization and so forth.

In sum, what we're seeing when I talk about transnational capital is the dismantling of national economies, the reorganization and the reconstitution of national economies as component elements or segments of a larger global production and financial system, which is organized in a globally fragmented and decentralized way, but in which power, and power includes the ability to organize and control this global economy, is concentrated and centralized. This is a polarizing movement—the decentralization and fragmentation of the actual national production process is all over the globe, while the control of these processes, endless chains of accumulation is concentrated and centralized at a global level, but not in a nation-state, rather in transnational capital and in transnational capitalist class and its politicized and managerial elements. Again,

**“...to create the conditions for the free operations of the emerging transnational capital across borders and within each country so that capital, particularly emerging transnational capital, is unhindered by both state borders and by regulations within states...that's the larger objective of neo-liberal structural adjustment”**



I've gone on more detail on this global economy elsewhere. I've emphasized the network nature and structure of the global economy, organized as subcontracting and outsourcing chains which are quite endless, which cross national borders and so forth and also as a network structure in the sense that a network is where a segment can attach to a network, and by that attachment, it is connected to all kinds of other elements and other forms of organizations it would not be networked to literally and then it can detach and reattach itself to other networks. It's more like a global spider web, except again that you have power being centralized, exercised through decentralized networks but concentrated.

We also have the rise of a global financial system. I've gone into some detail in my earlier lectures on that, and the significance of seeing a truly globally integrated financial

system. There's no such thing as a national financial system anymore, we might have national currencies, but that does not denote a national financial system. Even for the globalizing industrial structures and globalizing commercial and service structures, we have this globalized financial system, which is thoroughly and truly at this point the most globalized. It also means that transnational finance capital is the hegemonic fraction really at the peak of this system. The global economy is the material basis of these processes that we might study or be experiencing ourselves such as the transnational political processes, the notions of transnational civil society, transnational cultural processes and so on and so forth. All of these have to be seen in relationship to the rise of a global economy, which in a ridiculously summarized way I've just spoken about.

## transnational classes and a transnational state

I'll only touch on two of these related processes. One is the rise of a **transnational capitalist class**. We've seen this class group rising through a series of mechanisms which we can, and I and some other have studied in some detail such as FDI, mergers

and acquisitions which are now increasingly transnational rather than national mergers and acquisitions such as the ease with which investor groups anywhere can now purchase shares in any conglomerate, anywhere in the world for the global financial system and so the actual share ownership of giant transnational conglomerates are thoroughly transnationalized themselves. The boards of director of the leading transnational corporations are increasingly transnationalized--Toyota would have representatives from Germany and from the US and from China and Brazil on its Board of Directors, and so forth and so on. This is transnationalization in numerous senses including what you get in all of these interlocking structures, which we used to analyze in national levels as a national elite which is interlocked in both its formal and informal relations, and now we see that globally.

We also have **transnational capitalist and managerial elite** socializing in a transnational level. What more proof do

### IN THIS PHOTO

Gem de Guzman (Buklurang Manggagawa ng Pilipinas), Ted Jacinto (Tambuyog), Bonn Juego, and Tina Ebro (Institute for Popular Democracy)





“...there were struggles in every nation state between nationally oriented fractions of the elite and emerging transnationally oriented fractions of dominant elites...in the sense that their interests lied and lie in integrating their countries and their regions into these new emerging globalized circuits of accumulation”

you need than the 2300 people that as we talk are meeting in Davos, including the president of the Philippines, discussing their common global problems and solutions to them as a global elite. That is how class formation takes place. There is this objective dimension, which again I have summarized in 30-45 seconds, and this subjective dimension of developing a transnational consciousness and a transnational political action capacity which we see unfolding in Davos.

There is also a **global working class**, literally billions of people running the farms, offices, factories and service establishments of the global economy but it's a group, a global working class, which does not have a subjective consciousness of itself as a transnational class. It's an organic relationship, but not a phenomenological or a class conscious relationship so there's a disjuncture here.

What we saw in the 1990s particularly were struggles in every nation state--between nationally

oriented fractions of the elite, which have been dominant in the 20th century, generally, and emerging transnationally oriented fractions of dominant elites—political, managerial political elites, bureaucratic elites and capitalists that are now transnationally oriented in the sense that their interests lied and lie in integrating their countries and their regions into these new emerging globalized circuits of accumulation. Their class identity is increasingly that of a larger global ruling class. They struggle to achieve state power in each of their countries, they generally take state power, whether it's by elections or other mechanisms, via internal party struggles and then utilized that state power in the 1990s to thoroughly globalize by proposed neoliberal structural adjustments and bring about new globalized circuits of accumulation within their country.

In the Philippines, we have the rising prominence, it's so crystal clear when we use it as



a template, the cutting edges of accumulation are increasingly, going to be if they're not that yet, transnational tourism, biofuels, new types of agro-industrial exports, services such as the call centers, and of course global finances and global commerce such as the giant malls. Henry Sy would be the perfect example of a Filipino transnational capitalist, not a Philippine national capitalist. I just had to name that example because it's just so illustrative.

Again, I have debated this and I have clarified this in the two and half weeks that I have been speaking: this does not mean that rivalry and competition comes to an end. But we need to understand conflicts within the capitalist system, and rivalry and competition within the capitalist system, whether we're talking about capitalist rivalry or interstate conflict in a new light, in new ways, and I've spoken about that in the last few weeks.

The thing about the transnational state is, this is the biggest dilemma for those of us who analyze study or politically try to engage with globalization. How do we understand the relationship of the nation-state to the globalizing economy? Here I want to get away from this dualist notion that we need to either emphasize the nation state or global institutionality and that one is opposed to the other, and that actually my argument is that it's a false dualism. What I suggested and reiterate here with the transnational state is that

**the process of economic globalization has a counterpart in transnational class formation and in emerging transnational state which is being brought into existence by transnational elites to function as a collective authority for this new system**

Once again we see what's going on in Davos and also in numerous other forums, instances and institutions. Secondly, the nation state is neither retaining its primacy, as some would argue that nothing has changed, nor is the nation-state disappearing, or losing its relevance, which other people would argue. Rather, the nation-state itself becomes transformed, and becomes increasingly absorbed into the larger structures and institutions of the transnational state. Third, this transnational state apparatus institutionalizes the new class and social relations of global capitalism that I have made some reference to. One of the many examples I have given in these last two weeks is when the IMF, as an institution of the transnational state, goes to a

country and says you have to reform your labor laws in order to get IMF funding; or the World Bank says as part of this conditionality, you need to impose structural adjustment. Then, modifying the labor laws facilitates the new capital-labor relation, which is the basis of global capitalist relation, and the liberalization then integrates the country into the global capitalist system. Theoretically, what's happening here is that a transnational state institution is generating the conditions for globalized accumulation in each region of the world. That's what we really need to emphasize.

[The transnational state creates the conditions for globalized capital accumulation.](#)

## the US state and the global capitalist system

In this context, we can have the discussion and analysis of US foreign policy.

**US foreign policy needs to be understood not as the drive for a US empire or as a defense of US capital against rival capital, but rather that the US state is the key instrument of the global capitalist system reproducing, or seeking to reproduce, the global capitalist system and defend the interests of global capital over national capital, and over the globally repressed and exploited sectors and those that would oppose the global capital system**

We of course have a fundamental contradiction between a globalizing economy within a nation-state, interstate-based political system. The transnational state cannot, is not able to, regulate global capitalism; it is not able to respond to and address the crisis of global capitalism. That's a contradiction internal to this emerging global capitalist system. When we see a contradiction such as that, it doesn't mean that our theoretical understanding of global capitalism is wrong, rather that reality is always driven by contradictions, and we need to identify what the key contradictions are in a particular moment of history we are living at, and this is one of them.

# global crisis and alternative futures

I move towards these concluding two points, I want to emphasize that I'm limiting myself to 30 minutes and it's been about 25-26 minutes, so this is a terrible simplification.

So this system, even as it emerges, emerges in crisis, it comes into being in crisis. The crisis is multi-dimensional: it is a **crisis of a sustainability**, we can talk and have talked about the people, about the ecological crisis, the inability of the system to sustain itself or to deal with its increasing fall out from its un-sustainability, the contradiction between capital and nature, or between society and nature. Just go to Bali and you'll see not only the structural contradictions generated by questions of sustainability and ecology but also the social and political conflicts around this and moving disasters.

The second dimension of the crisis is that of **social polarization and social reproduction**. There has been an accelerated level of global inequality, we've never seen such intensive global inequality and there are new forms. They are both north south and between countries, but there's also within countries; the rich have gotten richer, the 20 percent of the population that consumes and enjoys the global economy, and the poor, that 80 %, have gotten poorer in every country. But in addition to that, there have been new transnational class inequalities which have been quite novel, cutting across north-south lines and interstate lines. This is a crisis of social reproduction because that 80% can increasingly not even guarantee its survival and exist in extremely precarious conditions, with global warming and with the recession which appears to have already begun. That borderline between surviving and not surviving might simply give way. I've kept on stressing in the past two weeks that when we talk about the crisis of social reproduction, it's not a crisis for the capitalist system unless those that are starving to death or those that don't quite know how they will be able to survive actually resist those conditions. And because they are resisting and because there are conflicts in every single level of global



“...when we talk about the crisis of social reproduction, it is not a crisis for the capitalist system unless those that are starving to death or those that do not quite know how they will be able to survive actually resist those conditions”

society--I just came from the people's camp, and by sitting in the different activities there, you can see that at the grassroots level of the Philippines, in every level, there are conflicts. If half or two-thirds of humanity just quietly starved to death, there wouldn't be a crisis of the system, only for those people starving. But since they are resisting, it is a systemic crisis.

The third dimension is the **crisis of over accumulation**. We really would need more time to go into considerable detail of this dimension, however I cannot. I'll just point out that the global economy continues to generate in ever more expansive ability to have output, and the global market has a declining ability to absorb that output. So you have the classic situation of over accumulation or the realization problem of capitalism. Previously, the nation state could attempt to ameliorate that through the redistributive mechanisms which are not viable now and through state intervention in the economy which are now much less viable. And so the best you get is these measures which have nothing to do with contravening global capital mobility or social polarization or anything of the sort. The US state, to attempt to resolve those crises, now that productive responses are not possible, or that they're possible but not under the circumstances, they have become exhausted. Financial speculation has reached its end, at least for the moment, with the latest bubble burst, with the real estate, the dotcom, the credit crunch, and



now it's the sub prime mortgage financial crisis, which is now throwing the whole system into a new recession. With the end of both financial speculative outlets for global surplus and productive outlets, you get militarized globalization. You get the US state organizing a global war economy. The invasion of Iraq beyond immediate political objectives or strategic objectives is something which keeps the global economy fueled through 700 billion dollars injected into globalization in the last few years. You really have a classic example, but now transposed to the global level, of militarized accumulation at a world level to try to adjust this process of over production.

The final dimension of this four-pronged crisis of global capitalism is the **crisis of legitimacy** in the sense that states are facing legitimization crises everywhere--that's the famous crisis of governability. When the World Bank speaks of good governance they don't mean that governments should be responsive to the citizens or to the needs of the majority and so forth. It simply means two things: that governments are facing this crisis of legitimacy first of all because increasingly states are racketeer states, and because of that reason, because of theft, and graft and corruption, market mechanism become less effective for the accumulation of capital so that's half of good governance. The other half of good governance is to have effective and streamlined social controls systems to address the crisis of social control as a result of the crisis of legitimacy. Increasingly, we have seen the move from social welfare states to police states. In the face of this forefront crisis of global capitalism, it's clear to me that the neoliberal model of capitalism and globalization as we have seen it over the last twenty to twenty-five years is moribund. It's a very strong statement to make, but I make it anyway on the basis of both subjective and objective analysis. Here we need to remember that neoliberalism is not the same as global capitalism. It's a particular model of organizing world capitalism; it's the model that was imposed on the world that facilitated the rise of this new stage where we can have many different versions of global capitalism just like there were many versions of nation-state capitalism from the most progressive

with Peron in Argentina, or Roosevelt in the US, to of course Nazi capitalism or Pinochet capitalism or Marcos capitalism. The end of neoliberalism is not the end of capitalism, that's not what I'm suggesting. What happens now in the global level is that

## **the struggle has begun for what will replace neoliberal capitalism and how this crisis will have its outcome if not its resolution**

I put forward my conclusion, that there are certainly four

## **future alternatives**

among others that we could envision. One future alternative is some type of **global Keynesianism, a global redistributive project, a global reform capitalism**, and a lot of global elites are talking about that. In Davos right now, they're debating on whether that should be their program. Joseph Stiglitz of course and Jeffrey Sachs have come out in this favor. Some of the governments in South America now are not socialism in the 21st century governments but global-redistribution project governments such as Argentina.

Another alternative is **global fascism**. And I regret to say that we are certainly seeing that type of project rising, and is being organized by the current US regime in which you see a fusion of transnational capital with a reactionary political power. You see a fascist ideology which is gripped right now by US Christian fundamentalism and anti-immigrant ideology which is fascist-racist ideology. You see the militarization and the masculinization of popular culture and of social relations. You see the increasing use of coercion to regiment daily relations and to discipline workers and poor people even when you still have a constitutional order. And finally, you see in the US and globally, the erosion of constitutional order, but not its breakdown, because this would not be 20th century fascism but 21st century fascism. Bush says that he doesn't need to follow the constitution, because the president is not



**IN THIS PHOTO**

**(above)**

Josua Mata (APL), Jean Enriquez (CATW-Asia Pacific), Daphne Villanueva (Christian Aid), Tony Cruzada (NEPA), Ronald Gregorio (LRC), Nepomuceno Malaluan (AER), Jose Ed Velasquez (NEPA), Jun Mendoza (NEPA), Jessica Reyes-Cantos (Office of Rep. Tanada), Rosalinda Ofreneo (UP CSWCD), Sr. Arnold Ma. Noel SSPS (Balay Rehabilitation Center)

**(below)**

Dr. William Robinson and Jenina Joy Chavez (Focus on the Global South), moderator of the roundtable discussion

responsible over the constitution, and we have total documentation, it's not even a question at this point, that the two elections were stolen in the US and so forth. So we do have the prospects of global fascism.

A third alternative might be a **global 21st century socialism**. We could certainly talk about the model emerging in Venezuela, and we could say with 21st century socialism that you can not have socialism without democracy, and you can not have democracy without socialism. Many of the 21st century revival of socialism would definitely have to be a democratic socialism, and that's certainly what seems to be aspired to in the Andean region now. Maybe that is some future for the larger global system; it remains to be seen.

The fourth, a frightening one, just as frightening as global fascism, is a **global collapse of civilization**, a degeneration of civilization. And again, we've seen such outcomes throughout history when no social force can stabilize a particular system, when a civilization cannot resolve its internal contradictions--it collapsed. That includes China in the last four or five thousand years of

its running civilization, its collapse for two to three hundred years; it includes the ancient Mayan Civilization, it includes the Easter Islands Civilization, the Roman empire. The only difference now is that for the first time we're talking about a truly global civilization, so it will be a global collapse, to be replaced if not by mass dying, or along with mass dying, by a global warlordism. So these are four of the many futures.

I've ended all my talks these last couple of weeks by reminding us that all these options are open, plus others that we might be able to imagine, and that of course

**we always make our own collective history and so the future is never predetermined**

I'll leave it at that, and I'll turn you over to our two discussants.



**Filomeno Sta. Ana III :**

I was able to read your paper before, a paper on Critical Globalization Studies, also called CGS. I would keep my comments short.

My first comment, a very basic one, the presentation has provided us a good basic description of what globalization is, the features of present day globalization and I find nothing controversial about that. In fact, even main stream people, even conservatives, would not dispute the points or the description you made about globalization. I even recall this new book coauthored by Baumol, Baumol is very popular at least in the UP School of Economics, he's the contemporary of the great dean, Pepe Encarnacion and his book is entitled Good Capitalism, Bad Capitalism. So even a person like Baumol, who belongs to that class of conventional economists, with a Keynesian background, would have the same opinion, or a similar opinion that you have different types of capitalism and in that context, even types of capital too.

Which leads me to the second point-- what is capital? For me capital is capital, whether the color is black, white, red, or yellow, it's still capital. If that's Filipino capital, or US capital, we still would have to grapple with all the challenges regarding capital. A Filipino capitalist, even if he has become a transnational capitalist, would be no different from an American capitalist, given the rules, given the institutions that constrain the behavior of capitalists, and that's where institutions come in. In other words,

**capitalists could play bad if the institutions or the rules allow them to do so**

It's very important for institutions to be set up to make capital responsive to development goals, and I don't care if that capitalist is Lucio Tan or whoever. To illustrate that further, in the Philippine case right now, we are somewhat hampered by the inflow of capital, and that has lead to the appreciation of the Philippine Peso and a lot of sectors have already expressed their concerns over the appreciation of the peso. But what is the capital that is coming in? Of course you have the short-term portfolio flows, very bad capital. You also have the capital from the savings from overseas Filipino workers, that is still capital. But the inflow of such capital contributes to the appreciation of the peso. I'm saying there that in that context, it really doesn't matter

whether the capital comes from the overseas Filipino worker or from portfolio capital. In this context, whatever type of capital can hurt the Philippine economy and in that sense some policy intervention is necessary.

I mentioned the role of institutions and the challenge then is how we can put up those institutions. Again in relation to neoliberalism, because in neoliberalism, institutions have really been abandoned, institutions played a very small role but precisely because of the failure of neoliberalism and such failures already recognized by the likes of the IMF and the World Bank, there is now all these talk about institutions. Even the World Bank and the IMF now talk about good governance, institution building. Of course we can likewise criticize them for the types of institutions that they would like to set up in developing country settings, but the point is that there is a recognition of the importance of institutions. So again, the debate is no longer about institution versus markets, but more importantly, what kinds of institutions have to be set up given very specific contexts. Perhaps my last point is about how to tame capital. I'm optimistic, that even in this globalized setting and in the context of the rise of transnational capital, capital can be tamed. As you mentioned, we are now, I think, in the middle of a global crisis, recession has set in in the US and that will really have an impact all over the world. One way that some of these big banks are being rescued is through what we call the sovereign wealth funds, which would show again the state being ascendant. And as the crisis unfolds, I think there will be more ways in which the state will come in not only to stem the crisis but also to address the derivative problems arising from this crisis.



**ABOUT FILOMENO STA. ANA III**  
 Filomeno "Men" Sta. Ana is the coordinator of Action for Economic Reforms.



#### ABOUT ROSALINDA OFRENEO

Dr. Rosalinda Ofreneo is the chairperson of the Department of Women and Development Studies, College of Social Work and Development, UP Diliman

#### Prof. Rosalinda Ofreneo:

The usual notion of work or of labour or of a worker with a clear employer, unionized, etc, and now you have all sorts of working people that don't belong to that classical mold. So how then would you describe the global working class? In Philippine society for example, informal employment now comprises 76% of total employed. We have this huge mass of flexible labor, as you said, the deregulated, unprotected labor. I think we also need to widen the lens a little regarding the contribution of the reproductive work of women to the survival of the 80% and how this contributes first of all to supplying the cheap labor in the export processing zones for example, in the call centers. These are considered opportunities but they are also vulnerabilities in terms of the poor working conditions, in terms of the insecurity of tenure, in terms of lack of social protection. In call centers now, the jobs are endangered because of the rising peso. These are all very transitory, and of course, as you said, capital is very mobile and these jobs might disappear. But then if you look at our exports, 3/4 of that is electronics,

and if those jobs disappear then what would happen to our balance of trade and all that? I also need to bring in migration problems, sex trafficking that is embedded in it.

**migration itself is an opportunity but the vulnerability there is also the globalization of sexual exploitation of the sex trade and what that means to the women and children in the millions**

What then would be the shape of the resistance against what you call the enemy now, which to me is still very abstract? Because given our experience in the WTO there is room for articulation of nationalist demands of allying with the elite in government so that in a dialectical mode, the country can more or less have a better positioning. You have the group of 33 and the group of 20, and all that, in this north-south alignment in the WTO. So if you take a very global working class against a transnational capitalist class, how will the struggle unfold? And how will we make use of the contradictions between what we call the transnational capitalist class and what we may still call as national capital? I grew up part of the generation that talked about nationalism, economic nationalism, love of country, Filipino interests versus transnational interests, against US bases, US imperialism, etc. Of course, we know you don't want to deny that, but you do want to deemphasize that and say maybe we may be going along the wrong path given that transnational capitalism has become so hard to track and to face; and we need to be

more updated about the nature of capital.

My third point has to do with the alternatives. You talked about the Latin American experience, the Bolivarian initiative, Venezuela. I was wondering how the trust configurations are playing themselves out there; what sort of social forces are behind these progressive changes? Are the women's movements, for example, involved? How is the trade union behaving in Latin America, did it manage to reinvent itself? Because the reason why there is a decline in trade unionism all over is because the trade unions have become like the state, also highly patriarchal and also exclusionary, and always looking at formal labor, but I think now there's more room for openness.

Are the changes such that there is hope, that we can actually bring permanent type of change that would lead to a more democratic order, not necessarily a socialist one, maybe a rights-based model that would be more inclusionary, that would involve all the sectors, the 80% as you described it, and not be limited to a small circle of very ideologically motivated groups that claim to lead everybody towards the correct path?

I'd like to learn more, I'd like to connect it to what Marcos Arruda told us earlier about Latin America, about the solidarity economy and how the local is somehow linked to the global, and how we can build our forces from the ground up to challenge whatever unjust forces there are that are impinging not only on our national situation but the global situation, as you want us to look at reality now.

**Dr. William Robinson:**

I want to take advantage to point out one thing going on here, and it's that through transnational migration, we're seeing worldwide new axis of inequality between native workers and immigrant workers. We're seeing that with the export of the 10 million Filipinos, and we're also seeing that with the export of the 1/3 of the population; and every single Latin American country is exporting sectors of their population, and the import of remittances and I'll get to a moment in the gender dimension of this new transnational migrant labor system. But first, I want to look at specifically what Filomeno has brought up with regard to national economies and with regard to policy implications and with regard to my thesis on transnationalization: what we need to think of, how we need to see this is on multiple levels, this transnational migration and its effects. First the remittances, what countries export as labor. We have this emerging global labor market and when the remittances return, they return to the country through the global financial system, so they enter and become part of globalized accumulation. When the remittances return they allow families that otherwise would have no mechanism of survival to survive. So there's a politically mitigating effect to remittances, as you see for example with crystal clarity that you would probably have a revolution overnight if you didn't have 1/3 of the population abroad sending remittances back, and you see a level of macroeconomic stability or reproduction that you wouldn't have any way. But the story doesn't end there, it goes on and on, and so by deconstructing and picking apart all the other dimensions of transnational migration and remittances, we get tremendous stories to tell about globalization, and how it unfolds. But then the workers and the families that get remittances go to the malls, they don't go to local markets or local economies, and when they go to the malls, they're being inserted transnationally on the consumption side and on the social reproduction side. When they do buy products that were made in free trade zones, whether it's in China or where-have-you, and they buy transnationalized productions, by doing so

they're reproducing all of these transnational circuits, by all of these different dimensions you can see how the system is unfolding.

The question, and to conclude my response to Filomeno, and I want to emphasize that the clock is ticking away and we're bringing out such important dimensions, with the impossibility of really addressing the matter quickly, is how do we then, at the level of policy making, at the level of policy prescriptions and at the level of the nation-state, what types of policies can we push for or can we struggle for? What type of policy intervention, to use Filomeno's term? I agree that this is extremely important, but whenever we talk in the social sciences about a particular set of policies we want to remember that whether a particular set of policies is adopted or not adopted depends on the configuration of social and class forces and the structure of the political economy within the society itself, in this case it's both national and global societies.

**unless we can counter this dramatic capitalist restructuring at the level of every social structure and every civil society around the world, at the grassroots level, talking about policy initiatives are really going to be empty or impotent**

Empty we'll skip over, and impotent, we have such an example of Brazil.

In Brazil, the Workers' Party organized and came to power in 2002. The Workers' Party started as a mass organization, a mass political party with a socialist transformative program and in early 2002 it was way ahead in the polls and it was clear that it was going to win. In March, April and May of 2002 some 60 billion dollars left Brazil and it threw the country into a turmoil overnight. Unemployment was increasing, inflation was skyrocketing. The particular faction within the Workers' Party which was grouped around Lula panicked and said "well, look, if we continue to espouse our socialist programs, by



the time we assume the reigns of office, we'll be in such total crisis, a legitimacy crisis, that we'll probably be overthrown in a matter of days". So, they actually negotiated with the IMF before taking power and I'll explain why I'm getting to the point here when we talk about the institutions and policy options. They went and negotiated with the IMF, this is unprecedented, before they even won the elections, and in July they came out of the negotiations, and came out in a big press conference and released this declaration saying publicly all the foreign investors should come back because if we are elected we will not renege on the foreign debt (which was part of the program also, renouncing the debt), we will not affect private property and we will not affect macroeconomic stability and the adjustment that had been followed by the previous governments. So foreign capital came back, Lula took power, and the moment he took power, I would like to phrase it in this way,

**it wasn't that Lula and his faction of the Workers' Party captured the state, but rather that the state captured him and his faction of the Workers' Party**

But the state was the institution of the Brazilian state as well as the transnational state. The Brazilian state and the IMF needed to be seen in its unity as a transnationalizing and transnationalized state apparatus. What's going on here is that the particular configuration of social forces, the mobilization of popular sectors and their struggles and the balance of class forces in the Brazilian society was not such that it could pressure Lula and the Workers' Party once they took power as a counter-pressure to the types of policies that are coming from transnational capital, including Brazilian transnational capital. When I say transnational capital, I don't mean that they're out there and we're in here, rather transnational capital is internalized in the form of transnationalized fractions of local elites and capitalist groups. So again, I agree completely, to summarize this, in that we need to look at policy and policy options and what we do when some progressive parties come into power, or that individually we can elect local officials and so forth, but we can never forget that what policy options are open to us are going to be grounded on levels of massive popular struggle and countervailing forces to these forces of global capital.

Now turning to Rosalinda's comments which started out with the issue of gender and globalization. I'm actually fully in agreement with the few things that Rosalinda said on gender and globalization. Where I

would have either strong disagreements or if not disagreements, where the debate would really be sharp, I didn't have time in my brief presentation to clarify; and after I clarify we may still be in disagreement, but at least you would be clear on what I am and am not saying and why I'm saying it. So before I get to the latter questions or comments, the issue of gender and globalization is extremely important because the issue of gender is a fundamental social relation in any society and in global society is no less fundamental. There are a number of things we have noted. First, neoliberal structural adjustment programs and capitalist in globalization affects men and women unequally, it disproportionately impacts women, and of course poor working women. Secondly, and closely related to that, that is in part it's because of the link between production and reproduction, and that because historically, if we go back eight/ten thousand years, the theoretical roots of the inequality of men and women, or the domination of women by men were on the basis of the reproduction falling on women as well as production falling on both men and women. What we're seeing under globalization is the intensified and falling back of the responsibility for social reproduction particularly on the family and on women. Previously, when you had a welfare state you still had social reproduction falling on women. But with the removal of the welfare state and with the individual survival of every single individual in the global capitalist free market, that means that women are doubly and triply now burdened with reproduction and particularly at the time that women have to enter the global labor market, even more than previously, in order for survival and also because transnational capital and

**increasingly the general labor pattern is one in which employees prefer women because they can utilize being locked into social reproduction and production and utilize patriarchy and capitalism combined with attempts to greater social control and exploitation**

At the time when women are massively entering the formal (what I mean by formal is monetized, not formal work, that's why I said the global labor force is increasingly becoming a female face), at the same time the burden on women is intensifying. That's the second point, that neoliberalism and globalization disproportionately affects women because of the continued and deepened burden of production and

reproduction. But then this is linked to informality because some people speak of a triple link, of exploitation with respect to capital, social reproduction when you come home disproportionate to men, and then third in order to guarantee the social reproduction, you go into the informal activities, whether it's working in the free trade zone and taking something that is being sold on the streets, or what have you. We can analyze all that. Here's the third dimension of gender: that the relationship between gender and class is deepening and transforming and we cannot lose sight of this. What's happened is that maybe 10-20% of women around the world have advanced through the formal equality which is increasingly extended between men and women worldwide. And

**women of middle and upper classes have been able to shift the burden of social reproduction to women in the working classes and poor women, in the way that they have previously been unable to while also enjoying increasingly, juridical equality**

Juridical equality is meaningless if we have lived in inequality, we have lived in gender and class and other forms of exploitation. So you have an increasing class cleavage among women globally, and so gender and class impact in new potent ways that we want to be thinking about. And fourth one, before I go into the real meat of the gender issue I want to touch on, is also when we look at the social movements worldwide, we see it increasingly, and is also logical that those that are most burdened and those that are most under the thumb of these new globalized social relations, that these social movements are increasingly headed by women. There are two types of social movements: we can say there are feminist movements which are movements that specifically address the issues that women uniquely face; but there are also social movements of the poor, social movements of the workers, social movements of peasants,

social movements of students and so forth. And increasingly you see the leadership is female. I met last week with the *barangay* and the association of slum dwellers in Tatalon and they were all women, there was one man. I'm not making any judgment, I'm just making an observation. And then today we just had at the People's Camp, a session in which we could see this. So there's the whole issue of social movements and resistance and the centrality of women to resistance. Now here's the thing I wanted to get to in concluding the issue of gender and globalization: how do you define the global working class and Rosalinda says and I agree completely, that's exactly the whole point of flexibalized capital labor relations, that you face capital in numerous different ways and numerous different circumstances and numerous different conditions very little of which these days is formal employment based on what we used to understand as stable, tenured employment with a job and with wages and so forth. That's just a tiny minority of the global working class which is why I argue when we talk about resistance or trade unions that we need to re-conceive of the working class. People who are unemployed structurally are part of the working class, of the global working class. People who are employed flexibly, whether you work for one week and you're unemployed for three weeks, or you just work part time or you work off the books, all of this flexibalized, deunionized, down graded forms of facing capital is also working. We need to organize workers that include the whole informal sector, and that's done by the way, Venezuela and Argentina are good examples. We need to globally organize the working class which again is heavily women, more so than it is men, who are informal workers, who are structurally unemployed workers, who are part time workers, and so forth and so on. We conceive of unions in that way.

The example in Argentina, the *piqueteros*, the unemployed workers in Buenos Aires and the other cities who because they don't have regular employment are generally unemployed, because 1/3 of the global working class is structurally unemployed, that's another phenomenon we need to face,

cannot go on strike, they cannot withdraw their labor. So what they do, they take sticks and put ski masks on and they go to the center of Buenos Aires and disrupt the normal functioning of the system; that's their form of struggle. So are they not workers struggling because they're not going on strike and they're not existing in a factory, or in a farm, or in business establishments? Yes they are workers and they are going on strike, the new form of strike against capital, which is disrupting the normal function of capital. The larger picture I'm trying to paint here is that when I speak of the global working class, I'm speaking in a much more expansive understanding of what I mean, and even with more time, we could continue to go on, but once again you are part of the global working class if you lose your fishing area, if you lose your farm in the Philippines and you're displaced and you migrate to Manila and then you're in Tatalon, and you're not employed and you're scratching by or you come begging on the streets. You're part of the global working class because you've been displaced by capital or the local agents of capital and thrust into being disposable global labor even if you're not being sucked into accumulation. The two sides of global labor is marginalization and super exploitation under the new global capitalist economy; super exploitation of those who are sucked into working in the free trade zones, those who work at the malls--I understand they're on temporary employment and they don't get permanent contracts, those who work on the farms and on the shrimp farms and on the global agribusiness plantations, so forth and so on. Those are the super exploited members of the global working class. Then there's the massive superfluous labor, labor that is redundant for capital in the immediate sense, which is marginalize, and that's why everyone talks about marginalization, but we have to be careful about what we mean, marginalization is the flip side of super exploitation. It's neither better to be marginalized or better to be super exploited, they're both bad. What you have here is a situation, that

**why can transnational capital pay for starvation wages? why can it flexibilize labor? why can it do all of this? Because one third of humanity is structurally unemployed and structurally marginalized**

so capital can say to labor anywhere, act up and there's 1/3 of humanity waiting for your job; you don't want to work 20 hours a week, with no benefits, or you don't want to just work for one month and then just get lost? Well, forget it, other people can. We have to see these two flip sides together, and so when we talk about the global working class, we're talking about both of these categories.

On transnational migration, the only thing I'll say is what's the relation between transnational migration and gender? A number of dimensions. First, apart from global sexual exploitation, and it's sick what's going on, and we can go on about this endlessly, the global tourist industry was for a while the number one global industry displaced by the global oil industry just because prices just sky rocketed, maybe now it's displaced by the global military industry. But why was it a booming industry? Why is it booming? Because in part globalization allows for this global movement, and in part, because the polarization between 20 percent of humanity which gets more and more disposable income and the 80% getting less and less means the world just opened up to this new middle class trade. Now, global tourism is a giant employment, and increasingly it's female workers also that's part of the global tourist industry. There's the global tourist industry with the male tourist and the female labor that serves all of the whims of the global tourist population and part of this is the global sexual exploitation and the sex trade that you know of, but part of this is much more than that. It's exoticizing that 80% and using sexuality combined with all of these forms of domination and pleasure in the global economy. We can go on and on and on. But I'll just end with this then. The other side of transnational migration and gender is the thesis which a country person of yours, a colleague of mine, which I'm sure you all are familiar with, wrote, and I'll just reiterate from the fantastic book which is part of this, is part of a whole lot of thinking and theorizing about this, is called *Servants of Globalization* by Rhacel Salazar-Parrenas. Her analysis is the following, she followed how Filipinas are exported to the global economy. What do they do in the global economy? They export principally care work, or social reproduction of labor. Because care work, or social reproduction of labor, once again, when women enter into the formal economy they do the same things they are locked into in the household economy, which is social reproduction, caring for children, caring for the elderly, nurses, cleaning houses and so forth. Millions of Filipino women go abroad and become the nannies for Europeans, also for the Mexicans, the Indians, so forth. What's happening is that the



international division of labor is also a sexual international reproductive division of labor, the reproductive functions in rich pockets of the world gets taken by rich women and men and dumped on to poorer women and in this case, the Filipinas. There are also Mexicans, etc. You have this whole concept of international reproductive division of labor. The flip side, which is why we always need to see gender and class, that she analyzes in the book, which so brilliant, that it's not the poor to the poor, we know this in sociological migration studies, it's the slightly better off that have enough resources to enter into the migration flows, the migration networks. So it's slightly better off women, that when they migrate, the social reproduction of their family gets burdened on the poorer women that stay back home. So there's this rural to urban migration in Manila. In Manila, the poorest women now take care of the kids of the woman who migrated to the United States and sends back remittances and they all get reproduced by going to Megamall so it goes into this endless web of interconnection that is genderized at the global level.

Here's now my strong disagreement, but possibly because of the 30 minutes I had to talk, but also possibly because of the genuine disagreements here, and I would insist that I could convince some of you otherwise, with time.

**I do not think at this point that there is much politically to be gained by seeking to be aligned with what used to be called the national bourgeoisie or the national elite who have an interest in the project of national development**

I think that's no longer the case, that was the case in the old colonial world, when we were struggling against colonialism. Recently, in the Fordist Keynesian national capitalism, there was room for developmentalist projects, national accumulation projects and national development projects, that you can look for progressive elements and ruling groups. I

don't think that's the case any more, and I'm not saying that because of a philosophical stipulation, but because we can demonstrate that in the structure of capital, the structure of elites, the structure of ruling groups, who gets reproduced with groups and social class, and in what ways and so on. That's false and actually a very poor strategy of both the left and social movements. One of many example is South Africa, it's so crystal clear. The aspirations of the ruling groups in and out of the ANC are to reproduce themselves as black bourgeoisie as part of a white bourgeoisie, and in order to do so, they need to integrate into global capitalism and impose neoliberalism. Some sectors of the black impoverished were saying "no they're going to be progressive now," and history has shown us totally otherwise, and again with more time, we could analyze it, but that would be my position. It's also my position with the group of 33 and the group of 28. You could study very carefully what happens with GATT and the DOHA negotiation--what was the position of Brazil and India and also South Africa, because they were also supposed to be the three governments. The misreading of that is that they are actually progressive and they are fighting against northern capital and they can be aligned with the local popular sectors. When we study what they were arguing for and what they were not arguing for, their position was clearly nothing of that sort. Their position was to further globalize the world in a way which would have been more open globalization, against the less open globalization position of the US. And their position would have been no benefit to the masses of India and South Africa and Brazil. One of the big arguments of the global reformism, the global neo-Keynesianism, is that you raise commodity prices in the Third World. And that's what they were saying, you raise commodity prices, and open up First World Markets to the Third World commodities. Here's the thing, that's meaningless until you can see who controls commodity production in the Third World. You go to the Brazilian countryside and you find out that Brazil is now so massively dominated by transnational agri-business including Brazilian agri-business. When I say

transnational I don't mean Brazilians against the world, I mean the type of agriculture and commodity production in Brazil is commodified and is global capitalist production in all of these chains. If you raise the prices of the commodities coming in from Brazil, you don't transfer income to poor Brazilians, you transfer income from one fraction of global capital to another fraction of the global capital. You don't resolve the global crisis and you don't resolve Brazilian crisis, and you simply help accelerate the globalization of Brazil. We have to look beneath the surface, it sounds nice, the argument, that Brazil is out there, that no we won't agree with the free trade agreement in Doha because the US is closing down their markets, but who would benefit? Global agri-business ventures in Brazil, and India, and in the Philippines. It's much more complicated but it's not a case of national economy against northern capital. I have many many arguments to show that, I reiterate, and you might even come to agree with me, if there were time, if you don't already. But we don't have time.

Again ultimately, this boils down to, and I've been stressing this, when we perform our theoretical arguments, or the general statements of our position, we then would need, if we want to be social scientists rather than philosophers or just theoreticism, we need to look at empirically what is going on in the real world. What is the nature of the Philippine economy, who owns what, what are the class groups, and social groups? And it's when we get down to that level that then we can go back up and debate theoretically what does this mean.

So, on alternatives and what social forces are emerging in Latin America. The solidarity economy, while I agree completely that the local solidarity economy is an integral part of an alternative to global capitalism, an integral part of resistance, that in itself will not only do the trick but those efforts will be crushed unless it also takes into account power, challenges to power at the national and the global level. So just a few examples, in Thailand, the local community set up their own currency and then the government said it was illegal and they had to stop doing it. The Zapatistas had this big argument that just build local oppositional communities in Chiapas and of course what's been happening in the last few years, global capitalism has continued to penetrate Chiapas and has made those communities unviable. Sooner or later you have to deal with power because even if you wanted your local alternative, non-commodified relationships at the local level, local production, capital would come and get you. It will come and say your

community has resources we want, we want your labor, we want you to be a part of the global market, we want you to be in the global labor force, we want your shrimp farm, we want your little communities. Sooner or later you will be crushed anyway by the juggernaut of global capital. So,

**we need to challenge power at the same time that we build local alternatives--the local-global is central, but let's not forget the global when we talk about the local**

Finally, alternatives and Latin America. The model arising in Latin America, that I think is going to be viable, is going beyond the 20th century vanguardism. The model of vanguardism was that there's a vanguard political party that had all of the exact answers, and when masses of people, whether they were women's movements, the trade unions, the peasants group, the shanty town dwellers, the students, whatever sector you wanted, they organize, the vanguard party would send its leaders to take a look at their positions, and if those movements exhibited independence or put forth demands the vanguard party didn't agree with, then they would be suppressed. That's a very big mistake.

Our only hope of survival and challenging global capital at every level is the total independence and the permanent struggle and mobilization of all these different sectors putting forward their own demands. That does not mean, because there are two extremes coming out of Latin America and they're both giving way now to what I consider the fusion of the two. I had tremendous appreciation for the Zapatista movement, but they said let's forget about power and political organizations, let's just organize social movements at the local level and well, that's not working. The other extreme is the old vanguardist model, and that's never worked. And so what you need are political vehicles, we need to talk about political parties, political organizations, we need to talk about contesting state elections, we need to talk about how political vehicles, whether they're political parties or other groups or movements, can aggregate all of these diverse interests. How can all these be aggregated for political action but at the same time, without ever subordinating social movements, the mass movements, the local communities, without subordinating their struggles to some political center?

That's the same model we have in Venezuela and it saved Hugo Chavez, and that's the model we have in

Bolivia and Ecuador. The indigenous in those two countries, saying to Correa and to Morales, we're supporting you now because you're implementing a popular program in our interest. The day you do anything else? The day you try to negotiate with the IMF? The day you're not part of your agenda, we protest against you. That's what Lula didn't have. Lula had the IMF to negotiate and then won the elections, but he didn't have a mass movement at its throat from below, saying don't talk to the IMF, talk with us, don't do their agenda, do ours. There you see a new model of struggle, it's not a model of what 21st century socialism will look like, because you don't have a blueprint. You build the future through our praxis, but we do have a model of how to struggle in that sense.

So that's it I think.

Sammy Gamboa is the communication and networking officer of the Legal Rights and Natural Resources Center (LRC).



Roland Simbulan is a professor of development studies and political economy at the University of the Philippines-Manila. He is also currently serving as faculty regent of the University of the Philippines System.



**Jenina Joy Chavez:**

Thank you, Bill. Is there anybody who's really bursting with his question? Because we'll take that now.

**Sammy Gamboa:**

Good evening, my name is Sammy, I'm from LRC. I'm just curious to know what will be the impact of the number one global issue now, with the configuration of the social and legal forces, the trajectory of the anti-globalization resistance. I'm talking about climate change as it impacts on the resource-based, the different people and the possibilities of alliances and configuration of forces working, and stake-holders. As one Latin American colleague would tell us, the ice in Antarctica is melting faster than any revolutionary change now, within ten years. So how does this factor play out into the equation?

**Dr. Rosalinda Ofreneo:**

What is the role of national capital in the Bolivarian initiative in Venezuela, in all these countries you claim could be models. Are they completely out of the picture, are they neither here nor there, are they siding with popular movement, or are they completely in the transnational capitalist class?

**Jenina Joy Chavez:**

And our last question...

**Roland Simbulan:**

I would just like to ask.. how would you assess capitalism in China today and how is it being integrated in the transnational capitalism that you described?



# Climate change

**Dr. William Robinson:**

Climate change, yeah, we're in big trouble. But we need not to panic, rather than to panic to think clearly and act clearly, and we're doing that. But here's the thing, I said in my longer discussions of the different alternatives that the global Keynesianism is not viable, it's not going to save us, and so now we need to link these two issues: climate change and global Keynesianism. And why is it not viable? Because of course that's where the first discussant was maybe suggesting we should think about. There'd be nothing wrong and may be infinitely better to have a global Keynesianism than a global neoliberalism, but the simple fact is that,

**so long as the logic of the global economy is a market logic, so long as anything and everything that happens in the global economy has to somehow be a profitable activity in the sense that it has to be based on capital accumulation, even regulated and controlled capital accumulation, then we can't address the ecological holocaust which is unfolding**

And I'll give you an example. We know that carbon based world/global energy system is the basis for global warming, and for so many of our problems that we need--and all the environmentalists and global scientists--that said we need a total change over from the carbon-based global energy system to an alternative one which is environmentally friendly and we need to do so very quickly. And they've also said, by the way, we can do so very quickly. It's not a technological question, it's a question of what's the nature of the social order under which we develop or don't develop different energy-based systems.

So what has transnational elites put forward as alternatives to the carbon based energy system, they put forward two: one is nuclear energy and nuclear energy is extremely destructive and will not reverse global warming and will not even slow it down; and secondly they've proposed biofuels and that's already massively under way and again, in the first week when I got here I saw in the news that a new association of biofuel producers have been formed here. Those will be Filipino transnational capitalists, eager to join the Philippines further to the global economy through biofuel production and exports and they will be displacing peasants and they have an initial 700 million dollars they want to invest right away. So they're pressuring the Philippine state to make a new biofuels law that will allow them to do all that. So, why is the transnational elite not proposing these other alternatives that environmentalists have said are very feasible, including solar energy? Solar energy with a few billions of dollars could be totally viable and we could have a whole switchover globally. And a few billion dollars is peanuts, it's just a few cents relative to global resources. It's because whatever alternative takes place has to be viable by the market, it has to be profitable. I'm not saying that I think it should have to be, but that's the logic of global capitalism and nuclear energy is profitable. It's something that local communities can't reproduce on their own, it's not something which you can produce without making it profit. And same thing with biofuels. With solar power, you can have local community control and with solar power you can do it in a way so no one's making a profit--in the market sense of a profit, in the sense of accumulation. So,

**unless we can suppress market forces enough, to an efficient degree, we cannot address the ecological crisis**

# Latin America

## Dr. William Robinson:

You find the massive development and emergence of the transnational capitalist class in Latin America and you find that where their interest lie. The dominant fractions of capital and the subordinate ones have also been, just like in the Philippines, forced to deal with transnational capital being hegemonic in their own countries. So I went to Argentina, and I wanted to study what we call there "Pymes", *pequeñas y medianas empresas*, which are small and medium enterprises, the acronym is the Pymes. They have participated in the 2001-2002 uprising. And so I was saying they will be the social base for an alternative project in Argentina as part of an alliance with the workers and the poor people. And so when I got there, and I started studying the Pymes I found that they were so integrated now in these transnational networks. So you could have a transnational corporation in Buenos Aires, that will subcontract operations to a major Buenos Aires firm, who in turn will subcontract their operations at local neighborhoods who will be the Pymes. And so they were reorienting their production from the domestic market to being part of this subcontracting and this endless network chains of globalized capital. As a result, they were withdrawing from their alliance with the *piqueteros* and from other ones and they were not a political base for an alternative national project. That is what you find replicated all over Latin America.

**you don't find groups of national capitalists that are saying we're reeling from the threat of global capital and so therefore workers and poor people can align with them in a national project... you actually find them finding one or another way of integrating into these globalized circuits**

That doesn't mean any and every capital, it doesn't mean that there aren't people who are small scale capitalists or local entrepreneurs who aren't part of the national popular block -- there are. But that you don't have what you had around the 20th century. And if you don't have a strategy or two stepped revolution it's just so politically bankrupt in my view.

Specifically Venezuela and Bolivia, you have a thoroughly transnationalized capitalist class in Venezuela, and you also have one in Colombia, you also have one in Bolivia, and one in Mexico. I didn't find, I can't find, significant nationally-oriented capital after the last thirty years of restructuring. However, that doesn't mean what are the transnational capitalist in Venezuela doing, why they're supporting and not supporting--they could support the revolution not because they're national capitalist but for other reasons.

What you have is a unique situation in Venezuela, a situation where a revolutionary president, one he's machista; two, he comes from the military; and three, other people have said this, so I'm not gonna go there so enamored with the new revolutionary leader, and yet I was so incredibly impressed with Hugo Chavez that I'd say it is once in a century you'll find someone like that. He's all the way at the top and people actually love him and keep him in power and when he doesn't respond to them they don't go along with him. They didn't approve the constitutional changes, not because they went to the opposition, they're staying, but they didn't like the changes. He can't force the people to do anything, people are actually forcing him.

So, anyway, he's all the way up here, and below are the popular masses. What is in between? What is in between is a reactionary counter-revolutionary state, because he came to power from elections and he took over the presidency and he can't, and didn't, dismantle the state so you don't have a case like the Bolshevik revolution, the Cuban revolution, the Nicaraguan revolution, you don't have any of these, where the old capitalist state or the old reactionary state or the old ruling classes are smashed and he built his own state. He simply inherited all these counter revolutionary state, so the counter revolutionary state is against the revolution, it's the state against the revolutionary process, the state against poor working people, and a state against Chavez. That's why Chavez sets up all these parallel institutions, parallel education systems, parallel health systems, rather than going to the ministry of education and ministry of health because they sabotage them. The bureaucratic middle class traded the old elite and they get support from capital, from Venezuelan capital. You have a capitalist class which is anti-Chavez, counter-revolutionary, but you have a state which is counter revolutionary and it's not over, that's



#### IN THIS PHOTO

Dr. Rene Ofreneo (Fair Trade Alliance), Sr. Arnold Ma. Noel SSPS, Rep. Erin Tanada, Mondalista Tabernilla (GPNP-MILF Panel Secretariat)

why there's going to be more clashes there. That's why he's already declared socialism for the 21st century, we now move towards challenging a counter revolutionary state. He used the term, after I did actually. I'm not saying he got it from me, he's also saying the same thing. That I and others were looking at. He has to smash the old state. I have an example, I'm friends with the Venezuelan ambassador in Washington, and the Venezuelan ambassador has to bring a parallel staff in. The civil servants also, you can't find those, there's a hundred and twenty right wing people from the old oligarchy in the Washington embassy. They enjoyed the good life of big dollar salaries and Washington elegance. And he hands down a directive to them, "this is what the foreign ministry is telling us to do, and you guys as my staff do it", and they sabotage him. So he brought in parallel staff, that worked directly as long as he's in office. You've never had this situation.

So how do you understand Venezuelan capital? It's thoroughly transnationalized capital and they have multiple strategy. The first part of the strategy is allying with the CIA, allying with subversive measures, allying with who they could still find, a few left in the military, have sabotage, have war of attrition, counter-revolutionary war of attrition, they're doing all that. The second part of the strategy is, since Chavez is rooted, grounded in the state, penetrate Chavismo, and from within moderate it, change its direction, separate Chavismo from the level of the state and leadership, from Chavista masses and steer the revolution in a direction which will be something like Argentina, mild redistribution and so forth. So that's the dual strategy and there's not national capital in Venezuela. And one of my biggest criticisms of the

Venezuelans, it's not just mine, you can read it in all of the international literature, is that, this is one of the reasons why the Nicaraguan revolution is a failure, one of the reasons. One was vanguardism, the other was, the Sandinista said, "well, since we're under attack from without, we need the support of the national bourgeoisie (it didn't exist, the national patriotic bourgeoisie), so we'll subsidize them and we won't take their property, we'll help them, and do this and that", and meanwhile, the national bourgeoisie were so happy under the Sandinistas that it was the workers and the poor people that voted the Sandinistas out of power.

In Venezuela, you have a little bit of that. Cisneros, this is the biggest global capitalist in Venezuela, he also owns properties in Asia and everywhere, he's a global capitalist who happens to be a Venezuelan who speaks spanish as well as english, gets subsidies to get his businesses going. What you have, just to conclude this, is that you have the global capitalist system and transnational capital that is able to penetrate through states and through global contingents of their own class, into states all over the world and steer and transform and form the framework for what happens locally, at the local and national level, and at the regional right down to the grassroots level. That's where Venezuelan capitalists come in. The counter measure, the only way it will be countered, is by the groundswell from above, rather than penetration from the global capitalism down to the local communities and masses, the masses countering that. And so that's the struggle in Venezuela right now. And if we are to see this template, this framework, you're going to understand all these seemingly contradictory, because they are, contradictory dynamics and





“...new thinking for the new century”

everything going on. In Bolivia, it's crystal clear. In Venezuela, you have very powerful transnational capitalists, who for reasons I've just explained, the strategy is to get within the counter revolutionary state and use it from there. In Bolivia, you have much more re-polarization, so the capitalist class in Bolivia, and the elites, are so clearly anti-Morales and so fully integrated right now that to imagine you can find allies in the Bolivian elite is a pipe dream. Again, the actual study, both of the structure of capital, if you start studying what supposedly is national capital you find it's totally transnationalized: Tata motors and the sulphur industry in India, Xemex and I can go on endlessly. Supposedly, the national capitalists, when you study who are they, what are they doing, where are their investments, where is the money coming from and so forth, you find that they're transnational capitalists, and then empirically the whole arguments falls down. And that's what I do, I research empirically and then I go and say does this strengthen and analyze a lot of our theoretical understanding, and we as social scientists have to dip it back into the empirical part. So I had these debates here, but when the discussants stay at the level of simple theoretical debate it's meaningless. That's when it becomes philosophy. So anyway, new thinking for the new century.

Thank you very much, once again.

**Jenina Joy Chavez:**

Thank you very much Bill and unfortunately we don't have any more time and he has to go. I think there's a taxi waiting outside for you already. So, thanks. Everyone, dinner will be served very soon and we can talk some more once Bill is gone.

# Participants list

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