

GLOBALIZATION DEVELOPMENT AND SOCIAL JUSTICE

A propositional political approach

Ann El Khoury

RETHINKING
Globalizations



Globalization Development and Social Justice

Are there existing alternatives to corporate globalization? What are the prospects for and commonalities between communities and movements such as Occupy, the World Social Forum and alternative economies?

Globalization Development and Social Justice advances the proposition that another globalization is not only possible, but already exists. It demonstrates that there are multiple pathways towards development with social justice and argues that enabling propositional agency, rather than oppositional agency such as resistance, is a more effective alternative to neoliberal globalization. El Khoury develops a theory of infraglobalization that emphasizes creative constitution, not just contestation, of global and local processes. The book features case studies and examples of diverse economic practice and innovative emergent political forms from the Global South and North. These case studies are located in the informal social economy and community development, as well as everyday practices, from prefigurative politics to community cooperatives and participatory planning.

This book makes an important contribution to debates about the prospects for, and practices of, a transformative grassroots globalization, and to critical debates about globalization and development strategies. It will be of interest to students and scholars of international relations, globalization, social movement studies, political and economic geography, sociology, anthropology and development studies.

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Abbreviations

ABCD	Asset Based Community Development
ACORN	Association of Community Organizations for Reform Now (US)
ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
ATTAC	Association pur la Taxation des Transactions financiers pour l'Aide aux Citoyens (English: Association for the Taxation of Financial Transactions to Aid Citizens)
BPL	Below Poverty Line
BRIC	Brazil, Russia, India and China
BSE	Bovine Spongiform Encephalopathy ('Mad Cow's Disease')
CapDecK	Capacity Development for Decentralization in Kerala
CDFI	Community Development Financial Institution
CEO	Chief Executive Officer
Chindia	China and India
CIA	Central Intelligence Agency (USA)
CIAL	Cochin International Airport Limited
Co-op	Cooperative
CPI (M)	Communist Party of India (Marxist)
CSOs	Civil Society Organizations
CSS	Centrally Sponsored Schemes
DITS	Dinesh Information Technology Systems
DIY	Do It Yourself
DRPs	District Resource Persons
EIPE	Everyday International Political Economy
EU	European Union
FBI	Federal Bureau of Investigation (USA)
FDI	Foreign Direct Investment
FPI	Foreign Portfolio Investment
FRIENDS	Fast, Reliable, Instant, Efficient Network for Disbursement of Services
FSM	Free Software Movement
FTA	Free Trade Agreement
GAO	Government Accountability Office (USA)

GDI	Gender Development Index
GDP	Gross Domestic Product
GNP	Gross National Product
GST	Goods and Services Tax
HCBPL	Hindustan Coca-Cola Beverages Proprietary Limited
HDI	Human Development Index
ICT	Information and Communication Technology
ID	(Personal) Identification
ILO	International Labour Organization
IMF	International Monetary Fund
IRTC	Integrated Rural Technology Centre (Kerala)
IT	Information Technology
IWW	Industrial Workers of the World
KDB	Kerala Dinesh Beedi Workers Central Cooperative Society Limited
KILA	Kerala Institute of Local Administration
KRPs	Key Resource Persons
KSSP	Kerala Sasthra Sahithya Parishad (People's Science Movement, Kerala)
LDF	Left Democratic Front (Kerala)
LETS	Local Exchange Trading System
LIC	Less Industrialized Country
LSG(I)	Local Self Government (Institution)
MAI	Multilateral Agreement on Investment
MGI	McKinsey Global Institute
NABARD	National Bank for Agriculture and Development (India)
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
N.d.	No date
NED	National Endowment for Democracy (USA)
NEP	New Economic Policy (Russia)
NGOs	Non-Government Organizations
NHGs	Neighbourhood Groups
NIDL	New International Division of Labour
NIEO	New International Economic Order
NSC	National Security Council (USA)
OECD	Organization for Economic Cooperation and Development
OIC	Older Industrialized Country
Pers. comm.	Personal communication
PLO	Palestine Liberation Organization
PNAC	Project for the New American Century
PPC	People's Plan Campaign
RIPE	Regulatory International Political Economy
Rs.	Rupees
SAFTA	South Asian Free Trade Agreement

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SAS	Special Air Service (Special Forces of the British Army)
SC	Scheduled Caste
SCO	Shanghai Cooperation Organization
SDC	Swiss Agency for Development and Cooperation
SEWA	Self Employed Women's Association (India)
SHG	Self-Help Group
SIV	Structured Investment Vehicle
ST	Scheduled Tribe
TARP	Troubled Asset Relief Program
TNC	Transnational Corporation
UAE	United Arab Emirates
UDF	United Democratic Front (Kerala)
UFC	Union Finance Commission
UK	United Kingdom
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
US(A)	United States (of America)
USD	United States Dollars
VAT	Value Added Tax
WCP	Women's Component Plan
WEF	World Economic Forum
WSF	World Social Forum
WTO	World Trade Organization

1 Introduction

Infraglobalization

What looks the strongest has outlived its term
The future lies in what's affirmed from under

(Seamus Heaney)¹

Another globalization is not only possible, it already exists. This book advances what I term *infraglobalization* as a catalytic socio-spatial concept and practice with emancipatory potential for greater grassroots agency. In this book I build a case for a propositional praxis for the reclamation of ground-up globalization, which involves multiple pathways towards development with social justice. As an interpretive framework, infraglobalization is conceived as a contrapuntal way of seeing, knowing and doing that can contribute to the creative constitution of global and local processes. From the outset my argument adheres to the idea that strategically asking the question ‘what is already being done?’ rather than ‘what is to be done?’ may be a more enabling entry point that helps foster greater autonomy for various grassroots groups and movements. With the southern Indian state of Kerala as my principal empirical locus, I investigate a number of already existing alternatives as well as the prospects for a plurality of successful strategies, which also may exist in parallel with ‘neoliberal’ restructuring. These include participatory planning and community-led microenterprises as an alternative to corporatist-led microfinance.

In this Introduction, I outline this book’s *problématique* and aims, as well as lay out an alternative framework I have developed for apprehending globalization and grassroots agency. These contours, which I suggest have moved from subsumption to sub rosa geographies, are both descriptive and normative. In developing my argument, I call into service a spectral metaphor,² wherein the ‘infra’ prefix underlines the value of the less visible (as specifically refracted through what I identify as the ‘public transcript’, corporatist lens) as well as the informal, which seeks to strategically broaden the subjects, spaces and constituency of globalization. Infraglobalization – which might also be suitably described as the infrageographies of globalization – is conceived as a propositional socio-spatial interpretative framing; I abjure the oppositionally framed terms such as ‘counter-globalization’ and ‘anti-globalization’ (less so the more satisfactory

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‘alter-globalization’)) and make the case that ‘infra’ is more enabling and more accurately reflective of reality. Infraglobalization is introduced as a socio-spatial imaginary and heuristic that applies and extends James C. Scott’s complementary notions of infrapolitics, the public and hidden transcripts, and *mētis*, all of which underline the role of informal order and sub rosa agency in social reality.

Infraglobalization is presented as a contribution towards developing a propositional politics of development and a socio-spatial grammar of instauration. It contributes to rethinking globalization and agency through refraction (ways of seeing), ontological politics (ways of knowing) and, to showcase but one template of a propositional and prefigurative politics (ways of doing), Kerala’s democratic decentralization and social economy experiments. These three dimensions coincide with [Chapters 3, 4 and 5](#), the propositional heart of this book, in contradistinction to [Chapter 2](#), which outlines the oppositional case. My focus is on the active prefiguration of alternative spaces and practices in the present, of ‘worlding’ in the here and now rather than a predetermined politics of deferment and waiting.³ Worlding is here employed as a verb rather than a subject-object, reflecting a process-based orientation that involves reading and bringing the increasingly shaped possibilities of the future into the present. It is informed by the notion that we – and I use ‘we’ throughout the text invitationally – need to imagine and enact new worlds if we are to break free from subordination to the imperatives of capitalist accumulation.

This book is also a contribution to the argument about the production of space and how the way we imagine space has direct agential implications. I seek to employ the infraglobalization heuristic as a *layered* spatial differentiation that recognizes the importance of depth as well as breadth in imaginaries framing globalization, informed by the idea that manifold realities may inhabit the same space. This spectral metaphor is thus also very much spatial, one that draws on space and social processes as multiplicity rather than singularity. In doing so, I assert that this is a way globalization may be reclaimed and redeemed from a singular and narrowly sectional corporatist representation underpinned by what I identify as a ‘command and control’ ontology of dominatory space. This works to produce an ideologically limited circumscribing of agency, extrapolated from a view of space as subject to necessarily only one, all-encompassing trajectory, whether it is imperial or neoliberal.

Perceptions of space frame epistemological parameters and thus help shape the way power, authority and agency are understood and enacted. Different ways of seeing globalization itself contribute toward bringing it into being, in the same manner time-zones operationalize what is really a constructed imaginary. While much attention has been focused on the practices of power and domination that attach to this singular conception of space, this book is an acknowledgement that greater attention might better be directed to the production of progressive space that corresponds with fomenting and amplifying grassroots agency. This book takes as its point of departure the disabling limitations of what I call conventional interpretations of social and political space for investigating contemporary practices within the framework of globalization. I will focus on prospects for human agency and preclude ‘posthuman agency’ – while I am sympathetic to the strategic

decentering of human beings to bring in considerations of nature and processes, I am also concerned at over-inflating the concept of agency for my purposes here, such that any ‘actant’ has agency, including inanimate objects.⁴

The book endeavours to contribute towards a socio-spatial framework more appropriate to meet this challenge, recognizing that the organization of space has clear political impacts, that socio-spatial imaginaries matter and that representations of space help circumscribe our self-perceptions, ways of ordering the world and behaviours. With agential concerns in mind, a number of argument summaries and propositions follow. The following summaries preclude detailed references, which appear in the corresponding chapters. These argument summaries and propositions are grouped around what I have identified as the following three syndromes of globalization and grassroots agency (Figure 1.1) in which a shift from *subsumption* to *subversion* to *sub rosa subvention* is both discerned and advocated. Throughout the text these are embedded in, rather than tightly circumscribing, the organization of chapters, and the book bears their imprint in the manner of a research argument watermark. I also attach the qualification that these three syndromes, which will each be examined in turn, are not envisaged as an unproblematic linear progression – all three may exist contemporaneously in different contexts and across various places, spaces and scales. I assert that the third, sub rosa subvention, offers the best possibilities for constructing enduring global grassroots autonomy.

Subsumption

The assumption of this form of globalization is that the whole world is headed along the same path. In such a framing imagination the whole uneven geography of the world is reorganized into a historical queue. Geography (a spatial simultaneity of differences) is turned into history (seen as a single succession). Both space and time suffer here: on the one hand the contemporaneity of space is obliterated; on the other hand temporality is reduced to the singular. There is one historical queue (one model of development, say), and it is defined by those ‘in the lead’ (there is one voice). An evident result of this manoeuvre is that those supposedly ‘behind’ in this queue have no possibility (no space, precisely) to define a path of their own. Their future is foretold.

(Doreen Massey)⁵

Reflecting dramatic changes from the early 1970s onwards, capitalist globalization has become a mainstream concern in the social sciences. Whether variously or

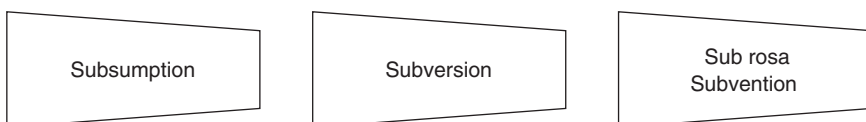


Figure 1.1 The ‘sub’ syndromes.

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at once understood as cliché, leitmotif, axial organizing principle (regulation and restructuring), a set of material processes, a historical period, and a set of discourses, this conception of globalization has as its main assumption that globalization takes only one major form – which is characterized here as corporatist – to which other forces can only react or accommodate and which necessarily erases the contemporaneous heterogeneity of the world. The global spatiality of what I define as corporatist globalization is an extension of this singular linear progression described by Doreen Massey in the quote above. In this book, I employ the term ‘corporatism’ to denote a subsumptive approach that can characterize both state and market players, with the common characteristic of a totalizing singularist occupation of socio-spatial reality. Subsumption is also understood here in its wider adjectival meaning as ‘the act of subsuming or the state of being subsumed’ rather than in its specific, albeit similar, application in Marxist social theory.

This highly particularist but conventional projection of globalization subsumes all other reality into its self-conceived purview, which marginalizes and buries other ways of understanding, constituting and participating in global processes. After Scott, I have adapted a concept to describe this conventional representation of globalization as ‘public transcript’ globalization.⁶ The majority of public processes and events, including resistance and civil society, are here consecrated to the public ‘official’ transcript, upon which conventional social scientific research mainly focuses, in contradistinction to the offstage critique by subordinate groups in what Scott describes as the ‘hidden transcript’. I argue that this distinction offers a way to think beyond the hegemonic narratives and dominant accounts of globalization and structural geopolitics, accounts that tend to be narrowly sectional and both reflective and reproducing of dominant power structures. These conventional accounts often leave out the rest of the body politic, treating only the public event. It also corresponds with ‘great man’ theories of ‘high politics’ that commonly reduce complex global phenomena to the designs and proclivities of the most visible actors and institutions.⁷

Conversely, some presentations may so privilege structure over agency, even in critical accounts, that they are purveyors of a subjectless structuralism that hides the agency of the powerful as well, and instead attributes causality to abstractions, which may suit an ideological purpose. Whether actors at various scales are privileged, marginalized, hidden or excluded, orthodox globalization can imbue impersonal processes and institutions with agency rather than people, impelling an acceptance of the seeming inevitability of what I will identify as the neoliberal political project. These structures are endowed with superhuman agency out of which there may only be a resultant fatalism – this is much closer to medieval than modern modes of thinking! Without denying the importance of structure or entering into the perennial structure–agency debate, the degree to which this focus on ‘restructuring’ has colonized discourse is apparent in the lack of a corollary concept to restructuring. To wit, there has been no equivalent concept of ‘re-agencying’, which has generally been denoted by the term ‘post-structuralism’.

This depiction is also crucially one of clear and total universalizing capitalist hegemony, expressed in critical accounts in such concepts as ‘neoliberal market

civilization' (Stephen Gill, 1995) and 'capitalocene' (Jason W. Moore, 2013), a way of organizing nature.⁸ In the latter, Moore views as problematic the notion of the Anthropocene – where humanity is assigned as a geological agent in a short two-century modernity – and argues a more fitting term is Capitalocene, where capitalist 'world-ecology' is situated in a historical long-view 'shaped by relations privileging the endless accumulation of capital . . . a civilization that joins the accumulation of capital, the pursuit of power, and the production of nature as an organic whole'.⁹ Capitalist world-ecology is a world-praxis that sees capitalism *as* environment-making process, and these environments 'include factories no less than forests, homes no less than mines, financial centers no less than farms, the city no less than the country'.¹⁰ Similarly, in Nitzan and Bichler's conception, dominant capital (defined as the wealthiest 0.01 per cent) do not merely mould or shape the social order, they create the order, or 'creorder' in their neologism.¹¹

These are all powerful and percipient critical characterizations, but my contention is that descriptions like these may foreclose on progressive political possibilities. Capital has been conferred with unprecedented power to define not simply our political economy but has become an assignation that characterizes our contemporary civilization and 'world-ecology'. While it is true that virtually anything that can generate an income stream can be capitalized and thus subsumed, including nature, DNA and the future, it need not colonize our imaginations and ability to conceive and practice alternatives also. So while I do not contest the subsuming nature of dominant capital, I do consign it to one bandwidth of reality that does not nearly make up the whole spectrum. For example, I take on board Nitzan and Bichler's cogent characterization of capitalism as a mode of power, but I would also seek to qualify this insight. First, I identify layers to this creative ordering which takes the creordering monopoly away from dominant capital and confines it to the public transcript. My argument is that it is not simply the purview, prerogative or power of dominant capital, through capitalization, to creorder the world, to which all of us are subject and straitjacketed. Informal order, I argue, may be the 'dark matter' of what is a manifold creordering, present but not as visible or quantifiable, and yet more greatly constitutive of what exists.

Second, in recognizing the way much oppositional work re-inscribes the discursive dominance of capitalist reality, neoliberal capitalism is characterized as an ideology that structures the coordinates of the reality it purportedly merely describes. Here, social Heisenberg principles are at play with neoliberal measures and assumptions; human beings are not the atomistic, rational self-seekers and individualistic maximizers of these ideologies, but neoliberal structures are performing the human subject into its own image. Re-appropriating this process of re-subjectification is a key strategy explored in [Chapter 3](#). Also, as Peck and Tickell point out, as the primary ideological rationalization for corporate globalization, or its 'operating software', neoliberalism is a system of metaregulation that self-defines and passes itself off as a system of non- or anti-regulation.¹² It is a project that in Thomas Lemke's words 'endeavours to create a social reality that it suggests already exists'.¹³ To what extent can we reboot and reinstall this ideological operating software or challenge the perceived primary of this platform?

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Corporatist globalization also bears the imprint of the rationalist high modernist impulse, which consists of the belief that the social order can, and should be, redesigned in accordance with supposedly scientific universal laws, often presented as inevitable and incontestable. This extends Scott's observations about the state's high modernist schemes to the market, whereby market and transnational institutions like the World Bank and International Monetary Fund (IMF) may be replacing the state as the imposer of subsumptive legibility, evidenced in the one-size-fits-all, cookie-cutter development prescriptions emblematic of those institutions.

As well as extending rationalism to neoliberalism and corporatism's global marketization project, as John Ralston Saul has also intimated, an ideology of supremacy that has the same subsumptive impulse informs both military and economic doctrine – from 'full spectrum dominance' to neoliberal structural adjustment policies.¹⁴ Material and martial thinking alike can be seen to be informed by the subsumptive impulse, and the policy of full spectrum dominance, the avowed US military policy of pursuing omnipotence announced in 1997, could be viewed as the military expression of subsumption.

Recalling Doreen Massey's point in the quotation above, the high modernist translation of spatial heterogeneity into a uni-linear temporal sequence – wherein different countries are situated along a progress 'queue' behind the West – draws directly from a rationalist command and control ontology. This involves mastering, conquering and colonizing what is essentially closed and singularly conceived space rather than creatively co-inhabiting it. This view of space also draws directly from classical scientific laws, not simply from space as a Euclidean container but also on the Newtonian premise that no two objects can occupy the same physical space at the same time. With space fixed or immobile, corporatist capitalist relations can more easily subsume all – or spurn spaces not deemed useful to dominant, oligarchic capital. This more easily begets processes of servitude, control and zero-sum power. This cosmology is important in constituting power relations – and it is also crucial, I argue, in reconstituting them (see [Chapter 4](#)).

Both the exercise of capitalist globalization and the rationalism that animates it is here recognized as a form of domination, without which there can be no appropriation – or accumulation for that matter. Rationalism is a central pillar of modernity; its domination is not intrinsic to rationalism but is produced when all other things are subsumed to it, when it becomes instrumentalized. The interesting question of the tyranny of instrumental rationality is outside the parameters of this book and is necessarily only alluded to here. Suffice to say, as an ordering mechanism and philosophical impulse, part of the tyranny of rationalism, as Michael Oakeshott has observed drawing upon Blaise Pascal, is 'not its recognition of technical knowledge, but its failure to recognize any other'.¹⁵ This speaks directly to the subsumption purveyed by this projection of globalization.

Despite its tendency to scientism and scientific pretensions, neoliberal globalization is certainly itself not devoid of normativity, but can be deftly presented by its exponents as already existing reality (if not inevitability), thus accordingly enacted through the way perception powerfully affects and shapes reality.

Hence, globalization is commonly represented as a powerful set of forces from beyond the more local community and the nation state, to which there are few realistic alternatives (as if each individual alternative needed to be a behemoth to supplant all of capital 'G' corporate globalization!). From about the 1990s, this representation of globalization has become entrenched as a discourse that normalizes certain ways of looking at the world and what is possible within it. This includes the greatly trumpeted role of global civil society and the role of Non-Government Organizations (NGOs), which I argue have to a significant degree been made captive to the public transcript of globalization. Largely co-opted sections of civil society take on an essentially ameliorative and limited role in this corporatist subsumption.

The best non-capitalocentric processes can get in this conception is Lilliputian status while the corporatist 'giants' retain top billing. On the one hand, it is true that to examine globalization is to also examine neoliberal theory and practice, as many of its exponents have actively sought to conflate neoliberal principles with globalization in privileging the regulatory mechanisms and norms of the (globalized) market over the nation-state. On the other hand, a large part of the critical literature in social science has been solely oppositional in intent and content, competently demonstrating the flaws of neoliberalism but sometimes locked into critique and even appearing to accept and reinforce its perceived dominance by default. Part of my argument is that examining the fragmented and uneven nature of 'actually existing neoliberalisms',¹⁶ though a valuable endeavour, is only part of the repertoire of strategies toward enacting just policies. I argue we should also apply our attention to its actually existing alternatives as well, studying health and not just disease; that globalization should be, and is, also about non-neoliberal realities often unrecognized or consigned to the local scale, clearly no match for the goliath globalization its advocates have used to try to ideologically colonize the global scale.

These strategies are testament to realities outside that are presented and shaped solely by corporatist interests. If it is accepted that the corporatist state and market can subsume all space, then it is being imbued with far more power than the informal order that it is in fact undergirded by. To what extent do we, as scholars, activists, ordinary citizens, allow neoliberalism and neoconservatism to colonize our social reality? Does only corporatist capitalism make its order to which we are all subsumed?

The limits of conventional globalization: beyond subsumption

The key propositions here are that the conditions of global possibility may partly be shaped and conditioned by corporatist capitalist socio-spatial relations, amongst other influences, but are not subsumed by them: there is a world, or worlds, outside of the 'public transcript' representation of globalization, currently dominated by neoliberal conceptions and practice, which has always existed and continues to exist.

Recognizing the role of socio-spatial imaginaries in legitimating certain power configurations is also a recognition that contemporary imperial representations of

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global reality serve to reproduce social inequality, and that it is in the interests of social justice that progressive scholar-practitioners frame their own understandings towards a more genuine democratization of globalization praxis. This project involves decolonizing globalization from a high modernist command and control ontology, and producing heuristics that might better ferment progressive political enactments.

Subversion

To exist is to resist

(Unknown)¹⁷

A conceptual intermediary between subsumption and sub rosa geographies, subversion seeks to challenge processes of subsumption but may not succeed in escaping the gravitational pull of conventional globalization. I argue that this is because subversive movements may over-rely on reactive resistance rather than cultivating propositional alternatives. Oppositional politics and resistance are important strategies but may nevertheless persist in ontologically privileging the primacy of conventional, public transcript globalization, in which subsuming corporatism is dominant. The way resistance and alternatives are represented is itself problematic and can be bound by the same frameworks and ontologies that undergird conventional globalization accounts. This plays out in a number of ways, including in terms of strategies: when set up as marginal or minute, it is not surprising that alternative, overlapping and parallel systems such as local currencies or fair trade systems are easily dismissed, derided as marginal, as wanting to ‘wish away’ or ‘write out’ capitalism. But such discourses of ‘resistance’ and ‘local alternatives’ are sometimes deployed in ‘straw man’ arguments; actors may not seek to replace corporatism with another singular subsuming narrative but to change the totalizing singularity of all systems and to create space for alternatives.

Departing from the traditional historiography of asymmetric power relations and resistance among dominant and subordinate groups, James C. Scott argues that a dissident political culture develops through potentially subversive cultural practices in disguised forms, which he terms ‘infrapolitics’. This may include subversive satire, vernacular languages, tax evasion, foot-dragging, folklore, jokes, songs and sabotage. Like infrared rays, infrapolitical activity may not be visible or legible to those who wield public power nor fit into their narratives, which he terms the public transcript. It is infrapolitical because practices and discourses are illegible to state and official authority and invisibilized in the public transcript – legibility here translates into visibility. Infrapolitics is offered as a way to look below the surface of apparent accommodation by the dispossessed to recognize how outward consent can mask practices of subversion. Wielded as ‘weapons of the weak’, infrapolitics operates in what Scott identifies as ‘hidden transcripts’, or offstage discourses of subordinate groups. Subversive, covert and surreptitious resistance is less well documented and its illegibility to power-holders in the public transcript often has tactical advantages.

Human agency and resistance here may take many forms, often ingenuous and hidden – and ingenuously hidden, with a ‘hidden in plain sight’ quality. Open, ‘declared’, political action is often only the visible tip of the iceberg and Scott significantly posits infrapolitics as the elementary, foundational form of politics, the ‘building block for the more institutionalized political action that could not exist without it’.¹⁸ Tactical invisibility can provide requisite cover to incubate and eventually to publicly mount strategies. The disguising of resistance in the hidden transcript may not however lend itself to historical or social scientific documentation, at least not in the public transcript, and Scott avers that subordinate groups themselves may even be complicitous in contributing to a sanitized official version in order to cover their tracks. The upshot is that apparent and outward compliance does not necessarily mean capitulation, and that subversion can occur with an apparently less obtrusive corrosion of hegemony.

The idea of a hidden transcript underscores the role of informal order in constituting more of the spectrum of reality, including globalization, than is conventionally represented in the public transcript. The representation of socio-spatial processes has been dominated by formal institutions and official actors, which the work of a number of social scientists has highlighted and sought to remedy. This informal order is animated by a long incubated yet adaptable grassroots intelligence and ‘folk wisdom’ Scott calls *mētis* after the ancient Greeks.¹⁹ In wielding high modernist ideology, applied from Prussian forestry techniques to the imposition of surnames upon villagers, central governments have often destroyed or lost this crucial local knowledge by attempting to force legibility on their subjects in the course of statecraft. In conjunction with a number of other conditions, grand statist schemes often fail when they fail to heed *mētis*. Pointing to such cases as the planned city of Brasilia and its unofficial counterpart city that sustains it, Scott asserts that the modernist project itself routinely relies on an unacknowledged ‘dark twin’,²⁰ within which one could include modern capitalism.

This also underscores how ways of seeing matter: what outwardly looks like consent can mask fertile acts of resistance. What looks like capitalism’s subsumptive domination of everything conceals (and crucially depends on) systems of *mētis*, mutual aid, informal order. When it comes to the capitalist behemoth, in other words, the object appears larger than it really is. Informal practices that make up the bedrock of reality on the other hand, are concealed and are variously insubordinate and illegible to the former which it quietly parallels, and without which capitalism could not operate.

In globalization praxis, this segues with the roles of resistance and informal order, with two major points to draw out about its extensibility. The first is the apparent similarity between the notion of *mētis* and that of social capital. In understanding *mētis* as local know-how and practical *savoir faire* that exists infrageographically – outside the reach of the public transcript – it might be considered as a mode of knowing and doing that is deeper than social capital, particularly social capital as it is understood and played out in the public transcript version of global civil society. I thus consider there are at least two layers of informal order, that underneath the public transcript’s civil society with its more visible social capital

10 Introduction

there are infrapolitical processes and spaces informally governed by the native intelligence of *mētis*.

Second, infraglobalization is not here conceived as simply a ‘gap’ between state and market, as civil society is sometimes framed. Aligning with Scott’s original conception, infrapolitics is recognized here as the foundational form of politics rather than as interstitial spaces and practices that occur between the public transcript corporatist mainstays of ‘market’, ‘state’ and ‘labour’. I make the case that infraglobalization may be intersectional and interstitial depending how you look, and whether it is refracted through the conventional globalization lens. It is here acknowledged as a major section of the spectrum of order and reality in its own right.

The optical dimension of this argument is also related to how the ideological hegemony of dominant groups is predicated upon projecting a particular way of seeing the world and upon then apparently having it accepted and internalized by subordinate groups as common-sensical or natural.²¹ This not only inverts the relationship between the dependency of the formal upon the informal, but within the purview of this book it also relates to how initially grassroots innovations and concepts like social capital and microfinance can be appropriated and colonized, such that critical development accounts may refer to them as ‘paradigmatic of neoliberalism’. This could also be described as the formal order’s attempt to mimic and replicate for its own purposes the properties of the informal order, its *mētis*.

Yet the notion that a hidden globalization underwrites public transcript-visible processes is one where it essentially plays a supporting rather than leading role. Sites and circuits of the informal economy, from households to community co-operatives, local economies to transnational networks, may effectively underwrite the formal, more public-official processes but, I argue, are also important in their own right and not simply as subordinate adjuncts to public transcript processes, which are presented as *the* reality. A hidden transcript replete with resistances may succeed in disrupting the naturalized hegemony of the formal sphere of economic activity, its claimed correlation with the global scale and comprehensive universal application across diverse socio-spatial spectrums, successfully subverting the idea that corporatism subsumes all, but its disruptive effects stop short of efforts at creation and construction.

Historically, recognizing the public transcript order as an arbitrary power configuration is a crucial first step in developing political consciousness and to developing alternatives: undoing the perceived hegemony of corporatist globalization is exposing its uneven, heterogeneous, contradictory, fragmented and partial character that is belied by the appearance of cohesion and contiguity. There are however discernible limits to subversion, from its cooption and weakening of dissent through the covert planting of official propaganda to the funding of ‘astroturf’ groups that mimic the appearance of and effectively manufacture fake grassroots movements (so named as astroturf is a Monsanto product of artificial grass turf). Corporatist interests can covertly act in ways that range from ‘controlled opposition’ such as the use of gatekeepers and planting moles, to the US

Central Intelligence Agency (CIA) and neocon foundation funds that have gone towards exploiting the genuine resistance in the various international 'colour revolutions', for example, such as the 'Orange' and 'Rose' revolutions in the Ukraine and Georgia respectively.

It is also significant by way of appropriation and subsumption that international organizations and financial institutions have strategically imbibed social movement and community-inflected language, such as 'participatory', 'community', 'capacity building' and 'self-help'. Critics have charged that 'participatory boosterism', for example, fails to address questions of power, inequality and poverty and serves to depoliticize conflicts, enabling the smuggling in of aggressive neoliberal practices. Pablo Leal, for example argues that it is no coincidence that participation 'appeared as a new battle horse for official development precisely at the time of the shock treatment of Structural Adjustment Programmes (SAPs) inflicted . . . by the World Bank and the IMF'.²² The adaptability of progressive forms to different contexts means they are also at risk of being captured by neoliberal ideology. Several processes have both a cooperative and a corporatist conception in which the latter appropriates, co-opts and makes it legible for the public transcript, such as decentralization and corporatized microcredit. Decentralization in the hidden transcript occurs in the context of fostering autonomy and reducing reliance on or subjection to the coercive state apparatus and/or corporatist capital. Self-help in the corporatist public transcript has been appropriated in the context of welfare roll-backs. My contention is that any claimed relationship between neoliberalism and practices such as decentralization is ideological, it is not natural or given.

Similarly, one of the foundation myths of capitalism is that it either invented or has a monopoly on entrepreneurship, or that it is the only system that has, or exemplifies, a 'market' economy, such that even the term 'market' is often used synonymously with it. Cooperatives and informal order did not come into being as 'anti-capitalist' forms. These forms pre-existed contemporary neoliberal capitalism. While practices can be appropriated and manipulated to give a self-responsibility patina to justify the retreat of state and corporate responsibility, the point is that neoliberal ideology has no monopoly on process and meaning.

The spaces that attach to subversion have been recognized in social science as socially constructed, and relational rather than pre-given or absolute.²³ Subverting corporatist singularity and its colonization of the global scale has also involved recognition in scholarship of the inseparability and co-implication of the local and global; that the global is not just aggregative (the sum of local processes or their network connections) but also generative, that is, measured in terms of extension of influence. Places and communities as constituted by the complex networks and multiple social relations that span across the globe are thus global through those processes, and through the carriage of their influences and effects. In other words, the global is not just 'out there', networks of various reach, scope and intensity are co-present and co-constitute everyday practices.

Subverting the corporatist production of space rather than conceding it to be 'free' for neoliberal capital is an important step, a recognition that an impoverished

view of space-time also impoverishes the spectrum of political possibilities. More than that, it erases realities, lifeworlds, voices and multiple pathways. The conception of space as closed, immobile, depthless, the opposite of time rather than inseparable from it (as the most contemporary conceptualizations even in physics have had it for decades) has increasingly been challenged by the emergence of alternative post-Euclidean imaginations of space and scale. I argue that these emergent subversive efforts are promising but bear full fruit in a modality where they are recognized as meriting independent consideration, not only as reactions to that which they challenge.

Subversion can also more easily be controlled through the subsumptive impulse when located within the same singularist spatial ontology. Valuable approaches such as standpoint epistemology rightly highlight the importance of voices from the ‘margins’ that can afford insights not accessed at or from the ‘centre’; these may multiply perspectives yet still be rooted in the same singularist spatial ontology, however. An imaginary that is characterized by a radical multiplicity of realities, rather than simply perspectives within a singular reality, may help challenge these limitations.

Up the ante, transcend the anti

The key proposition here is that the efficacy of grassroots agency within globalization praxis depends upon a ‘both-and’ amalgam of propositional and not just oppositional action. Agency is richer than conventional accounts allow and the ‘infra’ framing is a way of breaking the conceptualization straitjacket of globalization as domination versus resistance, which often locks communities and movements into a limited reactive, oppositional mode. Following on from this, globalization’s informal order – what I have termed *infraglobalization* – crucially underpins and is the greater parallel to the formal public transcript globalization. Grassroots strategies such as decentralized governance and microenterprises succeed insofar as they allow the cultivation of, and do not harm, this informal order, which may be deeper than civil society as represented in public transcript accounts and are less amenable to conventional social scientific measure. The informal order’s relative invisibility when viewed through the conventional lens is recognized as a representational artifact of the public transcript and belies the fact that, like gravity, it is akin to a force that helps hold everything together. An over-regulated, top-down control and command globalization can stifle and destroy the informal order upon which it is often parasitical.

It is possible and productive to distinguish between the corporate framing of globalization and globalization’s progressive enactments beyond a limited ‘anti-’ or ‘counter-’ framing. Disentangling globalization from its corporatist colonization with which it has been ideologically conflated challenges the monochrome rendering of global reality. The next steps toward taking back the power to author, enact, bargain, perform and create involves a more vivid palette of colours that I argue more closely matches lived realities, and offers greater scope for agency.

Sub rosa subvention

Never again will a single story be told as if it is the only one.

(John Berger)²⁴

In this modality, infraglobalization is elevated from an interstitial phenomenon, or one merely underlying formal global processes, to an imbricated reality that is a vibrant and fertile source of creative alternatives and both incipient and pre-existing parallels in its own right. Infrageographies are envisaged as an expansive, experimental and effervescent socio-spatial form, and its spaces conceived as multidimensional, contingent and constructed by human activity, unlike a subsuming conception of singular space based on the static Cartesian grid. If, as the book advances, space matters in how we constitute realities and engage with the world, new ways of imagining spaces outside of capital control is central to the projects for producing viable alternatives. This cannot be done, I suggest, within the rubric of dominant capital's subsuming spatial frame.

A propositional politics of infraglobalization requires the long-view, and experiments and *mētis* may gestate over a long time-horizon. Laclau and Mouffe argued 30 years ago that plural democratic movements were shifting from a 'strategy of opposition' to a 'strategy of construction of a new order',²⁵ and this process as understood here as a slow cooking hearty historical brew informed by such sensibilities as varied as the Industrial Workers of the World (IWW) phrase 'building a new world in the shell of the old' to 'do what you can where you are', to paraphrase Ted Roosevelt.²⁶ The worlding of futures by enacting alternatives in the here and now could be viewed as infraglobalization's key strategy of forward-looking prefiguration to capital's forward-looking capitalization – the process by which expected future gains are monetized by present measures. In this vein, Gélinas similarly sees alternative political-economic forms as the seeds of a future order in which they may be the more prevalent modes:

Just as capitalism matured within the feudalism over several centuries before asserting itself as the dominant system, the alternative economy will likewise need to develop slowly within capitalism before gradually asserting itself in a community, a region, a country and finally throughout the world.

(Jacques Gelinaz)²⁷

These infrageographies are produced outside official arenas and consist of spaces and sites that are an important but under-represented part of the spectrum of globalization. These may include, but are not limited to, the spaces of the community economy and the informal sector. They may involve utilizing grassroots circuits for information-sharing, solidarity, knowledge production, resource-pooling and policy development as seen, for example, in the World Social Forum movement. Supporting and subventing these strategies becomes a priority for a number of groups to respond more autonomously and in innovative ways as agents actively producing and ordering global reality. There are a wealth of local laboratories

of democratic decision-making, cooperative enterprises, alternative forms of exchange and participatory budgeting. Going by the measures of an old-style progressive politics, the figures may look discouraging, such as the decline in major political party and trade union membership over the past quarter century. But over this same period, the numbers involved in worker-owned businesses, for example, has dramatically increased: even in the heartland of capitalist empire, the US, the numbers of worker-owners involved in cooperatives is estimated to have increased from 250,000 in 1975 to 11 million in 2014; and over a third of the US population are members of a cooperative.²⁸ A new form of propositional politics is slowly supplanting the old politics.

Experiments may be discontinuous, ebbing and flowing with the dynamics of local institutions, the reshuffling of state and municipal governments and external influences, but their effects can be long lasting and have extensive reach. This can be seen both in the Porto Alegre model of participatory budgeting which lasted a decade and a half in Brazil (1991 to 2004) and spread as an adapted practice to countless cities and municipal councils around the world (see [Chapter 3](#)); and in Kerala's decentralization, participatory planning and social economy experiment which was launched in 1996 and also went through spurts and setbacks depending on the see-saw swing of which state government presided every five year term (see [Chapter 5](#)).

Infraglobalization does not exist in dualistic opposition to public transcript globalization as much as it is another and arguably much larger layer of social reality occupying the same physical space, whose practices corporatist entities such as the neoliberal state cannot necessarily infiltrate, regulate or subsume. Parallel practices may include community-led alternatives to the market-determined and state-led appropriations of such practices as microfinance. I argue that microfinance is not circumscribed or 'owned' by neoliberalism nor is its wholesale corporatist commercialization and financialization inevitable. This book does not debate or document the clear shortcomings of donor-dependent corporate microfinance and cooperatives which are locked into formal financial circuits, but it bears emphasizing that there is nothing that auto-circumscribes practices such as microcredit, 'self-help' and decentralization as political technologies of neoliberalism, as the Kerala case study highlights. Similarly, the role of women and social reproduction can be recognized as central to global development because they happen to assume great importance in the integral informal order, rather than because they are the ideal-typical corporatized microfinance subjects. Practices can be hijacked by neoliberalism, or they can be harnessed more progressively in the service of socially just policies: the point is that they are neither ideologically pre-determined nor pre-disposed.

In view of these propositions, I ask how amenable is understanding Kerala's contemporary development through an infraglobalization lens? What are the prospects for planning as a participatory democratic enterprise (applied infraglobalization?) and asserting autonomy over finance capital, as illustrated in a corporate finance-poor state like Kerala? Has Kerala's experience of subventing home-grown cooperatives and decentralized budget-supported participatory planning

as alternatives to corporatist globalization and microcredit been successful, and further, can it be replicated elsewhere? If so, what is it about Kerala's cultural-political milieu that makes its articulation of radical democratic practice and microenterprises possible? How does a state pursuing a redistributionist agenda fare in an ostensibly neoliberal period? Can governments and other governing agents abide by the principle and practice of *primum nil nocere* – first, do no harm – non-maleficence in at least protecting the mētis of communities? The book argues that while conventional social scientific frames may not be able to quantify or definitionally capture mētis, states can nevertheless still act to protect rather than destroy it.

Infraglobalization is also an imaginary suggesting greater attention be duly directed to people's lived experiences with political spaces both of their own making and those that may also be circumscribed by others. The 'everyday' and sphere of social reproduction here also matter in constituting reality and in initiating processes that may take on extra-local reach. It engages directly with the idea – and ideal – of greater autonomy, and the question of the degree to which social movements and communities develop alternatives outside a system apparently tied to the desires and whims of corporatist elites. What are the possibilities for building strategic translocal, global alliances and cultivating subaltern agency and capacity to shape processes and help effect coordination at a distance?

The previous section foreshadowed the important role played by mētis, which here refers to grassroots cultural forms, norms and practices, and to vernacular wisdom, know-how and knack. It is a practical experiential knowledge that may never be fully comprehended in the public transcript. A mētis-based infraglobalization acknowledges that: first, social relations, like ecological systems, are far more complex than can be modelled or conventionally represented; and second, that local knowledge is often not easily written down or 'proven' according to positivistic scientific conventions, thus rendering it invisible in the corporatist worldview, to be devalued and often destroyed by high modernist planners. Exploring the experience of Kerala Sasthra Sahithya Parishad (KSSP) or People's Science movement is an interesting vehicle for examining how mētis might be harnessed rather than harmed, particularly in Kerala's successful literacy campaign which drew on indigenous cultural forms and social practices rather than imposing a top-down program that might have ignored the population's existing strengths.

Infraglobalization also implicitly recognizes the problem of over-determination inherent in public transcript representations of power. There are multiple ways various actors engage with, create and experience global flows – it is not simply about perpetrator/victim in terms of corporate capital and communities respectively for example, nor only about accommodation versus resistance. It is also about sub rosa development wherein portability, adaptive replicability and networks of social movements and community strategies are possible. In other words, infraglobalization strategies travel too – why only confer mobility to corporatist forms?

These interweaving layers may parallel as well as intersect and overlap with civil society and social capital in its more public transcript guises, while not being

defined or subsumed by either. The point of distinction is that communities and movements may organize and operate in ways incommensurable with the public transcript rendering of reality, which requires practices to be legible for the purposes of corporatist (state or capital) recording, classifying, containing, controlling and monitoring, often through force. They produce sub rosa geographies by virtue of their illegibility to corporatist forms.

In positing infraglobalization as a sub rosa socio-spatial ordering of reality, I make the case that ontology matters. It is significant, I suggest, that there is support for the radical multiplicity of reality in ascendant post-classical worldviews informing our ability to conceive of multiple realities occupying the same space. Infraglobalization accommodates co-existing contemporaneous multiplicities and manifold vernacular realities rather than making the ontological assumption that there is one true reality, as rooted in the *classical* Western tradition. If bodies and objects help produce, and not just occupy space, then it is possible to envisage different layers of socio-spatial reality which may overlap or intertwine around various orbits people and groups generate. This then relates to the conception of space that attaches to infraglobalization, as superposed, imbricated layers of reality that may be intersectional as well as parallel, criss-crossing with other practices and spaces. These are contemporaneous rather than palimpsestic, the latter implying linear temporal succession.

In exploring the progressive catalytic potential of an infraglobal socio-spatial framing, I underscore its experimentality. It might be envisaged as a social incubus, with spaces of experimentation and incubation, and capacity-building *towards* greater transformation: not every incubatory experiment may achieve successful transformation, but its gestation may generate highly beneficial social effects and contribute to *mētis*. This is perhaps how *mētis* has in fact been produced historically, through a good deal of trial and error, and an intimate and long-nurtured knowledge of practices rooted in particular times and places, and with mistakes simply adding to the store of grassroots knowledge.

Constituted at various scales, infrageographies are presented as sites of innovation and not just amelioration, where subjects are posited as capable of initiating, and not simply interpreting. I am conscious to try not to reify or romanticize the subaltern, and recognize that socially or ethically regressive practices and customs may also exist infrageographically. This may, in turn, serve as a justification for not always warranted or appropriately executed state intervention, such as with the Roma people. This lies outside the purview of this book, wherein I employ the notion of a subaltern in a way that actually mainstreams the marginalized such that the numerical majority of people may identify both as and with the 'subaltern'. In Kerala this strategy has historically played out with activists identifying with and embracing the struggle of the 'untouchables' rather than spurning people of this caste as external, with an inclusivist struggle that has helped to ferment Kerala's remarkable history of social activism.

This book does not suggest that an advocacy of informal power should let formal power 'off the hook' or that it entails accepting any socially regressive rolling back of state functions such as a social safety net. The struggle to reform

public, putatively representative, institutions is an important one, particularly as these institutions have often corroded the very values they have been set up to promote. Vigilance about formal power and holding it to account certainly need not preclude informal capacity building. Formal institutional state power is more complex and less monolithic than oversimplifications may imply, and while I have anarchist sympathies I in fact suggest the state may have a constructive, facilitative role to play as the case of Kerala illustrates, especially when there is a credible policy commitment from state representatives and agencies.

From critique to construction

The key propositions in this modality are as follows. Progressive politics requires a progressive time-space, which I have identified as comprising already existing and rich infrageographies that are incubatory, deep, and seek to achieve safe distance from corporatist surveillance, in part through illegibility. Infraglobalization is advanced in this book as a potentially progressive and multidimensional political space, a layer of socio-spatial reality and of informal sub rosa ordering that corporate forces cannot always regulate, dominate or even reach. This recognizes not all spatial forms or differentiations can be derived or caused from the logic of capital accumulation nor in fact *any* singular and putatively all-subsuming logic. Resignifying space as deeply and dynamically layered and imbued with a multiplicity of form concomitantly helps multiply political possibilities – and actualities. Agents are recognized as capacious subjects who bring global processes into being, cultivate and nourish *mētis*, and build the terrain as they move. I argue that strategies are often best incubated infrageographically lest they be co-opted or crushed by corporate capital or repressive functions of the state, but that the state may have a facilitative role to play, as the case of Kerala shows with its participatory planning programme and community-led microenterprises. The relationship with the state, depending upon the context, can be both facilitative and fraught, both productive and vexed.

It is not surprising many forms of social capital, both as concept and as asset, are too valuable not to be appropriated and instrumentalized by corporatism. I suggest that creating alternative practices involves a large degree of covert capacity-building, drawing upon and cultivating *mētis*, until and unless institutional safeguards and commitments from the state are in place. This proposition will be explored in the case of Kerala ([Chapter 5](#)).

How the book is organized

The rest of the book is organized by four substantive chapters, followed by a brief concluding chapter. The chapters correspond with the three syndromes just outlined, with some overlap. The book seeks to distinguish between globalization as a more conventional onto-epistemology ([Chapter 2](#)) and as a ‘catalytic’ onto-epistemology ([Chapters 3, 4 and 5](#)) and reflects the key aims of the book toward fostering viable social alternatives and alternatives-in-waiting, both established

and experimental. In devoting four chapters out of five to advancing alternatives to corporatist globalization, while only one describes the nature of the beast, I endeavour to circumvent the trap capable critical social scientists sometimes fall into of an over-focus on that which they are ostensibly trying to transcend. Neoliberalism is but one story of economic globalization and it is time the globalization debate is epistemologically decolonized and alternatives accorded due attention.

In the book, my intersectional approach is drawn primarily from the disciplines of politics and human geography, but is also informed significantly by anthropological and sociological contributions. I have endeavoured to bring to bear my interdisciplinary background; while this has advantages it also means the main empirical case study, about one quarter of the book, might assume less weight than conventionally expected in some disciplines relative to the theoretical framework and conceptual contribution that I also explicitly seek to make. This book accordingly places considerable value on the contextual research surrounding issues raised in a study of Kerala as well as on their application in Kerala itself. The aim is to achieve a measure of breadth appropriate to the nature of an interdisciplinary research *problématique*.

In [Chapter 2](#) I examine how corporate globalization currently prevails as the public transcript of capitalist political economy and social reality. The Global Financial Crisis of 2008 has been a historic opportunity portal to observe how corporate capitalism and the neoliberal project work as a system of power. While neoliberalism is its ideology, I have adopted the broader term corporatist globalization rather than neoliberal globalization to include other corporatist iterations such as what I identify as the neoliberal-neoconservative convergence. Focusing upon corporatist globalization also means scrutinizing capital accumulation crises which attend its functioning, and that have become more globalized and financialized since the early 1980s. Corporate-led, neoliberal globalization is situated against a number of larger currents and frameworks for grouping global socio-spatial change, such as strategies for accumulation, patterns of regulation and the idea of periodic profit crises being instrumentalized. I argue that the ‘neo-neo’ convergence has served as a stop-gap resolution of recent capital accumulation crises, although it benefits different sections of oligarchic capital differentially, and that extreme financialization entails a violent, extractive, undemocratic and inequitable system that is neither sustainable nor successful by its own public transcript market measures, although it has amply rewarded sections of capital who have had a very good crisis. It has also entrenched and increased wealth-based inequalities, as well as created new tensions and contradictions.

[Chapter 3](#) articulates an alternative way of seeing and doing that recognizes and reflects a more enabling, agentially-aware globalization praxis. It posits both a project of transformation and transformational act of recognition in the way we see agential possibilities within globalization by rethinking the sufficiency of oppositional ‘resistance’ and shifting focus towards facilitating propositional geographies of enablement. Building upon work that recognizes parallel and ‘interstitial’ geographies, I assert that examinations of human agency would do well to accord due weight and attention to sub rosa sites and processes and to

everyday actors for their crucial role in initiating, constituting and reproducing global processes. Advanced as a form of creation and not simply contestation, this chapter develops the idea of infrageographies of globalization, extending James C. Scott's concept of infrapolitics and examining the idea of informal order. Against the identified limitations of what I have termed oppositional praxis, another way of seeing is proffered: rather than either accepting prevailing structures or simply 'resisting' them, I argue that grassroots agents have created alternatives as well as the spaces for alternatives. Further, I propose that while many of the processes of the informal order effectively subsidize formal order, informal sector actors wherever possible might fruitfully redirect more energy and resources toward subventing and incubating their own forms and practices, with a number of strategies to achieve this explored.

In [Chapter 4](#) I focus on the ontological politics of grassroots globalization and identify an ontological turn in the framing of globalization theory and practice. In this chapter I assert that new agential possibilities are informed by and related to the ontologization of the globalization debate. In particular I consider what an ontological politics informed by quantum mechanics might look like and how this metaphysical framework is relevant to enacting, sustaining and reproducing development alternatives. I develop the idea that ontological pluralism is at the heart of what distinguishes grassroots infraglobalization from conventional corporate praxis, and that a more plural ontology has a direct bearing on configuring globalization as a more participatory, democratic, transformative, agentially-centred epistemology. This is refracted through an exploration of related debates which highlight the reciprocal co-constitution between the empirical and epistemological, such as method and representation, worldviews and worlding, theory-as-practice, space and scale and debates about how globalization is represented. These debates have important and interesting implications for agency and subjectivity and for the production of knowledge about globalization. Further, I argue these debates can directly inform processes fostering horizontality, plurality, sub rosa and parallel development, mutuality, self-governance and participatory development.

In [Chapter 5](#) I focus upon the southern Indian state of Kerala's recent initiatives in participatory planning, decentralized democratization and micro-enterprise initiatives as key strategies for capacity-building toward a propositional grassroots globalization. Kerala has long attracted well-deserved attention for its remarkable achievements in human development. The southern Indian state has achieved unusually high social and human development indicators – first world levels of literacy, life expectancy and infant mortality – at a fraction of first world incomes. The classic Kerala model, primarily concerned with redistributive policies, struggled however to induce significant economic or industrial development. In dealing with this challenge and with second-generation development problems such as educated unemployment, gender inequality and industrial development, the state undertook one of the boldest experiments in participatory decentralization ever undertaken in the subcontinent, and one of the largest in the world. These initiatives expressly seek to combine social and productive objectives at the local level,

with cooperatives and Neighbourhood Groups (NHGs) as major development agents and community capacity-builders. In this chapter I suggest Kerala's development can also be understood by situating its contemporary experience in an emergent 'regime of empowerment' which is markedly different from its 'classical' period. I propose that Kerala's institutionalization of this experiment can offer lessons and prospects by way of alternative, parallel developmental and social economy pathways, and that Kerala's experience illustrates the importance of both public and infrageographical action to its success, which cannot simply be adduced to responsible government action or the role of epistemic elites. Kerala's experimental politics can be understood as collective prefiguration – to be worked out and determined by its citizen-planners as a living, breathing, open-futured process.

The book now turns to [Chapter 2](#), which examines how corporatist capitalism is often presented and accepted as a singular force, as a referent that describes a variety of relations between the state and the economy that nevertheless occurs within a monist ontological framework. The chapter examines how crises are increasingly functional to the operation of neoliberalism in what has been termed, since the so-called Global Financial Crisis, its 'zombie' phase. It also spotlights the commodification of social capital, wherein the work of emergent community development organizations, intentionally or otherwise, serves a reform and ameliorative capacity within co-opted sections of civil society. Much of this 'NGO-ism' may be essentially non-threatening to the established order, existing within the same ontological framework as corporatist globalization. I also argue corporatist globalization is a militarized globalization, and examine the apparently increasing subsumptive convergence between neoliberalism and neoconservatism since the turn of the millennium.

Notes

- 1 Seamus Heaney, 'From the canton of expectation' in *The Haw Lantern poem* (1987), *Opened Ground: Selected Poems, 1966–1996* (New York: Farrar, Straus and Giroux, 1998), p. 295. This book employs the short title reference method in footnotes. In the first instance a work is cited in full; thereafter, by its short title and specific page number where applicable.
- 2 The meaning of spectral here is principally intended to be an adjective for spectrum, but its other meaning might also be appropriate, pertaining to the fact that infrageographies may appear ghostlike when apprehended through the corporatist lens.
- 3 The term prefigurative politics was coined by Carl Boggs. See Carl Boggs, 'Marxism, prefigurative communism, and the problem of workers' control', *Radical America*, Vol. 11, November 1977, p. 100.
- 4 Unsettling 'humanocentric' politics is not my aim here – I am explicitly focusing upon human agency, albeit striving to be attentive to the more-than-human entities, forces and processes that exist. There is an interesting and paradoxical set of co-existing conceptions of anthropogenicity with posthuman conceptions that see agency as extending beyond the human and a quantum theory that may include panpsychist notions of minded matter (see [Chapter 4](#)). The reference to the term 'actant' is from Actor Network Theory which is not examined or employed in this book; see John Law and John Hassard (Eds.), *Actor Network Theory and After* (Oxford: Blackwell, 1999) and

- Bruno Latour, *Reassembling the Social: An introduction to Actor Network Theory* (Oxford: Oxford University Press, 2005).
- 5 Doreen Massey, 'Is the world getting larger or smaller?', *OpenDemocracy*, 15 February 2007.
 - 6 James C. Scott, *Domination and the Arts of Resistance: Hidden Transcripts* (New Haven: Yale University Press, 1990).
 - 7 The origin of 'high politics' (military security) and 'low politics' (economics and social affairs) is Robert O. Keohane and Joseph S. Nye, *Power and Interdependence: World Politics in Transition* (Boston: Little, Brown, 1977).
 - 8 Moore has a sizable body of scholarly work but on this particular question see Jason W. Moore, 'Anthropocene or Capitalocene? Part III', Jason Moore, 19 May 2013, accessed at <<http://jasonwmoore.wordpress.com/2013/05/19/anthropocene-or-capitalocene-part-iii/>>; see also Stephen Gill, 'Globalization, Market Civilization and Disciplinary Neoliberalism', *Millennium: Journal of International Studies*, Vol. 24 (3), 1995, pp. 399–423. Gill predicted however that this would 'constitute a temporary politics of supremacy in the emerging world order' (p. 399).
 - 9 Jason W. Moore, 'Anthropocene or Capitalocene? Part III'. The Anthropocene is an informal term denoting a new geological era succeeding the Holocene that marks the extent to which human activities have had a significant global impact on the Earth's ecosystems, particularly from about the time of the Industrial Revolution. There have been precursor terms (such as 'anthropozoic' in the 1870s) but Anthropocene seems to have gained the most currency. The term was coined in the 1980s by ecologist Eugene F. Stoermer and has been widely popularized by the atmospheric chemist, Paul Crutzen. They both used the term in print in 2000 in a newsletter of the International Geosphere–Biosphere Programme. See Paul J Crutzen and Eugene F. Stoermer, 'The "Anthropocene"', *Global Change Newsletter*, Vol. 41, 2000, pp. 17–18. See also Jan Zalasiewicz et al, 'Are we now living in the Anthropocene?', *GSA Today*, Vol. 18 (2), 2008, pp. 4–8.
 - 10 Jason W. Moore, 'The end of cheap nature, or: how I learned to stop worrying about "the" environment and love the crisis of capitalism'. In: Christian Suter and Christopher Chase-Dunn (Eds.), *Structures of the World Political Economy and the Future of Global Conflict and Cooperation* (Berlin: LIT, 2014), p. 287.
 - 11 Jonathan Nitzan and Shimshon Bichler, *Capital as Power: A Study of Order and Creorder* (London: Routledge, 2009). See especially Chapter 14 for a discussion on dominant capital as well as a slightly different measure of dominant capital employed in Bichler and Nitzan, 'The asymptotes of power', *Real-World Economics Review*, issue 60, 20 June 2012, pp. 18–63. Dominant capital is approximated by the top 0.01 per cent of all US-based corporations as ranked by market capitalization (p. 27). See also the paper's Appendix for an explanation of why this measure of dominant capital was employed, pp. 51–2.
 - 12 Jamie Peck and Adam Tickell, 'Neoliberalizing space', *Antipode*, Vol. 34 (3), 2002, p. 400.
 - 13 Thomas Lemke, 'The birth of bio-politics: Michel Foucault's lecture at the Collège de France on neoliberal governmentality', *Economy and Society*, Vol. 30 (2), 2001, p. 207.
 - 14 See John Ralston Saul, *The Unconscious Civilization* (Ringwood, VIC: Penguin, 1997). Even though some advocates (and practitioners) of neoliberalism may not conceive of themselves as globalists, I argue that the universal instrumental rationalism that underpins their ideological beliefs is an extension of all-subsuming high modernism. It is telling, then, that neoliberalism has also been termed 'economic rationalism', especially in Australia and New Zealand. See Michael Pusey, *Economic Rationalism*

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- in *Canberra: A Nation-Building State Changes its Mind* (Cambridge: Cambridge University Press, 1991). It also extends to imperial efforts at 'global democracy promotion' and the logic of military invasion and intervention, which presumes to impose democracy, or the appearance of it, in what are usually very limited or trumped-up elections, as a high modernist top-down scheme.
- 15 In the quote cited, Michael Oakeshott is describing the thought of Blaise Pascal in *Rationalism in Politics* (London: Methuen, 1967), p. 20. This is in turn cited in James C. Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition have Failed* (New Haven: Yale University Press, 1998), p. 340, who may have misattributed the quote directly to Pascal. Blaise Pascal was a seventeenth century philosopher and mathematician who rejected the sufficiency of both pure reason and pure empiricism, advocating for other ways of knowing the truth than the emerging Cartesian rationality in his posthumously published notebook *The Pensées de M. Pascal sur la religion et sur quelques autres sujets* (1670). See Blaise Pascal, *Pascal's Pensées*, Introduction by T. S. Eliot (New York: E. P. Dutton & Co., 1958).
 - 16 Neil Brenner and Nik Theodore, 'Cities and the geographies of "actually existing neo-liberalism"', *Antipode*, Vol. 34 (3), July 2002, pp. 349–79.
 - 17 Social movement slogan of unknown origin.
 - 18 James C. Scott, *Domination and the Arts of Resistance*, p. 201.
 - 19 James C. Scott, *Seeing Like a State*. As a loan word in usage throughout the book it hereafter appears sans italics.
 - 20 James C. Scott, *Seeing Like a State*, p. 261.
 - 21 As Antonio Gramsci noted, hegemony involves cultural forms of domination, which serves to convince people that certain elements of the social order are imperfect but inevitable, monolithic rather than malleable, given rather than open to contestation and change.
 - 22 Pablo Alejandro Leal, 'Participation: the ascendancy of a buzzword in the neoliberal era' in Andrea Cornwell and Deborah Eade (Eds.), *Deconstructing Development Discourse: Buzzwords and Fuzzwords* (Warwickshire: Practical Action Publishing and Oxfam, 2010), p. 90.
 - 23 See, for example, Doreen Massey, *Gender, Power and Space* (Cambridge: Polity, 1994) and *For Space* (London: Sage, 2005); David Harvey, *The Condition of Postmodernity* (Oxford: Blackwell, 1989); Henri Lefebvre, *The Production of Space*, trans. Donald Nicholson-Smith (Cambridge, MA: Blackwell, [1974] 1991) and 'Reflections on the politics of space', *Antipode*, Vol. 8 (2), May 1976, pp. 30–7; John Agnew and Stuart Corbridge, *Mastering Space: Hegemony, Territory and International Political Economy* (London: Routledge, 1995).
 - 24 Quoted in Notes From Nowhere (Eds.), *We Are Everywhere: The Irresistible Rise of Global Anticapitalism* (London: Verso, 2003), p. 14.
 - 25 Ernesto Laclau and Chantal Mouffe, *Hegemony and Socialist Strategy: Towards a Radical Democratic Politics*, 2nd ed (London: Verso [1985] 2001), p. 189.
 - 26 Drawing on the constitutional preamble which states 'By organizing industrially we are forming the structure of the new society within the shell of the old', the Industrial Workers of the World (IWW) states that it believes 'that by acting in solidarity, in union, we are building a new world in the shell of the old'. See the Preamble of (IWW) Constitution and the About Us page on their website, <<http://www.iww.org/about/official/abc>>.
 - 27 Jacques B. Gélinas, *Juggernaut Politics: Understanding Predatory Globalization*, trans. Raymond Rabitaille (London: Zed Books, 2003), p. 224.
 - 28 Gar Alperovitz, 'After Piketty, the ownership revolution', *Al Jazeera America*, 17 June 2014, <<http://america.aljazeera.com/opinions/2014/6/piketty-capital-cooperativeownershipworkerowned.html>>.

2 Corporatist globalization

A world in its own image

In fact, when I consider any social system that prevails in the modern world, I can't, so help me God, see it as anything but a conspiracy of the rich to advance their own interests under the pretext of organizing society. They think up all sorts of tricks and dodges, first for keeping safe their ill-gotten gains, and then for exploiting the poor by buying their labour as cheaply as possible. Once the rich have decided that these tricks and dodges shall be officially recognized by society – which includes the poor as well as the rich – they acquire the force of law. Thus an unscrupulous minority is led by its insatiable greed to monopolize what would have been enough to supply the needs of the whole population . . .

(Thomas More, 1516)¹

The [Bush administration] aide said that guys like me were 'in what we call the reality-based community', which he defined as people who 'believe that solutions emerge from your judicious study of discernible reality'. I nodded and murmured something about Enlightenment principles and empiricism. He cut me off. 'That's not the way the world really works anymore', he continued. 'We're an empire now, and when we act, we create our own reality. And while you're studying that reality – judiciously, as you will – we'll act again, creating other new realities, which you can study too, and that's how things will sort out. We're history's actors . . . and you, all of you, will be left to just study what we do'.

(Ron Susskind)²

Capital is a symbolic representation, and very real manifestation, of power. It is a vendible commodity that projects the commodification of power, increasingly anchored in the fictitious and nominal, rather than in the means and assets of 'real' production. With the increasing disjunction between speculative and productive economic activity particularly from the 1980s onwards, financialized capital has increasingly become more prominent, and is identified in many accounts of globalization as effectively spearheading the processes of contemporary economic globalization. The growing density and depth of market transactions apparently extends the calculus of capitalization, accumulation and profitability to as many domains as possible, from public utilities to warfare to public institutions. The 2000s and 2010s has also see a new arsenal of accumulation strategies that involve the instrumentalization of crises, where the operative word may indeed be 'arsenal'.

Situated within the historical frame of long phases of capitalist accumulation, my focus in this chapter will be on the predatory financialization of capital since the mid-1970s and, suggestive of Susskind's encounter in the quote above, capital's putative constitution of social reality, reminiscent of the Marxist concept of subsumption. Since Marx – who thought that illusory or fictitious capitalization was secondary to understanding real capital such as commodities and the means of production measured in the value of labour time – financialization has become the template for the contemporary power of dominant capital, broadly understood as the top 0.01 per cent of US based corporations ranked by market capitalization.³ Financialization has been understood as a 'pattern of accumulation in which profit-making occurs increasingly through financial channels rather than through trade and commodity production'.⁴ Related to this, securitization is defined as the process of bundling up assets so they will yield defined income streams. While financialization is understood as a contemporary phenomenon, it is in many ways the apogee of a long capitalization process that started in the burghers of Europe six centuries ago and codified mathematically in the mid-nineteenth century.⁵

In corporate capital's public transcript – the way it views itself and disseminates its myths – dominant capital creates its own order, its own reality, measured and quantified in terms of accumulation and the capacity to be commodified and exploited, and defines it for all others. Marx's dictum that we make our own history, but not under conditions of our own choosing, prompts the question: who or what creates those conditions? In the 'steamroller' conception of globalization, only capital has substantive agency to create historical realities, becoming a singularity to which everything is subsumed. This subsumption forms the basis for what I have grouped as conventional theories of globalization: those theories that share the postulate that only capital's agents and processes really have the capacity to create the major spatial-historical realities to which all the rest of us play only bit-parts: adopting, adapting, ameliorating or resisting (or, as Susskind's hubristic correspondent suggests, consigned to studying it!), but never really shaping or creating in the same fashion. This book rejects this notion, and without simply 'wishing away' or ignoring these tendencies, I argue that the great majority of us who do not deal in complex 'high' finance or conglomerate corporate capitalism – what I describe in this chapter as dominant or oligarchic capital – also create our own global realities outside the reach of this 'public transcript' projection of globalization. I assert that this projection buries other realities that also lie outside of the often corporatized notion of a global civil society.

In the subsumptive view, modern contemporary civilization itself becomes defined as one cohered by capital as value-in-motion, one that appropriates and organizes nature and strives to make a world in its own image. The self-actualizing dynamic of making value commensurate across space and time injects a logic of equivalence so that money will continue to be the same thing across time-spaces. Capitalism is a system that both internalizes as well as externalizes costs: it externalizes nature's 'free gifts' (human and physical nature and unpaid labour) yet also strives to internalize everything into its purview for subsumption and appropriation. Maximizing the appropriation of unpaid work – work outside of

the formal circuits of capital – is central to the subsidy and surplus of capital, yet over time also increases the costs of accumulating capital and becomes a bottleneck, as more relations of reproduction once outside these formal circuits become monetized.⁶ This unpaid work is a central part of the ‘cheap labour’ Jason W. Moore identifies as one of the Big Four ‘cheaps’ of labour, food, energy, and raw materials in capitalism’s ‘cheap nature’ strategy central to the cyclical renewal of capitalist accumulation, a dynamic that involves capital setting in motion ‘a civilization that aims to maximize the unpaid “work” of life outside circuits of capital, but within reach of capitalist *power*’.⁷ Capitalist appropriation is predicated upon controlling but *not* completely capitalizing life-making reproduction as unpaid work, because it is only against this unpaid work that capital can accumulate, despite the contradictory movement to monetize these relations. Unpaid work is vital because ‘(v)alue only works when most work is not valued’.⁸ Gender and physical nature have of course been central to this appropriation.⁹

At this juncture it may be useful to unpack what is meant by capital as a prelude to similarly unpacking globalization from its ideological garb. I make a number of simple distinctions. The first is to distinguish between smallholder capitalism and conglomerate capitalism. Though it is the former, more plural, template that is usually invoked as the ideal, it is the latter, more oligarchic than genuinely competitive version that crowds out and corrodes the former, swallowing self-employed small to medium businesses over time. This is reflected in the patterns of profit over time: the net profit of a ‘Fortune 500’ firm was 500 times bigger than the US average in the early 1950s; by the late 1990s, it was around 7,000 times larger, a 14-fold increase.¹⁰ The tendency toward oligopoly and monopoly is suggested in Karl Marx’s observation: ‘One capitalist always kills many’.¹¹ As Barry Lynn notes for more contemporary times and with a focus on the United States,

Another sign of a free market is the expansive space it provides for entrepreneurs. But from 1948–2003, self-employment in America dropped from 18.5 per cent to 7.5 per cent. Indeed, among developed nations only Luxembourg has a lower rate of self-employment than we [US] do. There has been a new ‘enclosure’ movement, as the spaces that used to be occupied by small retailers, farmers and manufacturers have been colonized by the conglomerates.

(Barry Lynn)¹²

The second distinction, arising from the first and applied in the second half of the chapter, is to differentiate between different fractions of dominant capital. Dominant capital is not monolithic and may pursue different strategies for accumulation. While some fractions of capital have traditionally favoured stability as a precondition for profits, more recently we have seen a more aggressive strain that instrumentalizes and overtly profits from crisis, and from a marked increase in financialization since the 1980s, where production is less important to the realization of profits. Both General Motors and General Electric have increasingly made more of their money from their financial operations on the side, for example, than from their production *raison d’être* of cars and consumer goods respectively.¹³

Over the past century, capital has become increasingly financial in form. Dominant conglomerate capital has fabricated a whole new arsenal of accumulation techniques such as corporate amalgamation and complex financial instruments such as derivatives. The consequence of this disjunction between the material facts of production and financial accumulation, which was spurred by the emergence and growth of corporations as the principal form of business ownership, is described by Bichler and Nitzan:

Present-day capitalists own not the ‘means of production’, but a financial claim on corporate earnings. [Note that that the ‘objects’ owned by the corporation, such as factories and structures, are merely instrumental to profit: they derive their capitalization not from their ‘productivity’ or their cost of production, but from the earnings they are expected to generate.] This fact is true for all capitalists, whether they own an automobile company, a software firm, a bank, a media conglomerate or a diversified financial portfolio. In this sense, we can no longer differentiate between ‘industrial’, ‘commercial’ and ‘financial’ capitalists.

(Bichler and Nitzan)¹⁴

This goes to the heart of defining corporatist capitalism: capitalization is explained less by its productive articles that make up its assets than by what they can earn, and at what risk. The imperative of accumulation goes beyond production, and capital is financial rather than material, counted in earning power and risk rather than productive units and machines. Capital then is measured by the current market value of risk-adjusted earnings rather than the perceived (market) value of its productive assets. Bichler and Nitzan go further in their description of capital as a mode of power rather than the labour and utility theories of value of Marxism and liberalism respectively, to declare that ‘(a)ll capital is finance and only finance, and it exists as finance because accumulation represents not the material amalgamation of utility or labour, but the continuous *creordering* of power’.¹⁵ For Peck and Tickell similarly, capital’s structural shaping power is directed through ‘(n) eoliberal rule systems . . . [which] have the capacity to constrain, condition and even constitute political change’.¹⁶

As a process, capital functions as ‘forward-looking’ capitalization, which refers to the fact that asset prices are based upon what they are *expected* to earn in the future, a ubiquitous financial ritual that discounts expected future earnings to a singular present value. This principle of ‘discounting’ the future on the stock market prevails over trading on assets on the basis of today’s figures, which is described as backward-looking and ‘puts investors at the tail end of social dynamics’.¹⁷ Capitalization acts as a ‘time transformer’: it condenses the long future into the singular present . . . [and] encapsulates their complex social and ecological causes into a single value – and then sends it back to the present’.¹⁸ Similarly, prices are the calculative language dominant capital use to express that power and its expected trajectory; it is the instrument by which qualitative power converts into and is reflected in quantitative accumulation.¹⁹ The subsuming power of this

system can be seen in the fact that any and every stream of expected earnings is potentially a candidate for capitalization, expressed in prices, from civil war to genetic codes – ‘(n)othing escapes the eyes of the discounters. If it generates expected future income, it can be capitalized, and whatever can be capitalized sooner or later is capitalized’.²⁰

The emergence and rapid development in recent decades of a secondary market that involves financial instruments such as derivatives has led to endemic problems of instability arising from financialization, leveraging and surplus liquidity. Yet this instability is also a source of sabotage-based profitability. Here, the profit motive is insufficient to explain capitalism’s drive: since power is relative, it is *differential* accumulation that dominant capitalists seek in order to beat the average rate of profit.²¹ Strategic sabotage is built into the capitalist imperative and involves more than the conventional assumption that capitalists always desire *growth* for profits. As Bichler and Nitzan aver: ‘if we think of capital as power, exercised through the strategic sabotage of industry by business, the relationship becomes nonlinear – positive under certain circumstances, negative under others’.²² What we may be seeing, in Saskia Sassen’s words, is a more ‘brutal capitalism increasingly dominated by a financial logic that goes well beyond conventional understandings of capital accumulation’.²³

Taking this on board, it is useful to query the notion of accumulation, which leads to the third basic distinction, which is the notion of differential accumulation. While pre-twentieth century accumulation could be conceived in absolute terms, one can do so far less reliably with twentieth and twenty-first century accumulation. Differential accumulation is the process by which dominant capital groups are driven to *beat* rather than simply meet the average rate of return, which is currently normalized as 3 per cent,²⁴ because this has a direct result on an economic entity’s distributive market share: differential accumulation in fact ‘implies the existence of a “dominant capital” group which accumulates faster than the average’.²⁵ Bichler and Nitzan employ the concept to mark out what sets dominant capital apart from other capitalists: ‘For the leading accumulators, success and failure are a matter of differential profit. Their goal is to “beat the average”, and that makes them judge the world based on relative earnings’.²⁶ The idea of differential accumulation became the compass of modern capitalism toward the end of the nineteenth century, ‘when corporations grew large enough and became sufficiently intertwined with state organizations to engage in systematic strategic sabotage’. It is also a process of social transformation.²⁷

From the perspective of money power, the world is increasingly subjected to a unitary logic and viewed through a singular perspective – an exploitable corporate totality over the economy, nature, humans and the production of space. By totalizing I mean in the sense of being all-encompassing and defining – which includes its own class. The imposition of that logic arguably serves to make dominant capital more predictable, and its actions more deterministic. The naturalization and global spread of the capitalization of power results in apparently more and more deterministic processes. As Nitzan and Bichler assert:

To rule means to see the world from a singular viewpoint, to be locked into a unitary logic, to be subservient to your own architecture of power. Dominant capital cannot deviate from the boundaries of this architecture, even if it wants to. Its individual members are forced to accept the very logic they impose on the rest of humanity. And the more effective they are in imposing that logic, the more predictable they themselves become . . . And as the capitalization of power spreads and penetrates, the world seems increasingly ‘deterministic’ . . . It is the determinism of the ruling class, and only of the ruling class. It works only insofar as the ruling class rules. Admittedly, that happens most of the time. However, human beings do have the capacity to understand the fictitious nature of this ‘determinism’.

(Nitzan and Bichler)²⁸

This reinforces the apparent structuralism of the public transcript of corporate global capitalism, and pits poststructuralist accounts and seemingly inadequate strategies against corporate capital’s verisimilitude. The extension of market relations is seen less as the temporary triumph of markets over states or society in a historical see-saw nexus,²⁹ but as the wholesale attempt to permanently remake society *as* market. This danger of the belief in the sufficiency of the market was foreseen by Karl Polanyi and has been given contemporary expression by a number of social scientists such as John Agnew (‘marketplace society’).³⁰ The power to order society becomes capitalized through central systems of property and hierarchy, which fundamentally operate on exclusion. It becomes the means by which dominant capital makes the world legible, and apparently extends this legibility across more spheres.³¹ Capitalization could thus be described as a process of making the world legible for dominant capital. [Table 2.1](#) suggests a rough-cut periodization by decade of corporate globalization, identifying neoliberalism and its later phase-shift amalgamation with neoconservatism as its animating ideology.

Origin of the specious: a lexical note

What’s fire? You can tell me about oxidation, but that doesn’t tell me a thing.
(Joseph Campbell)³²

When asked what he would do if he ruled, Confucius replied that he would rectify the language. Socrates also noted that to understand a thing, one must first name it. In this chapter, while abjuring the use of globalization in its singular,

Table 2.1 A periodization of corporatist globalization by decade

1970–80	Neoliberal globalization: precursors
1980–90	Neoliberal globalization I: the ascendancy
1990–2000	Neoliberal globalization II: the consolidation
2000–10	Neoliberal-neoconservative globalization I
2010–20	Neoliberal-neoconservative globalization II

benign form, without a qualifying descriptor such as ‘neoliberal’, I also subscribe to Arjun Appadurai’s observation that ‘the word *globalization* and words like *freedom*, *choice* and *justice*, are not inevitably the property of the state-capital nexus’.³³ This reinforces the fact that neoliberal capitalist globalization is only one version of globalization – and may even be fragmented by variants of its own as suggested by Neil Brenner and Nik Theodore’s notion of path-dependent ‘actually existing neoliberalisms’.³⁴ I also endeavour to qualify my application of the term ‘corporate’ (and its adjective ‘corporatist’), which in its original sense simply refers to a functional community, and in a social and economic sense, has also been widely applied to describe tripartite negotiations and arrangements between business, labour and the state in setting economic policy. Its more contemporary usage is increasingly understood as referring to business corporations and to plutocracy, which is the sense in which I employ it here.

The way ‘globalization’ is represented is inherently political; the way it is characterized influences how it is reproduced and imposed. I identify conventional accounts as ones that ascribe most structural and agential influence to dominant capital, which may include otherwise insightful and valuable critiques that simply cede a great deal to the perceived power of dominant capital. Neoliberalism’s hegemony as a mode of discourse, as David Harvey notes, ‘has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world’.³⁵

I suggest that the neoliberal project in fact inverts reality when viewed as a wider spectrum of socio-spatial practices outside of the narrow public transcript, and this is facilitated by a legion of misnomers peculiar to it. Neoliberalism is decidedly *il*liberal in the classical sense, and specifically in the notion that free trade promotes harmony among nations: the global ‘free’ market has often been imposed through war, invasion, the imposition of conditionalities and crisis manipulation (if not crisis creation). The corporate colonization of the debate reflects a perversion of language that involves cynical cooption and abuse of democratic slogans and tropes that are adopted and accepted even by critical analysts such as ‘free’ market, ‘liberty’, ‘competitive’ and ‘reform’. The saliency of the distinctions between ‘liberal’ and ‘conservative’ and the ‘neo’ prefix that distinguishes their putative resurgence have also not been without contention.³⁶ This appropriation of terms seeks to confer legitimacy, universality, neutrality and verisimilitude of the ideological actions of highly sectional interests: everyone is for ‘sustainable development’, ‘empowerment’ and the benign- and beneficial-sounding ‘reform’.

‘Free market’ and ‘free enterprise’ for example, have come to mean almost the opposite, an oligopolic system that is more serfdom-like with increasing debts for most and fewer opportunities, and decidedly unfree for all but a minority around the world. (This brings to mind another definitional distortion in categorizing countries as developed or developing; where appropriate I choose to adopt the typology of Bangladeshi photojournalist Shahidul Alam who coined the terms majority and minority worlds in the early 1990s, or Global North and South.)³⁷ In an effort to avoid conflating corrupt crony capitalism with free markets I thus avoid employing the term ‘free’ market, and describe it instead as an *unregulated*

market, defined by what it lacks rather than by what it purports to be.³⁸ I similarly abjure the uncritical use of such terms as ‘innovations’ when referring to complex financial instruments. The applied technology in missile warheads is also complex: outside of military circles, does one commonly see nuclear weapons referred to as ‘innovations’?

In contrast to an understanding of economics as a set of socially constructed practices, the phrase ‘market economy’ belies the fact that it does not exist in unalloyed form, that all large economies are mixed economies.³⁹ The language of deregulation commonly involves such phrases as the ‘freeing’ up of world trade and flows while government actions are framed as an ‘intervention’, somehow outside the normal and natural flow of things. The economy may be growing through the conventional measures such as Gross Domestic Product (GDP), but many people on average are becoming worse off. Recent ‘recoveries’ such as the stock rebound after 2002 have been jobless and reflect the inherent class bias in measures of ostensible ‘recovery’ (read: profit restoration by sectional class interests).⁴⁰

Reflecting the fact that the corporatist globalization project is one advanced by very narrow sectional interests, it has been attended (and abetted) by the shift from representative to executive powers within the state-finance complex in many advanced industrialized states. A pillar of formal-legal democracy, a contract-based legal system, is rendered meaningless when corporate rights, having taken on legal personhood, can routinely trump human rights and labour contracts can be scrapped with impunity through legal loopholes. Similarly, the notion of the sanctity and protection of private property is juxtaposed against the reality of literally millions of home foreclosures in the US alone. The ideological myths about markets as inherently more efficient, sufficient or self-regulating will not be explored here; suffice to say that as Bill Moyers has noted, ‘plutocracy and democracy don’t mix. Plutocracy too long tolerated leaves democracy on the auction block, subject to the highest bidder’.⁴¹

Unpacking globalization

It was prettily devised of Aesop: The fly sat upon the axletree of the chariot wheel and said, ‘What a dust do I raise!’.

(Francis Bacon, 1580)⁴²

Definitions are important because they speak to the politics of knowledge construction. It enables us to challenge the privileging of a particularist globalization worldview as the sole vision and set of practices. People, places, processes, actors and scales are *marginalized*, they are not *marginal*. This highlights that particular agents are *doing* the marginalizing, that it is a political act for a purpose. By way of illustration, Samir Amin posits that the global growth in the 1970s and 1980s, especially in the member countries of the Organization for Economic Cooperation and Development (OECD), was actually driven by Third World development, and dubs it the *Bandung era*.⁴³ In a similar fashion, a *Financial Times* editorial in 1998

acknowledged, ‘perhaps western pensions will be financed from the toil of the Chinese masses’.⁴⁴ Viewed this way, who is really the engine of global economic growth and development, the financiers, or the toiling waged workers?⁴⁵

As Peter Dicken has encapsulated, globalization is the most used, the most misused and the most confused word.⁴⁶ This may in part arise from the fact that globalization is advanced as both the ‘explanandum’ and the ‘explanans’ of social change – embodying both the ‘what’ and the ‘why’, or both the question as well as the answer to the question. In this short critical survey, I will seek to be necessarily selective and leave out a number of important conceptions outside the purview of my focus of corporate globalization. Here, it is accepted that a global shift, marking qualitative transformations from prior historical movements toward internationalization, has taken place. This chapter does not debate about whether one has taken place, about which an ample literature exists.⁴⁷

Economic globalization is conventionally represented as the ongoing processes produced from the restructuring crisis that enveloped the industrialized countries, as well as a loaded idea privileging a particular idea about the economy’s proper or natural role in social life. In accounts that focus on formal economic sphere institutions, actors (such as transnational corporations) and processes, these global processes consist in part of the increased volume of international and transnational trade, technology and financial flows. The increasingly complex and spatially extensive geography of production, distribution, investment and consumption has been underpinned by rapid technological change in communications and information technology and the reordering of economic, political and social relations such that economic relations between nation-states are now relatively less significant.

Other indices of corporate-driven globalization also include the growing share of a transnational corporation’s (TNC) foreign sales, employment, foreign direct investment (FDI) and Foreign Portfolio Investment (FPI) as well as the organizational and locational offshoring of firms and the relative importance of TNCs as non-state actors. The transfer of resources from the public to the private sector, the decline of manufacturing employment relative to the services sector and the increasing relocation of the former to industrializing countries, increasing inequality and economic polarization both within and between countries and regions and apparent socio-cultural homogenization are also included. Though by no means exhaustive, these processes taken together are purportedly contributing to the accelerated integration of the world into a more interconnected – and newly hegemonic – global space, and as an intensifying and deepening of the processes of internationalization, producing greater qualitative integration of a world political economy that has effectively been internationalizing over the past 500 years.

In contrast to the invocation of corporate globalization as a single, inevitable, unidirectional, unqualifiably progressive, all-pervasive and all-powerful socio-spatial logic, critical scholarly definitions emphasize process, contention and contingency rather than an end-state or inevitable, teleologically determined result.⁴⁸ Influential typologies of globalization have ranged from Held et. al’s widely cited ‘skeptics, hyperglobalists and transformationalists’ to the insightful, if initially confronting, idea of ‘queerying’ corporate globalization as an act of

capital penetration akin to rape (Gibson-Graham), to the idea of globalization as triadization⁴⁹ (Dicken, et al.), extending an earlier literature differentiating national and regional variants of capitalism (Cox, Turner and Trompenaars).⁵⁰ Connected debates include the earlier New International Division of Labour (NIDL) thesis, which theorized the global shift from within the rubric of internationalization.⁵¹

Modes of regulation, regimes of accumulation

Regulation theory and the debate about Post-Fordism have also accompanied the globalization debate and the question about what type of shift has taken place.⁵² For the regulation theorists, the Fordist era (1950s to the early 1970s) has been a particular focus, including its associated technologies of mass production and patterns of mass consumption as the engines of economic growth. The focus included the development by each major advanced industrialized country of its distinct variant of the broadly Fordist mode of regulation, which coalesced around a Keynesianesque consensus about the desirability of state involvement in economic life. The debate about Fordism's successor seemed to place greater emphasis upon localization processes in the emergence of Post-Fordist 'new industrial spaces' characterized by 'flexible specialization' and 'flexible accumulation' (Harvey), exemplified by complexes like Silicon Valley and the 'Third Italy'.⁵³

As indicated in the cycles shown in Figure 2.1, modes of regulation reached their apogee during boom periods; during recessionary 'bust' or crisis periods in the cycle downswing, they were increasingly exposed to dysfunction and subject

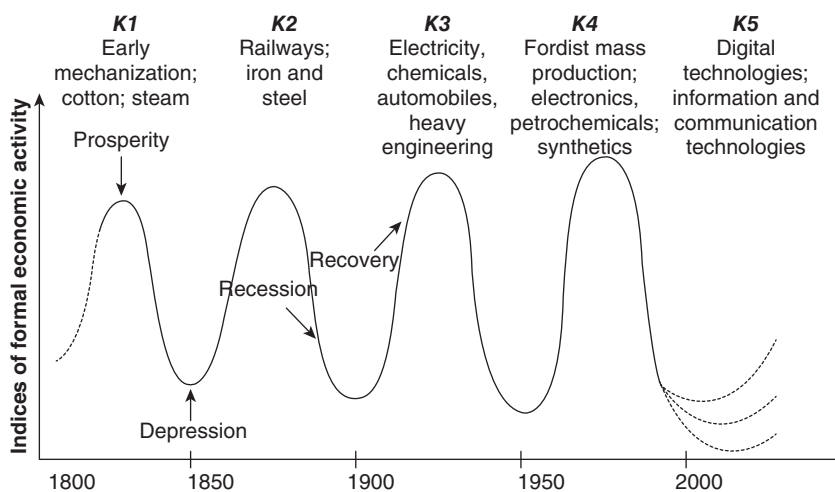


Figure 2.1 Kondratiev long waves of regulation.

Source: Adapted from Peter Dicken, *Global Shift: Mapping the Changing Contours of the World Economy*, 6th ed. (London: Sage, 2011), p. 79.

to various attempts at amelioration until a new mode of regulation emerged, with each era characterized by an often defining set of technologies or innovations.⁵⁴ Kondratiev long waves of development segues with the idea of systemic crises of capital accumulation in the global 'core' as the locomotive of world economic development, with contemporary economic globalization represented as the fifth Kondratiev wave triggered by economic crises in the 1970s. Contemporary globalization can thus be conceived as a development following the disarticulation of the Fordist–Keynesian spatio-temporal fix.⁵⁵

Identifying different modes of regulation within this pattern is a useful means by which to differentiate and periodize systems of regulation within capitalism, and it serves as an important reminder of how regulatory requirements change as capitalism changes. Adam Smith wrote on behalf of a growing commercial middle-class and called for greater *laissez-faire* in the market at a time when capitalism was in its infancy and there was a greater symmetry in the trading and wealth of nations. The regulatory requirements of neoclassical economics of the eighteenth and nineteenth centuries are decidedly different than they are for current times, as E. H. Carr suggested in a traffic control metaphor in his classic 1939 work *The Twenty Years Crisis*:

The tacit presupposition of infinitely expanding markets was the foundation on which the supposed harmony of interests rested . . . traffic control is unnecessary so long as the number of cars do not exceed the comfortable capacity of the road.

(E. H. Carr)⁵⁶

Another distinction useful for historicizing capitalist development and accumulation strategies is to differentiate between global regimes of breadth and depth accumulation. According to this schema, global accumulation has oscillated between two broad regimes of merger (breadth) and stagflation (depth) over the past century (see [Tables 2.2](#) and [2.3](#)). In certain periods, corporate mergers (breadth accumulation) rather than economic growth has become the main engine of differential accumulation; and in other periods, dominant capital benefits from inflation and stagflation (depth accumulation). These regimes tend to move countercyclically ([Table 2.3](#)), the conditions that are conducive for depth are not conducive for breadth, and vice versa.⁵⁷

These conceptions challenge the notion that green-field growth and price stability are always favoured strategies, and the authors assert that inflation

[Table 2.2](#) Regimes of differential accumulation

	<i>External</i>	<i>Internal</i>
Breadth	Green-field	Mergers and acquisitions
Depth	Stagflation	Cost-cutting

Source: Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', *Review*, Vol. xxix, 2006, 1–86, table on p. 48. Reprinted by permission.

Table 2.3 Periods of dominant regimes of accumulation by type

<i>Period</i>	<i>Dominant regime of differential accumulation</i>
1890s to 1910s	Breadth and depth
1920s	Partial breadth
1930s	Depth
1940s to 1960s	Breadth
1970s to early 1980s	Depth
Late 1980s to 1990s	Breadth
2000s	Depth

Source: Adapted from Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', *Review*, Vol. xxix, 2006, p. 62.

(sparked by conflict and crises through the instrument of the price of oil) can be a major instrument of redistribution and a mechanism for differential accumulation:

Conventional views of accumulation often identify the gradual deceleration of green-field investment over the past century as an accumulation crisis. From the viewpoint of capital as power, however, this deceleration is a sign not of weakness, but of strength. Excessive capacity growth is disastrous for capitalist power. It needs to be carefully regulated, and corporate amalgamation, in addition to its direct contribution to differential accumulation, does precisely that: it keeps capacity growth checked at its moderate, Goldilocks range.

(Nitzan and Bichler)⁵⁸

Examining the long-view of crisis and accumulation strategies allows patterns to be gleaned as well as historically specific conditions that attach to particular cycles of accumulation examined for its relevance to the present and future. Accumulation strategies that worked at the beginning of a cycle may be progressively exhausted and require revision or new strategies by the downswing, and between cycles. In the pendulum swing between breadth and depth as preferred regimes of accumulation, the most recent shifts have occurred at the turn of the millennium, from the neoliberal global (cross-border) merger boom towards conflict-sparked stagflation:

The most recent phase, which lasted through much of the late 1980s and 1990s, was clearly one of breadth. In that period, dominant capital benefited greatly from the opening up to corporate takeover of the former Soviet Union and other 'emerging markets', as well as from the collapse of the welfare state and the massive privatization of government services. This breadth cycle, with its emphasis on neoliberalism, deregulation, sound finance and disinflation, came to a close at the turn of the new millennium.

(Nitzan and Bichler)⁵⁹

Capitalist power is again here predicated on strategic sabotage rather than growth, using crises and unemployment, among other tools, in its redistributive battle. Based on an empirical examination of this relationship in the US since the 1930s, one reckoning is that ‘the best position for capitalists is not when industry is fully employed, but when the unemployment rate is around 7 per cent’.⁶⁰ Nitzan and Bichler identify four major expansionist merger waves (Table 2.4) where buying (mergers) was preferred to building, throughout which the ‘buy to build’ ratio as a percentage of gross fixed capital accumulation has grown exponentially. As another expression of this, about three-quarters of all direct foreign investment in the 1990s occurred through corporate merger.⁶¹

While inflation is usually regarded as bad for profit, in this schema inflation is found to be a powerful engine for differential accumulation that has correlated with a ‘systematic redistribution of income from workers to firms, and from small firms to large firms’.⁶² The inflation strategy is more risky and socially destabilizing; crisis-based accumulation through prices and inflation tends to emerge ‘only when there is ‘no alternative’.⁶³

[W]hy, in the absence of any real ‘shortage’, are buyers willing to pay higher prices? The short answer is that usually they are not willing; they are forced. And the way to force them is by creating, imposing and maintaining various forms of social crisis, apparent or real. Military hostilities during the First World War, the reparation crisis of Germany in the 1920s, the global oil crises of the 1970s, rising unemployment in Israel during the 1980s, political instability in Russia circa 1990s, debt default in Argentina in the 2000s are all illustrations of such inflation-triggering crises. The effect of these crises on inflation is twofold. On the one hand, they undermine the power of most people to resist price increases. On the other hand, they enable a ‘consensus’ to emerge within dominant capital that inflation can be used with ‘impunity’. In this sense, stagflation is the macroeconomic appearance of ‘accumulation through crisis’. Stagnation and unemployment, along with other forms of instability, conflict and force, constitute the necessary backdrop for differential accumulation through differential inflation. But the process is highly perilous. More inflation usually requires a more intense crisis and therefore implies mounting hazards.

(Bichler and Nitzan)⁶⁴

Table 2.4 Merger waves of capitalism

<i>Merger wave</i>	<i>Period</i>	<i>Spatial and organizational extent</i>
Monopoly	1900s	Individual industries
Oligopoly	1920s	Sectoral
Conglomerate	1960s	Cross-sectoral
Neoliberal	1980–90s	Global

Source: Adapted from Jonathan Nitzan and Shimshon Bichler, ‘New imperialism or new capitalism?’, *Review*, Vol. xxix, 2006, p. 51.

Underpinning these shifts are deliberate policies and often coordinated strategies, and ones that can have dramatic social and political consequences, especially if persistent and permanent unemployment is part of the redistribution strategy. Giovanni Arrighi's observation that periods of financialization have historically preceded shifts in hegemony makes this period of financialization even more interesting in its implications, which will be briefly explored later in the chapter.⁶⁵ In keeping with their typology, Bichler and Nitzan similarly aver,

During the past century, every transition from a major bear market to a bull run was accompanied by a systemic reordering of the political economy: the 1920–1928 upswing marked the transition from robber-baron capitalism to big business and synchronized finance; the 1948–1968 uptrend came with the move from 'laissez-faire' capitalism to big government and the welfare-warfare state; and the 1981–1999 boom coincided with a return to liberal regulation on the one hand and the explosive growth of capital flows and transnational ownership on the other.

(Bichler and Nitzan)⁶⁶

In their conception, as we have seen, the capitalist mode of power transmutes between breadth and depth regimes; between major bear markets as it approaches an asymptote or never-quite-reached limit; and accumulation often occurs not through growth or dispossession but by redistribution – driven by a compulsion to ever-increase their distributive share of total wealth as well as beat the average rate of return. In an otherwise steady course of contemporary accumulation, there have been only two brief periods in which dominant capital experienced differential decumulation since the 1950s by their reckoning, in an otherwise steady course. The first occurred from the late 1970s, to the early 1980s, where there was a 20 per cent drop in differential accumulation, a decline that was arrested and reversed with the election of Ronald Reagan, portending two decades where policies of monetarism and neoliberalism held sway. The second decumulation occurred during the early 2000s, when the process again started to slow down with a significant drop between 2007 and 2009 that saw the differential income of the top 200 firms plunge by over 30 per cent.⁶⁷

Unemployment has been one key tool in the arsenal of strategic sabotage and plays an instrumental role in differential accumulation; Bichler and Nitzan's finding is that for every 1 per cent increase in unemployment, there is 0.8 per cent increase in the capitalist share of domestic income three years later.⁶⁸

If unemployment causes the price/wage ratio to decline, capitalists will fall behind in the redistributive struggle, and this retreat is sure to make them impatient for recovery. But if the opposite turns out to be the case – that is, if unemployment helps raise the price/wage ratio – capitalists would have good reason to love crisis and indulge in stagnation.

(Bichler and Nitzan)⁶⁹

On a similar note, David Harvey has recently cited Alan Budd, an economic advisor to Margaret Thatcher, who in an apparently unguarded admission confessed that anti-inflation policies of the 1980s turned out to be ‘a very good way to raise unemployment . . . what was engineered . . . was a crisis of capitalism which recreated a reserve army of labour and has allowed capitalists to make high profits ever since’.⁷⁰ These characteristics have intensified over the past quarter century, both in global spatial extent and depth. It is this major shift to which we now turn our attention for consideration in more detail.

Global shift

The conventional depiction of the scenario characterizing the material basis of the global shift needs only to be briefly reviewed. The post war ‘long boom’ in Older Industrialized Countries (OICs), lasting roughly from about 1950 to 1970, was a relatively stable period underpinned by Keynesian policies and dominated by Fordism – a system of mass production of standardized goods in large, vertically integrated, typically Taylorist factories. Fordism’s heyday coincided with a Pax Americana of the non-communist world – a US hegemony based upon a coherent system of political-economic structures inaugurated at Bretton Woods, which provided world stability and order.

Capital accumulation was conducted largely within national boundaries until the early 1970s. Conditions for profitability and accumulation under Keynesianism and Fordism reached their zenith by the end of the 1960s and early 1970s and came to be increasingly corroded by underconsumption, overproduction, rising production and wage costs, and greater labour organization. The reconstruction of Europe and Japan and the rising wages, suburbanization and burgeoning market in North America had staved off major crises for nearly a quarter of a century.⁷¹ The very success of the long boom eventually produced the conditions for its break down – expressed as the ‘tendency for the rate of profit to fall’ in classical Marxist terms or, as economist Clément Juglar once put it, ‘the only cause of depression is prosperity’.⁷²

One of Keynesianism’s basic premises was that the economy could be rescued from crises by measures carried out by governments who could guarantee next to full employment. This came undone with the onset of stagflation – unprecedented simultaneously high inflation and high unemployment – and the ‘fiscal crisis of the state’: governments were in danger of going bust pump-priming the economy. The inflationary impacts of the Vietnam War contributed to undermining the US dollar as the world’s reserve currency, and subsequently led to the demise of the Bretton Woods regulatory apparatus, notwithstanding the continuation of institutions such as the World Bank.

The market saturation, rising production and wage costs and increasingly unwieldy, over-centralized and hierarchical mode of accumulation resulted in sustained no or slow growth, which, in corporate capitalism, by definition portends crisis. Firms were increasingly compelled to respond with rationalization

and restructuring. From the late 1970s, the international liberalization of financial markets, the emergence of the Eurocurrency, new financial instruments and increased foreign direct investment resulted in a dramatic re-patterning of profit. The ratio of foreign-held assets to world GDP took off, effectively doubling every decade: it increased to 25 per cent in 1980, shot to 50 per cent in 1990, and climbed to over 90 per cent by 2000. US corporations' surplus capital increasingly went offshore from the mid-1960s, a process that was stepped up into the 1970s. US-based firms in the 2010s currently receive about one third of their earnings from their foreign subsidiaries, up from about 5 per cent in the 1950s, but down from 60 per cent in the 1970s.⁷³ With less emphasis on local activity and reliance on domestic sales, Keynesian policies started to lose traction.

A corresponding sea change occurred in the macroeconomic policies of OICs, signaling the ascendancy of a policy culture influenced by neoliberal ideology. This effectively ended the willingness of most governments to engage in deficit spending as a tool for economic stimulus, instead embarking upon a paring back of the welfare state, selective deregulation and privatization. Also conceptualized as the shift from 'roll-back' to 'roll-out' neoliberalism,⁷⁴ the general ideology was that market forces should be 'liberated' from government interference to operate more efficiently, and benefits would trickle down to the rest of the population. What was a crisis of capitalist profitability was packaged as a crisis of governance.⁷⁵ As stagflation and unemployment bit, labour and urban social movements across the advanced industrialized world organized for reform and state intervention, which alarmed corporate elites who feared that the faltering social democratic model might give way to more radical alternatives.⁷⁶

A rising tide lifts all yachts: the neoliberal counter-revolution

The major western democracies are moving towards corporatism. Democracy has become a business plan, with a bottom line for every human activity, every dream, every decency, every hope. The main parliamentary parties are now devoted to the same economic policies – socialism for the rich, capitalism for the poor – and the same foreign policy of servility to endless war. This is not democracy. It is to politics what McDonalds is to food.

(John Pilger)⁷⁷

Neoliberalism operated on the margins of economic orthodoxy for decades until the crisis of capital accumulation of the 1970s. The crisis gave proponents an opening to propagate its ideological tenets, to re-establish the conditions for capital accumulation. A key indicator for this project can be seen in the fact that by the early twenty-first century, the corporate tax rate has reverted to roughly the same level as it was in the 1920s, before the establishment and expansion of the contemporary welfare-warfare state.⁷⁸ Neoliberal prescriptions were commonly presented by governments and business advocates as an *imperative*, and, from the 1990s using the globalization smokescreen, as *inevitability*. The model is most closely associated with but not limited to the 'Chicago school of economics'

and Milton Friedman's *Capitalism and Freedom*, an economic playbook long on unfettered market triumphalism and short on its effects on real people. In this model, even before it became a political project, crisis or shock is recognized as transforming the 'familiar world' in which the period of disorientation that follows allows a government to do what might have otherwise been impossible under normal circumstances. Writing in the preface to the 1982 reissue of his manifesto, *Capitalism and Freedom*, Friedman articulated the strategy thus:

Only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable.

(Milton Friedman)⁷⁹

The model was deployed domestically within the US and UK particularly, as well as imposed internationally. The first neoliberal state restructuring experiment was kicked off in 1973 in Chile, one of Latin America's most advanced industrial economies, by the overthrow of the democratically elected Allende social democratic government. General Pinochet orchestrated the military coup with the support of the US government, forcing Chile's overnight transformation by bringing in the 'Chicago Boys' to manage the economy.⁸⁰ The prototype for this 'first experiment with neoliberal state formation' was the CIA-backed coup of 1965 in Indonesia, which saw Suharto ousting Sukarno.⁸¹ The Allende government, like the Sukarno government, was a 'barrier to be overcome' by capital to use Marx's famous phrase in the *Grundrisse*. Neighbouring Argentina was also at the receiving end of force and pressure to dismantle its developmentalist policies, and opposition and dissent were quashed through large-scale murder and torture.

In July 1979, Paul Volcker's tenure at the US Federal Reserve precipitated a dramatic change in monetary policy, which included activating the use of monetary policy as an instrument of crisis creation and manipulation. The Volcker tactic of raising interest rates domestically in the US, for example, served to dramatically increase the foreign earnings that borrowing countries like Mexico had to put into interest payments, pushing it into bankruptcy and austerity. Under the direction of then US treasury secretary Lawrence Summers, a new generation of neoliberal economists based at Harvard intervened further afield, setting up fire-sale privatizations in countries from Russia to Bolivia. Deregulation also provided a window of opportunity for the rapid rise of China, which David Harvey considers as an unintended consequence of the neoliberal revolution.⁸²

In addition to informing their foreign policy prescriptions and interventions, the new neoliberal orthodoxy most notably animated public policy domestically in the US and UK from 1979. As implemented and promulgated by the Reagan and Thatcher governments in the US and UK respectively, it provided an ideological rationale for government moving away from the politics of social distribution towards that of the putative imperatives of economic growth.

Policies included deregulation, tax breaks for the wealthy, privatization, cutting back on public and welfare spending, floating currencies, removing tariffs and subsidies, curtailing the power of unions and replacing centralized award wage-determination with flexible ‘enterprise bargaining’. Privatization extended to core state functions and strategic sectors such as security, defence and infrastructure, not to mention health, education and transport. By way of illustration, between 1984 and 1988, the British government privatized British Telecom, British Gas, British Airways, the British Airport Authority and British Steel, and sold its shares in British Petroleum.

Yet, in the UK and US, neoliberal policies were not simply imposed, although they did encounter a great deal of protest, particularly from unions. The manufacturing of consent played an important role in sustaining otherwise polarizing policies, particularly amongst the middle socio-economic classes in the US and UK. The ideological captivation of an influential segment of the population who were seeing salaries and savings affected by double-digit inflation was critical: home ownership, private property, individualism and nationalism (stoked by the Falklands war in the UK, and the Cold War in the US) also inclined middle sections of the population to be more receptive to the prescriptions.⁸³

After 1980, financial asset growth accelerated, marking a shift from the pattern of most of the twentieth century, when financial assets had for the most part grown at about the same pace as GDP. From 1980 to 2007, global financial assets such as equities, bank deposits and private and public debt nearly quadrupled in size relative to global GDP.⁸⁴ Global capital flows similarly expanded in an unprecedented fashion. This growth has reflected a number of interrelated trends, including advances in information and communication technology, financial market liberalization, and the growth in complex instruments in financial products and services. Accelerated financial deregulation and floating exchange rates ultimately made the market more speculative and volatile. Susan Strange noted this shift to what she dubbed ‘casino capitalism’:

The speculation and the mobility of capital across frontiers meant that the value of any currency came to depend much more on financial flows moved by the moods of the market than on those moved by the balance of trade in the real economy.

(Susan Strange)⁸⁵

US financial deregulation compelled other governments to follow suit, courtesy of being tied into the now global financial system as well as through imposition by indirect force and crisis. The predication of policy upon the ‘confidence’ of markets and private bond-rating agencies such as Moody’s and Standard & Poor’s stemmed from the increasing and largely self-induced compulsion of states to procure finance as a result of its own diminishing tax base. States were thus pressured into facilitating neoliberal policies in order to realize the promise of material gains from neoliberal globalization. The ideology was reinforced by an echo chamber of management writers, private-sector think tanks and business schools. Economists at

institutions such as the World Bank and IMF reframed development to fit neoliberal prescriptions and what came to be known as the 'Washington Consensus'⁸⁶ (elsewhere dubbed the 'Wall Street–Treasury–IMF Complex')⁸⁷ with the promotion of austerity, floating exchange rates and a deregulated financial system billed as necessary to obtain and maintain credit worthiness. Established in 1995, the World Trade Organization (WTO) became the major international institutional mechanism to set neoliberal rules in the world economy. New financial ideas such as microfinance, originally innovated by Muhammad Yunus's Grameen Bank, were co-opted and corporatized for promotion in poor countries by the World Bank and United Nations (UN) agencies, subsuming 'poverty capital' into formal circuits.⁸⁸

While inaugurated by the politically right-wing administrations of Thatcher and Reagan in the 'greed is good' 1980s, neoliberal policies were consolidated by US Democratic (Clinton) and British Labour (Blair) administrations throughout the following decade. In the 1990s, globalization was increasingly presented as political justification for the state relinquishing control in some areas and ceding it to the market as a superior allocative device rather than some kinds of economic intervention and regulation. Neoliberal globalization was presented as the positive, progressive force and an integrative (on its own terms) inevitability, one that is supposedly futile and self-defeating to contest.⁸⁹ By implicitly presenting the global, national and local scales as quintessentially the domains of capital, state and labour respectively; 'top-down', unidirectional power relationships appeared to be discursively – and operationally – locked in.

For all its grandiose rhetoric from its advocates about the primacy and promise of economic growth, global growth rates for the 1980s and 1990s fell from previous decades and averaged only 1.4 and 1.1 per cent in each decade respectively.⁹⁰ Keeping in mind that growth is not always the optimal or preferred accumulation strategy by dominant capital, as we have seen, the 4.9 per cent average annual rate of growth of global GDP during the long boom had dropped to 3 per cent in the period 1973–89.⁹¹ The volume of speculative capital – money chasing money – well and truly eclipsed the productive economy during this period. By 2006, the levels of extreme financialization resulted in the inflated value of financial assets being four times the value of GDP in the United States and Europe: 456 per cent of GDP in the US and 356 for the European Union (EU). Europe's financialization has grown at a faster rate than the US, though from a lower level, with its compound annual growth rate in the decade between 1996 to 2006 hitting 4.4 per cent, in contrast with the US rate of 2.8 per cent.⁹²

From 1973 to 1995, there were 11 major financial crises.⁹³ Financial disasters in the 1990s alone included the 1994–95 Mexican peso crisis, the 1997 Asian crisis of economies previously dubbed 'miracles' of development,⁹⁴ and the 1998 Russian and Brazil crises, rounded off by the mismanagement of Barings Bank, the protests at and inspired by Seattle in 1999 and Prague in 2000, and the collapse of Enron in the same year. The apparently greater frequency of endemic and systemic crises may partly reflect the assertion that they never really resolved but simply moved around geographically; as David Harvey asserts: 'capital never solves its crisis tendencies, it merely moves them around'.⁹⁵

Amid this, wage-workers have suffered an absolute decline in living standards in a number of countries. In the US, the real weekly earnings of production and nonsupervisory workers (in 1992 dollars) fell from \$315 in 1973 to \$264 in 1989, reaching \$271 in 1999, which remained lower than the average real wage in 1962. Between 1980 and the early 1990s, real wages similarly fell in a number of South American countries: 53 per cent in Venezuela, 68 per cent in Ecuador, 14 per cent in Argentina, 21 per cent in Uruguay, and 73 per cent in Bolivia.⁹⁶ Meanwhile, a US Government Accountability Office (GAO) report suggests that between 1998 and 2005, roughly two thirds of all corporations operating in the US paid no taxes at all.⁹⁷ Corporatocracy has emerged as a pejorative term against the selective hollowing out of the state and the domination of politics by the interests of business corporations.

Toward the end of the 1990s there was a real sense that dogmatic market fundamentalism was being undermined in both the centres of neoliberal orthodoxy, the UK and the US. This was reflected in the emergence of a 'third way' rhetoric (if not in practice) between the state and the market, particularly in the UK.⁹⁸ Even ex-advocates such as George Soros, Joseph Stiglitz and John Gray were propounding the dangers of unfettered global free markets and the increasing instability and social costs of global capitalism.⁹⁹ Deregulation in the UK's agricultural sector, for example, likely had a direct causal impact on the outbreak of bovine spongiform encephalopathy (BSE) or 'mad cow' disease, because the Department of Agriculture had cumulatively closed half of its sanitation centres.¹⁰⁰ The effects of deregulation were coming back to bite.

Despite the failure of its promise of generative economic growth – recalling that the rate of economic growth deemed optimal for profit being at or above 3 per cent per annum – the neoliberal revolution has however succeeded in restoring dominant capital class privilege, and in fact has seen grotesque concentrations of wealth and power over the past three decades. A key feature of the neoliberal project according to Jason Moore has been to create new conditions for what he has called the 'four cheaps' and the exhaustion of a regime of accumulation can be read through the signals of rising prices of the Big Four inputs of energy, food, labour and raw materials.¹⁰¹ The current crisis is defined more broadly then as not simply one of capitalist accumulation, but of capitalism exhausting its civilizational cheap nature strategy: '(t)hat process of getting extra-human natures – and humans too – to work for very low expenditures of money and energy is the history of capitalism's great commodity frontiers, and with it, of capitalism's long waves of accumulation'.¹⁰² Labour is also becoming increasingly exhausted in its capacity to deliver unpaid work to capital, with declining fertility, psycho-social problems, the inability to 'switch off', and related problems.

The capitalist share of income and power is at historic highs – but does this also indicate it is close to an asymptote in the term Nitzan and Bichler have used? On their figures, the top 0.01 per cent of the wealthy had a market capitalization to national income ratio of 100 per cent in 2010, up from 20 per cent in the early 1950s, and down from 160 per cent in the early 2000s; in the same period, the after-tax profit share of the top 0.01 per cent in national income in the US

increased threefold, from 2 to 6 per cent,¹⁰³ nearly three times higher. If capitalists are structurally conditioned to increase their share even more, this would 'require an avalanche of mergers and acquisitions and/or intense measures to increase differential markups more and more – an already tall order that will grow even taller with every further increase in the differential size of dominant capital'.¹⁰⁴

Internationally, US administrations have continued using the same instruments such as monetary policy. Through its dollar hegemony in particular, the US government has continued to deftly finance its burgeoning balance of payments deficit through the global financial system, imposing the cost of its deficit on those who hold dollar reserves, and in effect absorbing the post-war economic surpluses of Japan and Germany. This situation is causing more than a small deal of disquiet, with increasing speculation of a currency war and moves to destabilize US dollar hegemony, an issue that will be briefly revisited later in the chapter.

Post Cold war détente: the promise of global civil society in the 1990s

A veritable associational revolution seems underway at the global level that may constitute as significant a social and political development of the beginning of twenty-first century as the rise of the nation state was of the nineteenth century.

(Lester Salamon)¹⁰⁵

Flush from the *annus mirabilis* of 1989, the idea of global civil society seemed to gain traction in the 1990s. The events surrounding the felling of the Berlin Wall, the release of Nelson Mandela and the official end of the apartheid era in South Africa, and an apparent easing of Cold War tensions with Mikhail Gorbachev's *glasnost* and *perestroika*, preceding the collapse of the Soviet Union, all portended a decade of greater optimism in what citizen action could achieve. This was bookended at the end of the decade and the start of the next by the victory of civil groups against the Multilateral Agreement on Investment (MAI), the unprecedented protests in 1999 and 2000 in Seattle, Genoa, Melbourne, Prague and elsewhere where the so-called 'anti-globalization' movement is supposed to have started with the 'watershed' 1999 Seattle WTO meeting, and a key element of emerging global civil society, the inaugural World Social Forum (WSF) during January 2001 in Porto Alegre, Brazil. This was accompanied by the corporate collapses of Enron and Worldcom and the popular uprisings in Argentina, to name a few key events.

In this brief consideration, I suggest that the idea of global civil society became attractive for a number of reasons. First, it potentially offered an alternative global moral vision and space to that of marketization and nationalism, or what I will identify as the amalgam of neoliberal-neoconservative globalism. It had a clear appeal to the traditional left who had historically been committed to internationalism and solidarity and greater equality across national borders. Second, it also challenged the notion that corporations had become the standard-bearer agents of

globalization, with aggregated citizen activity in the civil sphere not uncommonly overtaking membership of major political parties in older industrialized countries, reflecting increased dissatisfaction with traditional, national-scale formal political institutions and the veneer of Left–Right adversarial politics, especially as neoliberalism had been embraced by mainstream political parties of both left and right in many countries.¹⁰⁶

With a number of civil society organizations (CSOs) astutely rejecting the reactionary-framed moniker of ‘anti-globalization’, global civil society has also been referred to by such terms as the People’s Justice Movement, the ‘citizen sector’, a Movement of Movements and globalization from below, and may or may not include non-government organizations (NGOs) depending upon the conceptual basis of its definition. While a neologism of the end of the millennium, ‘civil society’ has a longer lineage, with a long history of cosmopolitan exchange and the reciprocal co-constitution and interaction of local and distant events, peoples and places.¹⁰⁷ By one definition, global civil society is seen as broadly encompassing the ‘ideas, values, institutions, organizations, networks and individuals located *between* the family, the state, and the market, and operating *beyond* the confines of national societies, polities and economies’.¹⁰⁸ John Keane characterizes global civil society as a ‘vast, interconnected, and multilayered non-governmental space that comprises many hundreds of thousands of self-directing institutions and ways of life that generate global effects’.¹⁰⁹

Another neologism closely attached to civil society has been the idea of social capital. Advocates such as Robert Putnam have promulgated the concept as being critical for social cohesion and economic development. Putnam distinguishes between ‘bonding’ and ‘bridging’ social capital within and between communities respectively, defining social capital as ‘connections among individuals, social networks and the norms of reciprocity and trustworthiness that arise from them’.¹¹⁰ For Putnam, social capital works with and through the market and state rather than replacing them¹¹¹ and thus is conceived as basically compatible with, and legible to, the public transcript of neoliberal globalization.

Critics wary of the concept of social capital, and of the professionalization of social change as manifest in the proliferation of NGOs in the 1990s, have pointed to the amorphous meaning of the term. Ben Fine dubs social capital ‘the McDonaldization of social theory’ – ubiquitous, bland, homogenized and intellectually un-nutritious.¹¹² Katharine Rankin regards it as not just a politically expedient but harmful concept, pressed into service by neoliberal ideologues to cast a progressive veneer over the rollback of the state:

the social capital framework enables the architects of neoliberal economic policy to cast the reconfiguration of state-society relations in progressive terms – local capacity building, local self-reliance, net social benefits from reduced transaction costs and increased returns to human capital. As such, social capital can be expected to fill the vacuum left by the restructuring of the welfare state in countries around the world.

(Katharine Rankin)¹¹³

The proliferation of NGOs and their insinuation into various community processes has similarly been regarded warily, particularly when seen to be filling the vacuum left by the withdrawal of the state's social provision responsibilities. Tina Wallace asks whether NGOs have acted as a 'Trojan horse of neoliberalism', in the early 2000s Gereffi et al. dubbed the phenomenon the 'NGO-Industrial Complex' and in 2014 a critical piece in *The New York Times*, by capitalist scion Peter Buffett, examined the 'charitable-industrial complex' and 'conscience-laundering'.¹¹⁴

A distinction between social change NGOs and service-oriented NGOs may be usefully applied here: within the latter, a kind of NGO-vanguardism has developed among some professional campaigners according to activist Patrick Reinsborough, the belief that social change is best left to experienced policy wonks. As he puts it, 'NGOism is the conceit that intermediary organizations of paid staff, rather than communities organizing themselves into movements, will be enough to save the world'.¹¹⁵ In this view, 'NGOism' promotes complicity rather than simply cooption, growing to become part of the corporatist system. One cited example is the World Wildlife Fund (WWF) lending legitimacy to oil companies by providing a green seal of approval.¹¹⁶ The involvement of celebrities and popstars such as Bono in corporatized campaigns such as Make Poverty History and the attempted reinvention of Jeffrey Sachs from a practitioner of shock therapy to a development guru also illustrate the cooption of genuine desire for positive political change into the public transcript.¹¹⁷

Defenders of the role of NGOs in emerging civil society might point to the perceived positive impacts of reforming the business sector, such as the increased number of transnational corporations releasing sustainability reports, from seven in 1990 to 487 in 2001.¹¹⁸ Other successes include the Nestlé and baby breast-milk campaign, and the growth of ethical investment and fair trade products is also seen as reflective of the increasing influence of CSOs.¹¹⁹ For the purposes of this book, my point is not that global civil society entities such as NGOS do not have their place or are not carrying out worthwhile work; it is that they have tended to have a limited range of actions based on reforming, civilizing, humanizing, influencing, adapting; and that their legibility and cooption within public transcript globalization limits the degree to which they can offer transformatory rather than merely palliative possibilities from the grassroots.

Given what appeared to be global civil society's promise throughout the 1990s, what then changed? Almost exactly a year prior to September 11 2001, the S11 protesters converging in Melbourne to shut down the World Economic Forum (WEF) were riding high. The momentum had exploded at the 1999 Seattle WTO meeting, with 50,000 people converging with the aim of disrupting and shutting down WTO meetings. An international, web-facilitated, broad-based coalition across many cities and countries had formed which would continue in Prague. Subsequent WTO meetings were forced to implement a mini police-state around summits – encapsulating for many what corporate globalism is all about, with the freezing of civil liberties and the setting up of no free speech and no free assembly zones. These events and protests succeeded in putting corporate globalization on the public agenda and making it a subject of debate.

The World Trade Centre and Pentagon attacks effectively stymied the further development of this aspect of global civil society, particularly the momentum of the direct action protests. The September 11, 2001 attacks were exploited by the Bush administration to generate fear and to curb the burgeoning movement's influence. This can be seen in the reductions in civil liberties and the increasing criminalization of resistance – terrorists and resisters were made to look the same and 9/11 became the answer to all questions or protestations. The extension of police state-like provisions could be seen in the US Patriot Act I and II, which has applied not only to the US but has authorized the US government to act against citizens of other countries as well.

Yet it may be premature and misguided to write off the concept of global civil society. I agree with Appadurai's separating out of grassroots globalization and global civil society which he then nevertheless sees as necessarily going hand in hand: 'The idea of an international civil society will have no future outside of the success of these efforts to globalize from below'.¹²⁰ This is suggestive of the notion that global civil society can and should be built upon a requisite infraglobalization that I argue should first be cultivated; I contend that global civil society will likely be vulnerable to being subsumed unless it nurtures informal order of forms illegible to corporatist power, an idea explored in the next chapter. In this respect I argue that the remedy to the depredations of corporate capitalism is genuine deliberative democracy, but that formal electoral democracy is insufficient on its own.

The empire strikes back: the 'neo-neo' strategic alliance and crisis capitalism

For globalization to work, America can't be afraid to act like the almighty superpower it is . . . The hidden hand of the market will never work without the hidden fist – McDonald's cannot flourish without McDonnell Douglas, the designer of the F-15. And the hidden fist that keeps the world safe for Silicon Valley's technologies is called the United States Army, Air Force, Navy and Marine Corps.

(Thomas Friedman)¹²¹

Terrorism is the war of the poor, and war is the terrorism of the rich.

(Peter Ustinov)¹²²

Throughout the 1990s, the unexpected end of the Cold War had initially precipitated triumphalism in some quarters that the West had 'won', exemplified by Francis Fukuyama's essay, 'The End of History'.¹²³ The demise of the Soviet Union and bipolar arms race that attended the superpower rivalry also led to declining military expenditures in the US – and brought with it expectations of a peace dividend. Military spending in the US throughout the 1990s did fall, from an average of 4.5 per cent of GDP in the first half of the 2000s, down from 7 per cent in the 1980s, accompanied by a great deal of rationalization in the arms industry. During the 1990s according to the Budget Authority for National Defense figures

it declined every year except for 1999; in the 2000s it increased every year and only dipped slightly in 2005 and 2009.¹²⁴ With the end of the Vietnam war, the US government was less to underwrite US military firms through military contracts and Middle Eastern oil increasingly became the new source of financing for the weapons trade, which from the early 1970s replaced South East Asia as the primary destination of global arms exports.¹²⁵ The US post-war 'permanent arms economy' was maintained such that by 1990 the value of the weapons, equipment and factories devoted to the Department of Defense in the US was 83 per cent of the value of all plants and equipment in US manufacturing.¹²⁶

Yet at the turn of the millennium, there was a sharp U-turn in both economic and policy rhetoric from 'growth' and 'peace' to 'stagflation' and 'wars'.¹²⁷ (This is qualified by the recognition that in many respects the preemptive strikes, policies of regime change, and disregarding of international law are not confined to the 2000s and that US unilateralism in many respects commenced under the Clinton administration and prior.) The two entry points for augmenting neoliberalism and neoconservatism both occurred on September 11, just under two decades apart: 1973 in Chile and 2001 in New York. The criminalization of the burgeoning and promising protest movement represented by Seattle in 1999 was enabled by the stunning effect of the events of September 11, 2001 in New York and Washington DC, as 'terrorists' and protestors were made to look identical.¹²⁸ Even before the September 11 attacks on the World Trade Centres, a shift had occurred with a constitutional coup of sorts in 2000 with the US Supreme Court ruling that eventually saw George W. Bush become the US President over rival Al Gore.¹²⁹

Neoconned: the neoconservative coup

In the lead-up to such an apparent U-turn from the 1990s, the ascendancy of the neoconservatives in US politics bears mentioning: I submit that neoconservatism can be seen as an extension of corporate globalism. A group of former Trotskyists who had turned to the Right during the Cold War anti-communist crusade, the neoconservatives had their origins in a section of the Jewish émigré intellectual scene in New York during the 1930s, and later joined with a number of Gentiles.¹³⁰ Neoconservatism can be summarized in six propositions:

- 1 a theory of history that invested the Shoah with perpetual contemporary significance;
- 2 the necessity and irreplaceability of military force;
- 3 there are no alternatives to US global leadership;
- 4 a cultural politics of deference to authority;
- 5 crisis is a permanent condition requiring urgent action; and
- 6 strong statesman-like leadership is the only decisive antidote to crisis.¹³¹

The neoconservatives were also largely likudnik zionists: it was in a 1996 policy paper for Benjamin Netanyahu's then incoming Likud government that the group

of core neoconservatives headed by Richard Perle outlined their political agenda via the Jerusalem-based Institute for Advanced Strategic Political Studies. Entitled 'A Clean Break: A New Strategy for Securing the Realm', the group advised Netanyahu to directly challenge existing US policy, advocating a break with the ongoing Oslo 'peace' process. They explicitly encouraged strikes against Lebanon and Syria as a 'prelude to a redrawing of the map of the Middle East' and called for the overthrow of Saddam Hussein's government in Iraq. 'Whoever inherits Iraq', they wrote in a related paper, 'dominates the entire Levant strategically'.¹³² In a few years, many of the letter's signatories would assume key or shadow positions in the Bush administration, ready to act on their recommendations.¹³³

The broad blueprint for how to carry out these recommendations was laid out in a 90-page report, 'Rebuilding America's Defences', published by the Project for the New American Century (PNAC), whose founders included future vice-president Dick Cheney, future defence secretary Donald Rumsfeld and future deputy defence secretary Paul Wolfowitz. Promoting US global leadership, according to PNAC, entailed higher military spending. The US needed a major 'military transformation' – although such transformation was 'likely to be a long one, absent some catastrophic and catalyzing event – like a new Pearl Harbour'.¹³⁴

The events in New York of September 11, 2001 tilted the policy climate toward the neoconservatives, giving them their 'Pearl Harbour' style crisis to change the balance of power in the administration. Hitherto marginal – they had been dubbed the *Crazies* in the first, George Bush Senior, administration¹³⁵ – they successfully used the trauma to reorient policy. The neoconservatives waged a concerted campaign, both within and outside the Bush administration, to put Iraq on the policy table after September 11, 2001.

The readiness of the neoconservatives stood in contrast to the establishment realists. Their superior coordination and policy-preparedness cohered ideologically and politically to overcome their more fragmented realist opposition. Propagating the sham evidence eventually used by the administration, the neoconservatives made full use of their informal and formal networks to organize and short-circuit policy. They succeeded in tilting US national security discourse in the uncertain climate of post 9/11 policy, with an echo-chamber of boosters in the media, academia and thinktanks reinforcing the message.¹³⁶ On a deeper level, the neoconservatives ultimately succeeded by appealing to and appropriating the totems of US nationalism, tapping into the messianic Manifest Destiny view of its role in the world, in tune with George W. Bush's later subsumptive proclamation that values the US promulgates, such as (putative) freedom, 'are right and true for every person in every society'.¹³⁷

The invasion of Iraq: a war for oil?

In 2002, the Bush administration announced the doctrine of 'pre-emptive action'. It was eventually used to justify the invasion of a sovereign state, Iraq, on the pretext – since proven false – that Iraq *might* have been developing weapons of mass destruction. The doctrine of pre-emption would see the twentieth century

bookended by colonial brutality and Anglo-American imperial folly in Iraq, and conditions for a 'colonial present' in this and other parts of the world.¹³⁸ The prevailing view among many, though by no means all, sections of the Left in the lead-up and after the invasion of Iraq was that the real reason for the war was to secure the physical prize of Iraq's oil reserves.

Yet there was no evidence of Big Oil – referring to the largest oil firms – lobbying for the war.¹³⁹ To be clear, oil is certainly a key commodity of geopolitical significance but the oil determinism argument or assumption is problematic and misleading. Although it is outside the purview of this book, the invasion of Iraq and the so-called 'global war on terror' was not primarily about oil or the physical control of resources and more about the Anglo-American-Israeli colonial axis.¹⁴⁰ That business interests such as Big Oil stepped in afterwards is more incidental rather than causal. In contrast to those who surmise that it must be 'all about oil' and overlook the crucial *realpolitik* that involves regional hegemony and the Israeli regime's role, the facts are that contemporary production of oil in Iraq has not even reached pre-war levels.¹⁴¹ Additionally, George Bush Sr., and his Secretary of State, James Baker – both 'oil men' whose modus operandi for business profits is stability rather than civil war and the 'Salvador Option' – deliberately avoided occupying Iraq.¹⁴²

The invasion of Iraq also confounds the otherwise more convincing Disaster Capitalism thesis expounded by Naomi Klein, again in part because the assumed primacy of neoliberal ideology and business interests in the Iraq war overlooks the role of Israel and the Israel Lobby in the US. Dick Cheney, for example, was not a Friedmanite. No-bid contracts in Iraq have had more to do with corruption than ideological commitment to neoliberal orthodoxy and a global 'free' market. There are certainly many connections between the two but disentangling these two impulses avoids the erroneous assumption that war profiteers like Cheney and Rumsfeld were somehow dutifully committed to Friedmanite free market ideology.¹⁴³ It also makes it possible to criticize each distinctly as well as to see where neoliberalism was latched on to neoconservative policies.

While military hardware and materiel (military products) firms in this case merely capitalized upon, rather than deliberately brought about, the disaster in Iraq, the distinction is not always clear as Stephen Holmes notes: Lockheed Martin's stock price nearly tripled between 2003 and 2007 following the chairing of a committee agitating for war with Iraq by a former vice president of the firm.¹⁴⁴ 'In conflicts passed', Arundhati Roy has quipped, 'weapons were manufactured for war. Now, wars are manufactured to sell weapons'.¹⁴⁵ If the invasions of Iraq and Afghanistan can be situated in the process of capital accumulation, how exactly do they fit?

The 'neo-neo' convergence

The ascendant neocons exploited the fissures between the corporate managers, the Chief Executive Officers (CEOs) represented by the Business Roundtable, who tend to value stability and avoid risk-taking – and the new men of money, the faction

of capital comprising entrepreneurs who came to prominence with the administrations of Nixon and Reagan. This newer faction tended to resent the establishment's inherited entitlements and sense of class superiority.¹⁴⁶ Unlike the more stability-favouring establishment CEOs, the emergent entrepreneurs tended towards the economic opportunities generated from crises.¹⁴⁷ In this way, these newer money men were more naturally aligned with the neoconservative philosophy.

Apart from the economy, a loose alliance had formed between the neoconservatives and liberal interventionist hawks that started with Bosnia – an intervention that, in the Bush administration, Paul Wolfowitz and Richard Perle supported and Colin Powell opposed. The 'right to interfere', *droit d'ingérence*, served as the bridge between the neoconservatives and liberal interventionists, leading critics to dub the notion of so-called 'humanitarian intervention' as effectively humanitarian imperialism.¹⁴⁸ 'In today's America', the late Tony Judt wrote, 'neoconservatives generate brutish policies for which liberals provide the ethical fig-leaf'.¹⁴⁹

The compatibility of neoconnerly and the neoliberal creed in what I have termed the neo-neo convergence is evidenced in a number of key similarities, and mitigated by a number of differences.¹⁵⁰ First, neoliberalism and neoconservatism may well be described as the kissing cousins of contemporary post-2001 empire. It is no accident that the hegemonic neoliberal governments of the US and UK have also pursued neoconservative policies. David Harvey opines that neoconservatism may make neoliberalism more governable, conferring stability through coercion over the chaos of multitudinous individual interests.¹⁵¹ Both are not averse to applications of massive violence as an instrument of social and economic change, including but not limited to the 'neoliberal war' hybrid. Neoconservatives have advocated supply-side economics.

Yet there are also a number of contradictions. Notwithstanding 'military Keynesianism', military and economic intervention is ostensibly against the philosophical position of neoliberalism, recalling that Milton Friedman was against even the intervention of institutions like the World Bank and IMF, although Friedmanite economists came to occupy some of the top positions in those institutions. Another contradiction is that the construction of a borderless world for corporate capital, in the neoliberal vision, ironically depends upon the prior deployment of territorialized state power. Putative deregulation, at least in some sectors, occurs amidst metaregulation in others, such as border protection and law and order controls. Borders are more important after 9/11, not less. The spatial imaginaries of neoliberalism and neoconservatism also collide: neoliberalism's borderless spaces versus neoconservatism's spaces of border discipline.

Another contradiction can be discerned in that the extraterritorial implications of neoliberal policy in many ways presume, and in turn define, imperial authority. The free market claims of those advocating less government are sharply at odds with the fact that it requires a set of institutional arrangements that can only be underwritten by statist organizations. This also speaks to the underplayed militarism of the neoliberal globalization project. Domestically within the US 'permanent war economy', there has long been a general correspondence between US military spending and economic growth rates throughout much of the past century. Preparation for war and military conflict has been cited both as an economic

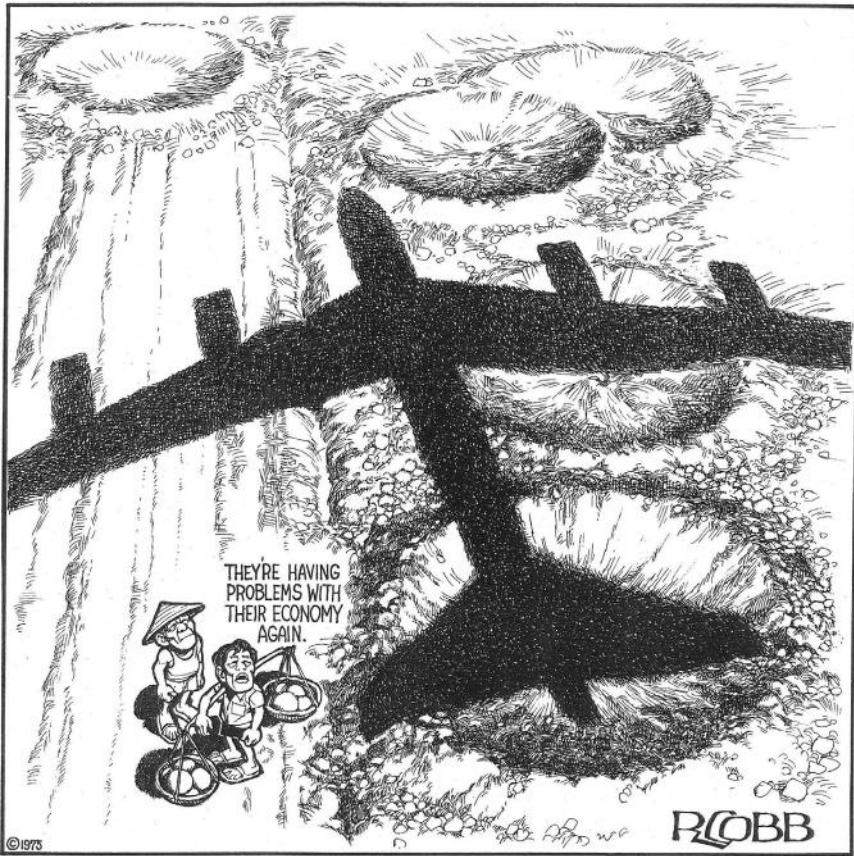


Figure 2.2 'They're having problems with their economy again'.

Source: Ron Cobb cartoon c.1970. © Ron Cobb All rights reserved. Reprinted by permission.

stimulant and as an economic drain. Military spending has been an established fiscal tool particularly throughout the post-war years of Military Keynesianism, marked by NSC-68.¹⁵² It has been accepted as a legitimate form of government 'intervention' by big business as well as organized labour, particularly in communities around the US 'gun belt'.¹⁵³ Similarly, successive recent US administrations have long been using its territorial-military power to shore up its waning economic power, effectively using its military power to buy time and space.¹⁵⁴

There are also a number of qualitatively new developments. While the revolving door between intelligence agencies and private industry has continued, there is also the unprecedented outnumbering of public US military personnel by private contractors in Iraq. The creation of a disaster capitalism and homeland security complex – a new economy in surveillance, privatized war and disaster – could be seen as an extension of the older military industrial complex.¹⁵⁵

Companies producing products such as hi-tech fences, unmanned drones, biometric IDs, video and audio surveillance gear and services such as air passenger profiling and prisoner interrogation systems are booming, but the overlap is deeper and more extensive, infecting even ostensibly consumer civilian goods like snack foods.¹⁵⁶ In the homeland security complex there is clearly a powerful economic incentive to exploit fear and threats, as well as to manufacture them, from anthrax to bird flu and swine flu, to airport scanners. In the disaster capitalism complex, the hegemonic state is not just the transmission belt but also a clear engine of capital accumulation. In 1999–2000 there were only nine companies with federal homeland security contracts in the US. By 2003 it was 3,512. By 2006 there were 33,890. Since 2000, \$130 billion of contracts have been dished out.¹⁵⁷

Globalization as empire and endgame

The West won the world not by the superiority of its ideas or values or religion but rather by its superiority in applying organized violence. Westerners often forget this fact, non-Westerners never do.

(Samuel P. Huntington)¹⁵⁸

This is another thing that empires do which too often goes unmentioned in the historical and political literature of countries like the United States, Britain and France. Empires impoverish whole populations and kill lots and lots of innocent people . . . The purpose of all this killing is to prevent alternative, independent, self-defining nations from emerging. So the empire uses its state power to gather private wealth for its investor class. And it uses its public wealth to shore up its state power and prevent other nations from self-developing.

(Michael Parenti)¹⁵⁹

Since the 2000s the concept of empire has seen something of a rehabilitation. In 2003 *The New York Times Magazine* ran the headline ‘American empire: get used to it’ on its January 5 cover. The unapologetic hubris was arguably also on display in 2005 when then British Treasurer told the *Daily Mail*: ‘the days of Britain having to apologize for the British empire are over. We should celebrate’.¹⁶⁰ The concept of imperialism has been a mainstay in the social sciences in the last century, with the work of Hobson, Hilferding, Luxemburg, Kautsky, Lenin and later the Monopoly Capital school (Baran and Sweezy, Kalecki, Magdoff).¹⁶¹ In 1902 Hobson wrote:

The economic root of Imperialism is the desire of strong organized industrial and financial interests to secure and develop at the public expense and by the public force private markets for their surplus goods and their surplus capital. War, militarism and a ‘spirited foreign policy’ are the necessary means to this end.

(John A. Hobson)¹⁶²

While imperialism never really went away as a key plank of US and general Western foreign policy, the intervening era of decolonization and liberalization belies the fact

that at the start of the last century, it was a respectable, legitimate policy position. US administrations have been responsible for bombing over 25 countries, attempting to overthrow over 50 governments, and have crushed over 30 popular movements against despotic regimes. In an oft-cited internal US State Department memorandum of 1948, with particular reference to Asia, the realist George F. Kennan wrote:

We have 50 per cent of the world's wealth, but only 6.3 per cent of its population . . . In this situation we cannot fail to be the object of envy and resentment . . . Our real task in the coming period is to devise a pattern of relationships which will allow us to maintain this position of disparity without positive detriment to our national security . . . We should dispense with the aspiration to 'be liked' or to be regarded as the repository of a high-minded international altruism . . . We should cease to talk about vague [and] unreal objectives such as human rights, the raising of the living standards, and democratization. The day is not far off when we are going to have to deal in straight power concepts. The less we are hampered by idealistic slogans, the better.

(George F. Kennan)¹⁶³

The collapse of the Eastern bloc has left the remaining superpower far outspending all military rivals, and has seen it extend its military presence in over 700 US military bases around the globe.¹⁶⁴

The use of unimaginable violence in service of US empire has resulted in stupendous destruction abroad, greater tyranny at home, and heightened anxiety for millions around the world. There will likely be reverberations for decades to come. As Beatrix Campbell points out, violence is a resource in the performing of both neoliberalism and hegemonic masculinity (and I might add neoconservative policies); thus it is no coincidence that the richest country on the planet is the most armed and has the highest rate of incarceration, with most of the prison population male.¹⁶⁵ The genocidal sanctions against Iraq over more than a decade between invasions saw more than a million children die and 5,000 Iraqis per month perish. Since the invasion and occupations of Afghanistan and Iraq, US military misadventures have extended to additional theatres of war from Pakistan to Yemen. These have also effectively included green lights for the Israeli invasions of Gaza and Lebanon in 2006 and 2009, and again in 2014. People outside the West, who are more invisible and marginal in the public transcript of globalization, are more readily presented as expendable, as 'unpeople' (Mark Curtis) who can more readily inhabit the 'spaces of the exception' (Giorgio Agamben) of permanent emergency powers, the US Patriot Act and Guantanamo Bay and who haunt unreported atrocities courtesy of the servility of the corporate press.¹⁶⁶ Bearing mention here is Gandhi's apposite response when asked what he thought of Western civilization. He replied that he thought it would be a good idea.

Imperial globalization has characteristics common to past imperialisms, according to Neil Smith, with a hegemonic 'third moment' from the 1970s onwards involving 'market pacification' of the world following the first two waves marked by the Woodrow Wilson and FDR administrations.¹⁶⁷ In Stuart Corbridge's description:

‘The “war on terrorism” provides cover for many of the world’s remaining closed spaces to be opened up to market forces and American capital’.¹⁶⁸ The difference however is that there may now be an endgame: Neil Smith saw the invasion of Iraq as the endgame of the US government’s imperial imposition of its vision of globalization. US military and economic domination is culminating in a final ‘hegemonic fix’ of US globalism, and one that is unlikely to succeed: ‘In retrospect it may be that September 11 [2001] comes to stand not as the beginning of a new phase of American empire but as its dénouement, the beginning of the end for this particular moment of imperialism’.¹⁶⁹ Notably, Smith has described the ‘war on terrorism’ as a ‘war to fill in the interstices of globalization’.¹⁷⁰

In contrast with the (Thomas) Friedmanite ‘flat world’ optimism of corporate globalism, the global literature now seems to abound with books, websites and writing regarding impending catastrophes: we surely have more than four horsemen of the Apocalypse – peak oil, climate change, overpopulation, food price spikes and shortages, environmental degradation, financial crises, runaway pandemics and ecocide.¹⁷¹ The possible effect of peak oil on growth-predicated global capitalism, for example, has been the subject of speculation for its expected economic effects and consequences for globalization. Nitzan and Bichler foresee the prospect of sudden systemic collapse from just a small economic deceleration or tipping point:

Once humanity passes the threshold of peak oil, economic growth must turn negative – and, at that point, the assumption of ever-growing credit and debt breaks down. Investors suddenly realize that, looking forward, their assets have an inherently negative yield. And since this realization inverts the basis on which the whole society operates, the result is not a gradual decline but sudden collapse. The first to tank are the equity and debt markets; these are followed by mutually reinforcing reverberations and the eventual rupture of money, trade, investment, communications and other critical infrastructures; and the process is then sealed by conflict, war and die-off (as argued for example by Jay Hanson).

(Nitzan and Bichler)¹⁷²

The incredible violence of renewed imperial capitalism cannot simply be adduced to a capital overaccumulation crisis. There are certainly important and complex cultural and political causes involved. The ‘neo-neo’ overlap has however increasingly brought economic and military rationales together in new ways. One method has been through the pricing of oil.

New arsenals of accumulation: a tale of two capital factions?

It is a sad world indeed where the fate of all mankind depends upon the fight between two competing groups within American big business. This, however, is not quite new: many far-reaching upheavals in human history started from a cleavage at the top of the ruling class.

(Michal Kalecki)¹⁷³

Throughout the past quarter century there has been an unambiguously tight correspondence between oil prices and the global distribution of profits (Figure 2.4). During the stagflationary energy crisis of the early 1970s, the oil companies' share of global profits, when the cost of crude petroleum shot up, was 20 per cent: not bad for stagflationary 'crisis' times! Charting the course of these fluctuations, Nitzan and Bichler assert that as the accumulation cycle moved from breadth into depth accumulation, inflation fell and oil prices also fell, with the share of oil company profits falling to a mere 3 per cent by the end of the Clinton presidency, when what they call the Technodollar–Mergerdollar Coalition of dominant capital prevailed.

The reversal came during the Bush administration, when breadth accumulation crashed, and the Weapon-dollar–Petro-dollar Coalition faction of dominant capital switched to inflation-driven depth accumulation.¹⁷⁴ The change in the outlook of dominant capital could not have happened without the World Trade Centre and Pentagon attacks, Nitzan and Bichler assert, and their timing was uncanny:



Figure 2.3 Cartoon by Tohby Riddle.

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The attacks came after the stock market had been punctured, after the merger boom had collapsed, after the neoliberal rhetoric had begun to backfire in ‘emerging markets’, and after deflation had emerged as a threat. When the Twin Towers came down, the Technodollar–Mergerdollar Coalition was already in tatters, its profits melting, its neoliberal vision tarnished. Dominant capital was finally ripe for a ‘regime change’ in the nature of differential accumulation, ready to accept the resurrected Weapondollar–Petrodollar Coalition as its new locomotive, ready to shift from ‘peace dividends’ back to ‘war profits’.

(Nitzan and Bichler)¹⁷⁵

In the intervening period when the Technodollar–Mergerdollar Coalition and strategies prevailed, the Weapondollar–Petrodollar coalition was regrouping and rationalizing, with mergers fusing a number of the military giants.¹⁷⁶ Simultaneously, policy hawks and neoconservatives were busy formulating their blueprint for future scenarios of preemptive wars. With mergers apparently having entered a deep freeze and corporate pricing power at historically weak levels, the previously pooh-poohed prospect of deflation became a fear.

Nitzan and Bichler’s findings are that *every* military conflict in the Middle East was followed by a period in which the oil companies beat the average return on equity as pitted against Fortune 500 profits (see [Figure 2.5](#)).

During the depth era of the 1970s and early 1980s, differential accumulation was fuelled by stagflation and driven by conflict. The leading faction within dominant capital was the Weapondollar–Petrodollar Coalition of large armament and oil firms. In this context, the oil companies managed to beat the average comfortably, with only occasional setbacks which were quickly corrected by Middle East conflicts.

(Nitzan and Bichler)¹⁷⁷

In [Figure 2.5](#), the ‘danger zone’ refers to differential decumulation against the growth accumulation average of Fortune 500 companies. All major Middle East conflicts since the late 1960s, according to Nitzan and Bichler’s findings, were followed by a period during which the Petro-Core beat the Fortune 500 average. ‘In this sense, and whatever their ultimate “cause”, these were all “energy conflicts” . . . The important thing to note here, though, is that “energy conflicts” have led not to higher oil profits as such, but to higher differential oil profits’.¹⁷⁸

New indirect linkages, far more subtle, have now apparently been forged between capital accumulation and military conflicts. An update on the older idea of a relationship between the two, Nitzan and Bichler’s thesis in part is that wars spark up inflation and generate large profits. They point to the distributional consequences of inflation prompted by the price of oil, which have resulted in the ratio of profit to wages rapidly rising by 250 per cent since 2001, bringing the overall share of profit in GDP to its highest level since 1929:

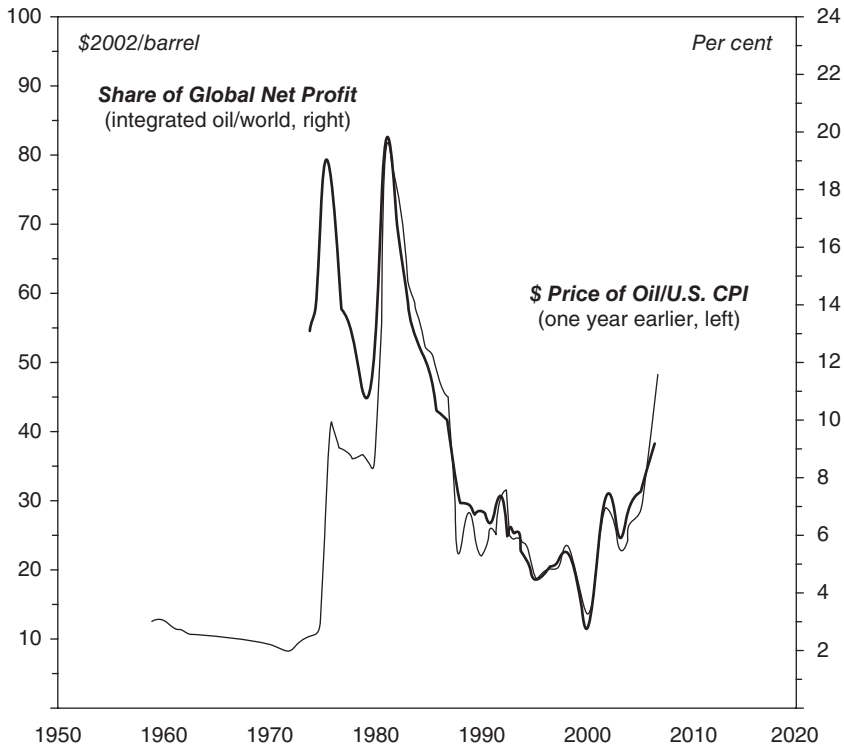


Figure 2.4 Oil prices and the global distribution of profits. Reprinted by permission.

Source: Jonathan Nitzan and Shimshon Bichler, 'Cheap wars', *Tikkun*, drawing on figures from Datastream with following series codes: OILINWD (integrated oil companies), TOTMKWD (all companies); IMF: L76AA&z@C001 (price of crude oil), L64@C111 (US CPI), article url: <http://www.tikkun.org/article.php/20090327094921768/>.

The neoconservatives sent their army to the Middle East, the price of oil soared, and inflation – although hesitant at first – eventually started to follow. The distributional consequences weren't lost on investors and workers. While wages remained flat, profits – particularly those earned by dominant capital – surged . . . The huge distributional impact of a small increase in inflation is symptomatic of the new order.

(Nitzan and Bichler)¹⁷⁹

Oil companies have been major beneficiaries, but not through physical ownership or even access to oil, which a number of pundits on the Left assumed was the real reason Iraq was invaded. The crucial link is the *price* of oil, rather than the *possession* of it. Prices have come to play an immensely important part in the

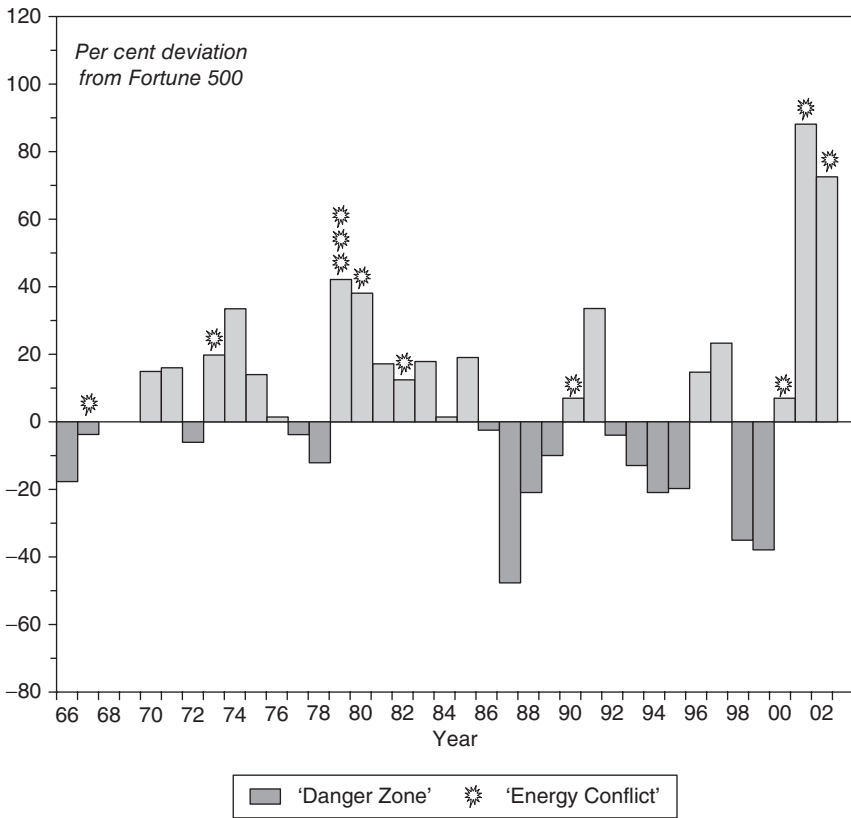


Figure 2.5 The petro-core's differential accumulation and Middle East 'energy conflicts'.

Source: Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', *Review*, p. 75. Reprinted by permission.

process of accumulation: the key to profits of oil companies is not volume but price: physical control of the region's oil reserves has not in itself made the oil companies more profitable. From the time of the oil crisis in the early 1970s, oil profits have become more dependent on price than output. Conflict and the threat of conflict tends to elevate the price of oil, increasing oil companies differential profits, and 'for oil to become more expensive, the Middle East must be kept in 'turmoil'.¹⁸⁰

Conflicts have now assumed a new role as 'a turnkey mechanism for triggering inflation' according to Nitzan and Bichler.¹⁸¹ It is their provocative assertion that the 'current shift toward war, and in particular the rekindling of conflict in the Middle East, is intimately connected with this new arsenal of accumulation'.¹⁸²

Financialization and capital accumulation: ‘we’re all finance capitalists now’

United States Steel Corporation is not in the business of making steel. We’re in the business of making profits.

(Steel magnate David Roderick, former President of US Steel, now USX)¹⁸³

Accumulate, accumulate! That is Moses and the prophets!

(Karl Marx)¹⁸⁴

Financialization has been the lynchpin of corporatist globalization since the 1980s. Broadly defined as the gravitational shift in economic activity from productive sectors to finance, it marks a form of capitalism that sees an exponential rise of the role of finance in the operations of corporate capital. The perennial crises of over-production and under-consumption have spurred increasingly aggressive financialization: overaccumulation is the point at which the reinvestment of capital produces diminishing or no returns; devaluation occurs when a market is flooded by capital and is saturated with products. Surpluses of devalued capital and labour co-exist with seemingly no way to bring them together, as Harvey notes:

Surplus capital and surplus labour exist side-by-side with seemingly no way to put them back together in the midst of immense human suffering and unmet needs. In midsummer of 2009, one third of the capital equipment in the United States stood idle, while some 17 per cent of the workforce were either unemployed, enforced part-timers or ‘discouraged’ workers. What could be more irrational than that!

(David Harvey)¹⁸⁵

Conventionally understood, this could be resolved in one of two ways: through a new spatial fix or through the creation of new markets. The tension and gap between downward pressure on wages (and thus purchasing power) and the need for consumer markets was partially resolved with the rise of consumer debt and the burgeoning credit card industry. New markets were also created through the invention of new financial products that could be grouped under the description of ‘shadow banking’: currency derivatives, credit default swaps, interest rate swaps, all of which have only sprung up relatively recently in the late 1980s and 1990s.

The shift from asset-based to debt-based financialization has occurred in many spheres: from the US dollar as the reserve currency, to the lifting of caps on interest rates from the 1970s, to the widespread debt peonage of households to mortgages and other consumer subscriptions such as cable television and mobile phone plans. The growth in the debt-based economy has been compounded by the fact that debt finance exists at both the beginning and end of the accumulation

cycle, fuelling both supply and demand. In other words, there has been a crisis both in effective demand (temporarily solved through the debt economy which has led to huge increases in household indebtedness) and in the financial system that has been managing the effective demand. Let us examine both 'ends' in turn.

The legalization of usury – the 'big deregulation that precede[d] all other deregulations' as Thomas Geoghegan puts it – kicked off the rounds of aggressive deregulation in the 1980s. Its importance has been underplayed according to Geoghegan:

The problem was not that we 'deregulated the New Deal' but that we deregulated a much older, even ancient, set of laws . . . which had existed in some form in every civilization from the time of the Babylonian Empire to the end of Jimmy Carter's term.

(Thomas Geoghegan)¹⁸⁶

Deregulation and anti-labour laws in the US particularly resulted in people effectively trading in their 'union cards for credit cards'.¹⁸⁷ Coupled with this was what Lohmann describes as an 'arms race' to develop new financial techniques, starting in the 1970s, for commodifying uncertainty and making profit:

The relevant mode of 'production' was what might be called 'quantism': the material and social processes of isolating, laying claim to, objectifying, simplifying, abstracting, quantifying, commensurating, pricing and re-aggregating masses of unknowns by which derivatives were manufactured and financial uncertainty commodified. Computers and top mathematical talent were given free rein in greatly expanded efforts to break down, reframe, mathematize, diversify across, appropriate and charge rent for the future.

(Larry Lohmann)¹⁸⁸

The financial system bundles as many credit-card holders and mortgage-holders as possible into investment instruments. Bankers shed risk by selling repackaged loans to external investors, which also enables them to garner fees at almost every stage of the 'slicing and dicing' chain. In shedding risk, regulators then permitted them to make more loans – allowing more credit to be pumped into the economy, and creating even more bank fees.¹⁸⁹ One of these new, specialized products was a financial instrument known as 'collateralized debt obligations of asset-backed securities' or CDOs, a bundle of mortgage-linked bonds, often mixed with other credit derivatives. Rather than being traded on the market, most were sold to banks' off-balance-sheet entities such as 'structured investment vehicles' (SIV) – or simply left on the books. Novel and byzantine speculative instruments like derivatives increasingly escaped monitoring and regulation and other capital controls, augmenting the increasingly unregulated power of finance capital.

From the corporate bank perspective, customers' ability to make payments on the credit card or mortgage is less important than securing a certain number of these loans into 'investment products'. The real estate boom, which had gone

global by the early 2000s, had seen a five-fold increase in the annual issuance of asset-backed securities – much of it involving repackaging of mortgage-backed instruments – from \$532 billion in 2000 to \$2.5 trillion in 2006.¹⁹⁰ Banks were making inadvisable loans to customers with poor credit histories, producing a greater number of ‘toxic loans’ which ‘has allowed investors to reap trillion-dollar profits on the backs of modest-income people’.¹⁹¹ Banks were also lending more on less deposits: by the mid-2000s, the debt-deposit ratio loosened to 30 to one, effectively resulting in a greater amount of fictitious capital, and reflecting the massive growth of complex speculative instruments and the funnelling of investment towards financial speculation arbitrageurs and speculators.

Internationally, financialization was marked by the increase in financial depth indicators – the ratio of assets to GDP. In 2000, less than a dozen countries had financial assets that exceeded 350 per cent of GDP. By 2008, this figure had more than doubled to 25.¹⁹² Coupled with this, banks increasingly funded their liquidity outside their national market. About two thirds of cross-border loans are for maturities of less than one-year: loans of short duration are sometimes dubbed ‘hot money’ because they can be withdrawn more quickly if banks and financial intermediaries sense risk as occurred in the 1997 Asian financial crisis. By the new millennium, over 90 per cent of global foreign exchange transactions involved short-term speculation.¹⁹³ By 2008, the fastest-growing component of capital flows has been cross-border lending and deposits, increasing from \$900 billion in 2002 to \$6 trillion.¹⁹⁴

The spread of financialization has also been driven by footloose speculative capital taking advantage of differentials in interest and foreign exchange rates in different capital markets. By way of illustration, hedging is the activity that describes the arbitrage involved in making a profit from exploiting differential prices, such as buying on the New York Stock Exchange to resell elsewhere at a better price. Hedged transactions can realize profits with virtually no risk, exploiting gaps and spatial-temporal and legal differences in the market. Armed with market knowledge, IT systems and lawyers, traders are employed to spot these anomalies in what are increasingly complex markets, and to exploit them for profit. In recent years, high frequency automated trading or ‘mechanical arbitrage’ has even seen traders set up business outside of the hubs of London, New York and Tokyo to places like Siberia and locations in central Africa. Because trade depends upon speed, the most optimal locations to exploit even millisecond fluctuations, scattered across the globe, are often those between two major exchanges.¹⁹⁵

The subprime mortgage crisis punctured this situation. The limits of speculative finance are that it boils down to trying to squeeze more value out of an already created value instead of creating new value, which is precluded by overproduction. This can only work for so long before the bubble bursts on such things as overvalued subprime mortgages and a correction is enforced. As Saskia Sassen notes, ‘The financializing of more and more economic sectors since the 1980s has become both a sign of the power of this financial logic and the sign of its auto-exhaustion’. Nitzan and Bichler also express the limits of this financial

logic: ‘from the viewpoint of the leading corporations, most of the redistributive processes – from the aggregate to the disaggregate – are close to being exhausted’.¹⁹⁶ When all else has been extracted and financialized, there is only one other source, Sassen surmises: ‘When everything has become financialized, finance can no longer extract value. It needs non-financialized sectors to build on. The last frontier is taxpayers’ money – which is real, old-fashioned, not (yet) financialized money’.¹⁹⁷ The public purse was duly targeted in the financial ‘bail-out’ that followed, made possible by the financial oligarchy that has captured US politics.¹⁹⁸

It is worthwhile noting that the most current wave of financialization significantly reverses the experience of much past political-economic history, as Sweezy observed in 1994 (emphasis added):

I said that this financial superstructure has been the creation of the last two decades. This means that its emergence was roughly contemporaneous with the return of stagnation in the 1970s. But doesn’t this fly in the face of all previous experience? Traditionally financial expansion has gone hand-in-hand with prosperity in the real economy. *Is it really possible that this is no longer true, that now in the late twentieth century the opposite is more nearly the case: in other words, that now financial expansion feeds not on a healthy real economy but on a stagnant one?* The answer to this question, I think, is yes it is possible, and it has been happening.

(Paul M. Sweezy)¹⁹⁹

Global financial crisis: the end of corporate capitalism, or its consolidation?

Indeed, there is a strong case to be made that the current crisis is in the strictest sense a crisis of globalization, fostered and transmitted by the rapid and deep integration of very different economies. Fast-growing developing countries with underdeveloped financial systems were exporting savings to the developed world for packaging and re-export to them in the form of financial products.

(McKinsey Global Institute)²⁰⁰

A global financial crisis erupted in the middle of 2007 and escalated in September of 2008, precipitating an economic recession throughout much of the industrialized world. The financial crisis and worldwide recession had only just halted and put in limbo an almost 30 year expansion of global capital markets. The financial crisis was triggered by the bursting of the US housing bubble, leading to a fall in consumer spending and mushrooming into a broader financial crisis and raising questions about the future of globalized finance. The crisis spread in part due to the pivotal role played by US consumer spending as the ‘consumer of last resort’ and financial assets in global capitalism. Given the complexity and opacity of modern finance, and the fact that bubbles are not anomalous to capital markets,

was it a crisis *in or of* the system? The financial crisis of 2008 may have helped to quash the myth – but not the ideology – of neoliberalism, leading to what many observers started characterizing as ‘zombie’ tenets, such as ‘zombie economics’ (John Quiggan) and ‘zombie neoliberalism’ (Jamie Peck) where the ‘living dead of the free-market revolution continue to walk the earth’.²⁰¹ The crisis also brought into sharper relief the connection between urbanization and macro-economic development, including ‘mutations’ described as ‘austerity urbanism’.²⁰²

As overaccumulation becomes global, markets have to internalize demand, in part through new markets based on credit, debt and complex financialization. The creation of fictitious markets like derivatives on derivatives and carbon trading cannot however last, nor are toxic loans sustainable. By mid-2007, defaults had started to rise on US subprime mortgages. Somewhat perversely, this may have partly come as a result of the manipulation of measures ostensibly designed to enhance transparency: as James C. Scott notes, bond rating agencies had made their rating formulas available to investment firms. With these procedures in mind – and in some cases even directly hiring the raters, investment firms were able to ‘fix’ the system by reverse-engineering bonds with the formulas, achieving top AAA ratings for exceptionally risky financial instruments.²⁰³ In the midst of the crisis, agencies such as Standard & Poor’s cut ratings for mortgage-linked products and admitted that their models were malfunctioning. The admission sent shockwaves and caused money market fund investors to stop purchasing notes issued by shadowy ‘off-balance-sheet’ vehicles such as SIVs. Fear and disorientation began to infect ‘real’ banks, which investors came to realize were exposed to SIVs in unexpected ways.²⁰⁴

While financial assets dropped by an unprecedented 8 per cent (by \$16 trillion in 2008 to \$178 trillion), most types of capital flows actually reversed, and fell by more than 80 per cent.²⁰⁵ The average government deficit in OECD countries rose to almost 8 per cent of GDP, and in the US, it reached 12 per cent.²⁰⁶ The steep drop-off in cross-border capital flows included foreign direct investment, purchases and sales of foreign equities and debt securities, and cross-border lending and deposits as foreign assets were sold by investors, companies, and banks and other financial institutions, who brought their money back to their home countries.²⁰⁷

By the middle of 2008, the sub-prime mortgage crisis had led to the demise of major Wall Street investment banks, either through change of status or through forced mergers, and the outright bankruptcy of Lehman that triggered a world-wide collapse of confidence in financial institutions. The contagion then spread outwards from banking to the major holders of mortgage debt (Fannie Mae and Freddie Mac) along with insurance giants like AIG, hitting the rest of the economy towards the end of 2008. By early 2009 the export-led industrialization model that had generated such spectacular growth in East and South East Asia was also contracting; and many stalwarts of US capitalism, such as General Motors, were close to bankruptcy.

In housing, the bubble had burst. There had been rapid appreciation in house prices in a number of countries, even those outside ‘mature markets’ such as

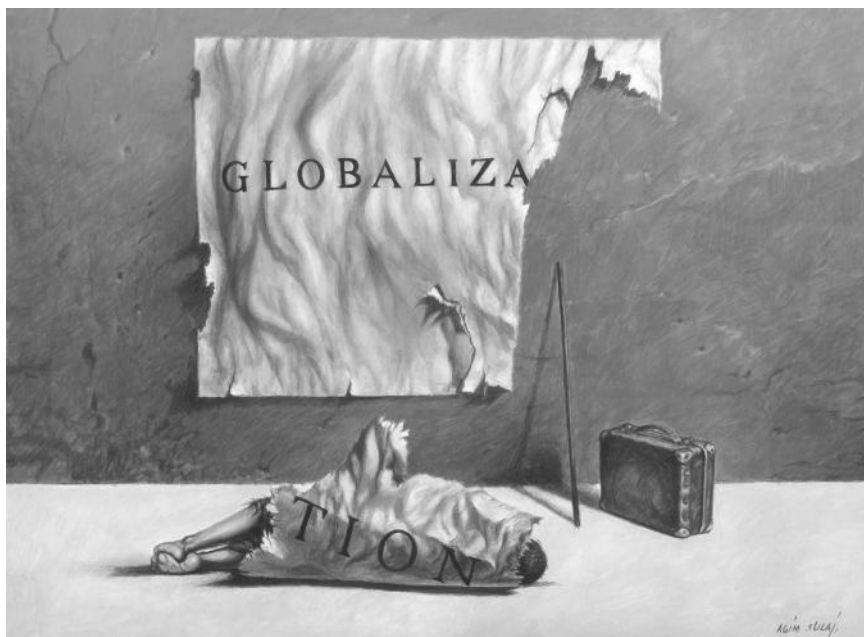


Figure 2.6 Cartoon by Agim Sulaj. © Reprinted by permission.

South Africa, where the price values of houses more than doubled between 2000 and 2007.²⁰⁸ Of the more than seven million home loans in the US currently going unpaid, 2,055,000 have already commenced foreclosure proceedings, leading to widespread tent cities and ‘financial Katrinas’ in many cities of the United States.²⁰⁹ ‘The US may have been one of the principal motors of neoliberal globalization’, Gary Younge notes, ‘but its citizens are also its victims’.²¹⁰

The countries that averted the worst of the housing-led financial crisis were those where there was massive infrastructural investment, such as in increasingly urban China – which has accounted for 50 per cent of the world’s cement supplies in the last five years for its urban boom, for example, and with positive knock-on effects for economies supplying it such as Australia and Chile.²¹¹ The crisis cascaded throughout OICs but China and India were not as affected, most notably, because their economies had not integrated their financial systems into the global financial network. The crisis did however adversely affect food markets; driven by the commodities bubble, food prices soared, forcing an estimated 100 million people into hunger and sparking food riots throughout the world.²¹² The crisis was one of corporate profitability, but the costs were not primarily (or at all) borne by dominant capital.

The excessive power of too-lightly regulated finance capital was only compounded by the large-scale economic ‘bail-out’ interventions of governments in various stimulus packages as a response to the financial crisis. The fiscal stimulus

seemed to come out of the Keynesian deficit economy playbook, with General Motors dubbed ‘Government Motors’, but it was overt *‘aidez-faire’* corporate welfare to Wall Street rather than providing any direct relief to Main Street. Aided by big finance-friendly appointees in the Obama administration, including Treasury Secretary Tim Geithner and Larry Summers, firms that became symbols of the financial excesses and venality of corporate vulture economics enjoyed an implicit government guarantee on the grounds of being ‘too big to fail’.

Following the AIG bailout, ex-Goldman Sachs CEO and architect of the bailout Paulson announced a US federal bailout for the financial industry: the Troubled Asset Relief Program (TARP), which involved a \$700 billion plan. In order to qualify for bailout monies, the two large remaining Wall Street investment banks Goldman Sachs and Morgan Stanley converted from investment banks to bank-holding companies, a move that allowed them access not only to billions in TARP funds, but to lending from the discount window of the Federal Reserve and publicly-backed funding.²¹³ Yet this was publicly described as the banks ostensibly desiring to be ‘subject to far greater regulation’!²¹⁴

TARP has been one of the largest transfers of wealth in modern history. With taxpayers’ money the last frontier for extraction, it constituted a ‘five-fingered’ resolution to the latest ‘crisis’ (or creordering project for redistributational gain, to use Bichler and Nitzan’s ‘creorder’ term). For some observers, it was capital re-accumulation by corporate theft, recalling the saying that ‘the best way to rob a bank is to own one’. Journalist Matt Taibbi called TARP a ‘giant-scale financial fraud’ and swindle;²¹⁵ David Harvey described it as a ‘financial coup, against the government and the population of the US’ and a ‘massive consolidation of financial power’.²¹⁶ Finance capital has increasingly supplemented – and sometimes supplanted – accumulation through production with ‘accumulation through dispossession’.²¹⁷

By stepping in to bail out, governments entrenched the ‘privatization of profit, socialization of debt’ dynamic that encouraged banks to continue taking the same risks that created the crisis. As Saskia Sassen notes, ‘even within a capitalist logic, giving more funds to the financial sector in order to solve the financial “crisis” is not going to work – for it would just deepen the vortex of financializing economies’.²¹⁸ In other words, extreme financialization is the problem, and more of it is not the solution. Sassen sees an endgame to financialization:

every time governments (that is, citizens and taxpayers) have bailed out the financial system since the first crisis of this phase – the New York stock-market crash of 1987 – they have given finance the instruments to continue its leveraging stampede. There have been five bailouts since the 1980s; on each occasion, taxpayers’ money was used to pump liquidity into the financial system, and each time, finance used it to leverage. This time, the end of the cornucopia is near – we have run out of money to meet the enormous needs of the financial system.

(Saskia Sassen)²¹⁹

The view of a finance-led crisis of excesses has also been challenged. Nitzan and Bichler see as misleading the scenario whereby a distorted bubble of fictitious capital in the housing sector moved to the inflated wider financial market and the rest of the economy. A ‘distortion’ presupposes that ‘real’ value can be measured. There is a mismatch myth – the discrepancy between nominal finance (fictitious capital) and the ‘real’, productive economy – because the real economy is not amenable to direct measurement either: market values, reflected in price, cannot measure intangible assets such as technology directly:

The economists would have the laity believe that the ‘real thing’ is the tangible quantities of production, consumption, knowledge and the capital stock, and that the nominal world merely reflects this ‘reality’ with unfortunate distortions. This view . . . has nothing to do with the reality of accumulation. For the capitalists, the only real thing is nominal capitalization, and what lies behind this capitalization is not the production cost or productivity of capital goods, but the fist of capitalist power.

(Nitzan and Bichler)²²⁰

Notwithstanding this possibility, these systemic profitability crises now seem to be instrumental to capitalist reproduction rather than anomalous to accumulation. In 2009 the top hedge fund managers had their third-best year on record; in his own words, George Soros was ‘having a very good crisis’, and Goldman Sachs staff raked in the largest bonus payouts in the firm’s 140-year history.²²¹ ‘Simply put’, Bichler and Nitzan state, ‘US capitalists are not worried about the crisis; they love it’.²²² In the heart of empire, US-based dominant capital was also uniquely cushioned and enjoying an extended systemic privilege, albeit increasingly under challenge, based on US dollar hegemony.

Dollar hegemony and currency wars: new global configurations?

Finance is the new form of warfare . . . It is a competition in credit creation to buy foreign resources, real estate, public and privatized infrastructure, bonds and corporate stock ownership. Who needs an army when you can obtain the usual objective (monetary wealth and asset appropriation) simply by financial means? . . . Victory in today’s monetary warfare promises to go to whatever economy’s banking system can create the most credit. Computer keyboards are today’s army appropriating the world’s resources.

(Michael Hudson)²²³

An ‘exorbitant privilege’ accrues to the issuer of the major international currency, such that, as Richard Portes notes, then US Treasury Secretary John Connally could openly state in 1971: ‘The dollar is our currency, but your problem’.²²⁴ Notably, John Maynard Keynes’ proposal for a neutral global currency was rejected by US government representatives at Bretton Woods in 1944, and the replacement of the

asset-based gold standard with dollar-denominated and debt-based US Treasury bills transformed the global financial system. Michael Hudson notes:

The Treasury-bill standard effectively made the United States immune from the usual balance-of-payments and financial constraints, enabling its capital markets to become more highly debt-leveraged and ‘innovative’. It also enabled the US Government to wage foreign policy and military campaigns without much regard for the balance of payments.

(Michael Hudson)²²⁵

If capital accumulation is once again at an historical inflexion point, as David Harvey suggests,²²⁶ it comes as a process that includes the US dollar as the world’s reserve currency increasingly being brought under question. If capital is a symbolic quantification of power, does this portend a hegemonic shift towards new global power configurations, such as the rise of the Brazil, Russia, India, China and South Africa (BRICS) bloc? Is the world moving away from mono-imperialism and the hegemonic decline of an overextended US empire?

The US is still the ‘controlling shareholder in global capitalism’.²²⁷ Current indicators suggest the ‘Americanization of global capital’ might still be a better descriptor than the ‘globalization of capital’, as US structural power has globalized and increased with globalization.²²⁸ This is evidenced in a host of indicators; US ownership accounts for almost half (46 per cent) the world’s top 500 corporations, and US firms make up 18 of the 25 broad sectors of the top 2000 corporations in the world.²²⁹ When in August 2011 the credit rating agency Standard and Poor’s stripped US sovereign debt from its top-tier triple-A rating and downgraded it to AA+, investors continued buying up US government debt, simply because there is no comparable asset. Neither China nor Japan have this Treasury bill (T-bill) privilege nor the density of interlinkages with other countries and firms. As Starr argues, indicators that held true in the era of national capital are less relevant or no longer hold in an era of global capital.²³⁰ As seen in [Table 2.5](#), US-based financial services and banks rebounded after the Global Financial Crisis. US debt-driven consumerism has contributed to US growth rates, enabled by large supplies of credit from China and East Asia which in turns maintains the demand for its export-oriented industrial sector based on cheap labour. China, East Asia and Saudi Arabia in particular are still effectively subsidizing US debt, much of which is military as Michael Hudson argues:

Growth in central bank reserves and sovereign-country funds has taken the form of recycling of dollar inflows into new purchases of US Treasury securities – thereby making foreign central banks (and taxpayers) responsible for financing most of the US federal budget deficit. The fact that this deficit is largely military in nature – for purposes that many foreign voters oppose – makes this lock-in particularly galling. So it hardly is surprising that foreign countries are seeking an alternative financial system.

(Michael Hudson)²³¹

In this currency battle, a number of countries are attempting to make a transition away from the US dollar and diversify toward trade denominated in a basket of other currencies, as well as investing in the establishment of alternative development banks.²³² Yet the stewards of the US economy still have monetary policy at their disposal. One *Financial Times* observer, Martin Wolf, has already called the battle in favour of the existing hegemon:

To put it crudely, the US wants to inflate the rest of the world, while the latter is trying to deflate the US. The US must win, since it has infinite ammunition: there is no limit to the dollars the Federal Reserve can create. What needs to be discussed is the terms of the world's surrender: the needed changes in nominal exchange rates and domestic policies around the world.

(Martin Wolf)²³³

Hegemonic transitions are epochal and infrequent. They happen gradually and usually carry a large range of repercussions, bringing with them uncertainty and instability. The extent to which we may be witnessing significant ruptures in first world-dominated globalization with 'Chindia', the BRICS, and the possible emergence of regional configurations and shifts of power particularly but not exclusively towards East Asia is a matter of debate. The question of whether the US has had its 'unipolar moment' has also gone through something of a series of see-saw phases. In the first half of the 2000s the US-centred empire literature reflected the lead-up to and aftermath of the invasions of Afghanistan and Iraq in 2001 and 2003 respectively.²³⁴ Yet within a decade, the rise of the BRICS and the Global Financial Crisis saw declinism make a return, recalling Paul Kennedy's imperial overstretch thesis in the late 1980s.²³⁵ In the declinist debate, many of the same themes from the 1970s and 1980s featured, with Iraq replacing Vietnam and the rise of China replacing the rise of Japan as signalling a possible shift of economic power eastward.²³⁶

An increasingly independent (from the US) Latin America has rejected the neo-liberal doctrine, and current cooperative efforts both intra-regionally and outside the region recall the historical Latin American-led push for the New International Economic Order (NIEO) in the 1970s and 1980s. For the first time since the promulgation of the Monroe doctrine, Latin America is breaking free. The BRICS countries are increasingly contributing to a possibly parallel system: China has brokered deals with Russia, Turkey and Brazil to start direct trading without the US dollar, between the yuan and ruble, lira and real respectively, for example.²³⁷ NATO's rival organization, the Shanghai Cooperation Organization (SCO), linking Russia, China and the Central Asian Republics, might become a potential counterbalance to North Atlantic Treaty Organization (NATO), especially given past US and Israeli administration sabre-rattling against Iran. Iran's 2008 application for full membership of the SCO was prevented by UN sanctions, although it has observer status.

Amid these broad-brush geopolitical movements, the ascent of China stands out unmistakably. China's financial markets are now the world's third largest after the US and Japan. Also the world's biggest creditor (the US is still the world's biggest debtor), China briefly surpassed US banks in the top 10 list of the world's largest banks in terms of capitalization. Table 2.5 shows the short-run

Table 2.5 Global shift? Top 20 banks by origin and market value: 1999, 2009 and 2014

1999		2009		2014 \$m as at 31 March 2014			
Country	Financial institution	Country	Country	Financial institution	Country	Financial institution	Market value
1 USA	Citigroup	CHI	CHI	Industrial & Commercial Bank of China	USA	Wells Fargo	261,217.50
2 USA	Bank of America	CHI	CHI	China Construction Bank	USA	JP Morgan Chase	229,897.90
3 UK	HSBC	CHI	CHI	Bank of China	CHI	Industrial & Commercial Bank of China	200,179.40
4 UK	Lloyds TSB	UK	UK	HSBC	UK	HSBC	191,251.30
5 USA	Fannie Mae	USA	USA	JP Morgan Chase	USA	Bank of America	181,086.30
6 USA	Bank One	JAP	JAP	Mitsubishi UFJ Financial	CHI	China Construction Bank	174,465.70
7 USA	Wells Fargo	SPA	SPA	Banco Santander	USA	Citigroup	144,627.30
8 SWI	UBS	USA	USA	Goldman Sachs	CHI	Agricultural Bank of China	141,661.80
9 JAP	Bank of Tokyo – Mitsubishi Chase Manhattan	USA	USA	Wells Fargo	CHI	Bank of China	118,616.70
10 USA		CHI	CHI	Bank of Communications	AUS	Commonwealth Bank of Australia	115,695.00
11 USA	Morgan Stanley Dean Witter	CAN	CAN	Royal Bank Canada	SPA	Banco Santander	110,278.00
12 SWI	Credit Suisse	CHI	CHI	China Merchants Bank	AUS	Westpac Banking	99,587.50
13 UK	Barclays	AUS	AUS	Westpac Banking	FRA	BNP Paribas	96,085.60
14 USA	First Union	FRA	FRA	BNP Paribas	CAN	Royal Bank Canada	95,246.20
15 USA	Charles Schwab	BRA	BRA	Itau Unibanco Banco Multiplio	UK	Lloyds Banking Group	88,822.70
16 USA	Freddie Mac	CAN	CAN	Toronto-Dominion Bank	CAN	Toronto-Dominion Bank	86,509.00
17 UK	National Westminster Bank	AUS	AUS	Commonwealth Bank of Australia	AUS	ANZ Banking	84,083.10
18 SPA	Banco Santander	BRA	BRA	Bradesco	SWI	UBS	79,420.60
19 JAP	Sumitomo Bank	ITA	ITA	Intesa SanPaolo	USA	US Bancorp	78,007.50
20 USA	Goldman Sachs	SWI	SWI	Credit Suisse	JAP	Mitsubishi UFJ Financial	77,980.80

Source: *Financial Times*, FT Global 500 1999, 2009 and 2014, ft.com.

dominance of Chinese banks after the 2008–9 Global Financial Crisis before US banks rebounded by 2014. The temporary surge reflects the fact the Chinese government had the second largest economic stimulus in the world after the crisis, channeled largely through its banks.²³⁸ That China's ascendancy occurs in a globalizing era conditions the nature of its rise in very different ways from the earlier ascendancy of the US in a national era. Despite China being the largest electronics exporter in the world for nearly a decade, for example, over 90 per cent of China's high-technology exports are by foreign, not Chinese, firms.²³⁹ The slowing of rural-to-urban migration and rising wages means China may not be able to sustain its high industrial growth rates based on these factors.²⁴⁰

Germany also offers something of an alternative economic and political template to that of the US. It has, for example, the most social democratic ground-up worker participation of any European country, which has coexisted with its remarkable export figures, and has probably contributed to them. Geoghegan lauds Germany's creation of a high-wage, unionized economy, which it has achieved without shipping all its jobs abroad or creating a massive trade deficit. In Germany, the economic recession was managed by putting into place *kurzarbeit* or the short workweek program, with the German government paying people to stay on the job when they otherwise might have been let go by companies.²⁴¹ In what would be harder to imagine occurring in the US, at least in contemporary times, a number of Germany's rich also recently petitioned for higher taxes for the wealthy to help fund social and economic programmes to bolster Germany's economic recovery.²⁴² This is an implicit recognition of the important role of collective consumption, to use Manuel Castell's phrase,²⁴³ in maintaining the economy and recycling the surplus, and stands in marked contrast to the management of class cleavages through force and physical separation, such as in gated communities.

In aggregate, EU states produce nearly a third of the world's economy, which is almost equivalent to the US and China combined. The EU has more Fortune 500 companies than either the US, China or Japan and is less energy profligate than the US. Some are more sanguine about Europe (Thomas Geoghegan) than others (David Harvey, who sees the EU as very neoliberal). Geoghegan makes an interesting connection between those European countries that followed the economic US model and supported the invasion of Iraq, and their current economic misfortunes:

People in the countries that are in trouble now economically were the ones willing to go to Iraq – and there is a connection. These are the countries that were much more inclined to go the American route, going into debt heavily, using housing speculation as the engine of the economy, and opening their economies big time to global bank debt and finance.

Goldman Sachs poured tons of money into Greece, and other New York, London and German banks poured money into Spain. None of the bubbles occurred in Germany and in the 'old Europe' that Donald Rumsfeld wrote off. Part of Europe is in trouble to the extent – and only to the extent – that

it's involved in the American model. Those countries most resistant to the American model are doing fine.

(Thomas Geoghegan)²⁴⁴

Despite these emerging configurations, the problem of effective demand remains. The capitalist economic system has historically expanded at a 2.5 per cent compound rate, and optimal compound growth is currently defined at 3 per cent. At a global scale, is 3 per cent compound growth possible or feasible? As David Harvey asks, 'What spaces are left in the global economy for new spatial fixes for capital surplus absorption?'²⁴⁵ Financial assets in emerging markets – mostly in emerging Asia, Latin America, Eastern Europe, the Middle East and Africa – constituted only 20 per cent of the global total, but accounted for almost 50 per cent of the global growth.²⁴⁶ China has been the big standout, with the financial asset growth rates of other BRICS countries also recording growth rates of 20 per cent or more annually from 2003 to 2008.²⁴⁷ Emerging markets commonly have higher GDP growth rates, infrastructure investment requirements and high savings rates. A McKinsey report hints that there are still untapped markets for capital among the populations of 'emerging markets':

Bank deposits also constitute an asset class with enormous growth potential in the developing world, where large swaths of the population have no bank accounts. McKinsey estimates that in emerging markets, there are 2.8 billion adults with discretionary income who are not part of the formal financial system.

(McKinsey Global Institute)²⁴⁸

As more financial capital is being raised outside of the financial hubs of New York, London and Tokyo, we may eventually see a re-orienting of the world economy towards a more multi-polar system in the longer-term, where the centre of economic gravity will shift towards the East. This is also where the majority of the world's poor are located, and where solutions to unconscionable post-scarcity poverty and to the system failure (or profitable deliberate maintenance) of reversed capital flows through still crippling Third World debt may yet be addressed. Proposals such as a Tobin-style tax may be developed (as ATTAC have advocated, and similarly by Thomas Piketty),²⁴⁹ or a deeper, more systemic challenging of the imperative of endless compound growth may yet emerge. For China's contemporary embrace of (state) capitalism, dynastic China was also the place where the merchant class was kept in its place.

Outlook – peak appropriation?

In place of the converging crises model, we may instead view our era's turbulence as a singular crisis – of capitalism as a way of organizing nature – with manifold expressions. Food and climate, finance and energy represent not multiple, but manifold, forms of crisis emanating from a singular civilizational project: the capitalist world-ecology.

(Jason W. Moore)²⁵⁰

Corporatism often functions to paralyze transformative progressive political agency and effect a kind of fatalism and apathy. Jamie Swift thinks of neoliberal globalization as a ‘necessary myth because it provokes a sense of political paralysis among those who might otherwise imagine alternatives to an unstable world economy dominated by currency speculators and transnational capital’.²⁵¹ The attempt to shoehorn global activists into the local scale while corporatists colonize the global scale by dubbing movements and activists ‘anti-globalization’ has been one past strategy. Another has been to label all groups who oppose ostensibly ‘free’ trade agreements (corporatist par excellence) as backward and protectionist. Of course, arguments against ‘free’ trade do not automatically amount to advocacy of protectionism, merely to the fact that there are other and more equitable and sustainable ways to conduct trade across various borders.²⁵²

Will corporatism, driven by extreme financialization and underpinned by violence, reach its asymptotic limit and undermine itself as a mode of accumulation-cum-governance? We recall that Bichler and Nitzan invoke the mathematical term asymptote to denote a ceiling or limit that is approached but never quite reached.²⁵³ Asymptotes correspond with the last four major historical ‘bear’ markets they have identified, including the current and ongoing crisis that they identify as having started in 2000 rather than 2008.²⁵⁴ Jason Moore also identifies the faltering of neoliberalism’s strategies for reducing the Big Four input prices started at least five years prior to the global financial crisis of 2008.²⁵⁵ At the current juncture, accompanied by the deepening of commodity relations in the sphere of reproduction, the shift towards financialization ‘has been a powerful way of postponing the inevitable blowback of modernity’s cheap nature strategy’.²⁵⁶

Despite the ongoing crisis, the power of dominant capital has increased and remains at record levels. Herein lies the paradox of greater power – the more you have, the harder it is to keep, and increase. While the corporate tax rate in the US was reduced from 55 to 20 per cent in the last century, owners were able to boost their after-tax profit by 78 per cent.²⁵⁷ This stunning success also makes dominant capital vulnerable and undercuts their continued viability however, particularly as ‘the patterns suggest that dominant capitalists now realize that their record profit-share-read-power has become unsustainable, hence the decade-long collapse of their forward-looking capitalization’.²⁵⁸ Bichler and Nitzan speculate:

Capitalist power rarely if ever reaches its upper limit . . . however, the closer capitalist power gets to its limit, the greater the resistance it elicits; the greater the resistance, the more difficult it is for those who hold power to increase it further; the more difficult it is to increase power, the greater the need for even more force and sabotage; and the more force and sabotage, the higher the likelihood of a serious backlash, followed by a decline or even disintegration of power.

(Bichler and Nitzan)²⁵⁹

This is reflected in unprecedented levels of inequality which in the US is currently at its highest, and rivals Russia and Iran.²⁶⁰ In a memo to ‘my fellow zillionaires’,

a self-identified member of the plutocracy Nick Hanauer, warns of pitchforks if inequality continues unchecked:

. . . the problem isn't that we have inequality. Some inequality is intrinsic to any high-functioning capitalist economy. The problem is that inequality is at historically high levels and getting worse every day. Our country is rapidly becoming less a capitalist society and more a feudal society. Unless our policies change dramatically, the middle class will disappear, and we will be back to late 18th-century France. Before the revolution.

(Nick Hanauer)²⁶¹

Leading capitalists, reading the signs, have been struck by systemic fear: 'Peering into the future, they realize that the only way to further increase their distributional power is to apply an even greater dose of violence'.²⁶² Heikki Patomäki also foresees greater pain in a platter of scenarios: 'If the "recovery followed by neoliberal business-as-usual" scenario proves right, the underlying super-bubble that has already lasted for three decades will continue to grow, gradually creating conditions for an even bigger crash in the late 2010s or early 2020s'.²⁶³ Globalization as endgame may involve a closing of the current capitalist accumulation frontier-regime in a potentially asymptotic situation, which may or may not also be compounded by the various peaks and the effects of climate change. As we have seen at the outset of the chapter, what Moore characterizes as the declining ecological surplus represents the contraction of dominant capital's opportunities to appropriate unpaid work: 'The "peak" that capitalism cares about is peak appropriation: the moment when the contribution of unpaid work is highest, relative to the abstract social labour (capital) deployed'.²⁶⁴

Put simply, the Great Frontier that opened the capitalist epoch did so by making nature's free gifts – human natures' too – more or less cheaply available to those with capital and power. The end of the frontier today is the end of nature's free gifts, and with it, the end of capitalism's free ride.

(Jason W. Moore)²⁶⁵

Wider afield, this may also be reflected in the scramble to clinch monopoly property rights and the buying up of huge swathes of fertile arable land in Africa that has been described by Massimo De Angelis as 'new enclosures' and James Boyle as 'the second enclosure movement'.²⁶⁶

The intensification of two forms of labour sabotage, unemployment and penalty, can be seen as movements by dominant capital pushing against its class limits. This is reflected in the fact the correctional population in the US is over seven million, with two million inmates and five million more on probation or parole.²⁶⁷ The criminalization of poverty such as the reappearance of debt prisons is coupled with the normalization of precarious, contingent labour, or what Guy Standing has dubbed the precariat.²⁶⁸ We can attempt to extrapolate current trends that suggest continued rising inequality in income and political influence, and the concern

with inequality has in many respects been mainstreamed, from Joseph Stiglitz to Wilkinson and Pickett to Thomas Piketty.²⁶⁹ The visibility of these developments has also influenced the widespread positive reaction to the Occupy movement, inspired by its ongoing South European and South American movement precursors.

People versus plutocracy

The system ain't broke. It's fixed.

(An Occupy slogan)

The late 2000s and 2010s has seen unprecedented action contesting both state and market corporatist structures and practices, particularly as a response to the wave of austerity measures rolled out by Western governments as part of the 2008 global financial crisis, such as in Spain, Greece, Iceland and the US state of Wisconsin; as well as its attendant crises in the majority world, such as the spikes in food prices in Egypt, Indonesia, parts of Africa and elsewhere; and has resulted in the toppling of authoritarian state regimes in the 'Arab Spring' (Tunisia, Egypt), although with varying aftermaths. Juan Cole foresees a long gestation period for promising Arab millennials – those born roughly around 1980 to 2000: 'Two or three decades from now, the twenty-somethings of Tahrir Square or the Casbah in Tunis or Martyrs' Square in Tripoli will, like the Havel of the Middle East, come to power as politicians'.²⁷⁰ These are but a small sample of the multiple global protest movements which have focused on economic and social inequality, precarity and corporate power. Since October 2011, almost a thousand cities in over 80 countries have started Occupy movements.²⁷¹

Drawing inspiration from the protests that characterized the Arab Spring and the Indignados (the 'outraged') movement in Spain and elsewhere in southern Europe, the progressive populism of the Occupy movement that started in September–October 2011 has seen a form of political contestation involving gathering near or occupying sites of iconic public power, such as Wall Street, in improvised camps situated in symbolic and public spaces. From Tahrir Square in Cairo to the privately-run public Zuccotti Park in New York, the occupation of public space as an act of political resistance has been significant. Initially convoked via magazines (*Adbusters*) or social media, Occupy has been an acephalous movement with mass appeal, pitched to the majority 99 per cent of the population who do not hold extreme wealth.

In the month following the occupation of Zuccotti Park in September 2011, a series of demonstrations were held in cities across Europe, particularly in countries especially affected by austerity such as Spain, Greece, Ireland and Iceland. Significantly, Occupy protests also occurred in places where there was an absence of extreme austerity, such as Berlin in October, where up to 10,000 people participated in the Occupy demonstration on October 15. The Occupy movement's eschewal of concrete demands may denote a recognition that the movement was and has been about more than single issues that could be expediently addressed

by quick-fix legislation. Pickerill and Krinsky also state that Occupy's absence of specific demands can be interpreted as a refusal to 'recognize the legitimacy of the state as an agent capable of or willing to implement policy'.²⁷² Given that tear-gassing and beating of unarmed protesters and campers were not uncommon, that intuition may well have been a prudent strategic choice. In 2012 the extent of the crack-down collusion between state and market corporatist structures became clearer: the US non-profit organization Partnership for Civil Justice Fund filed a Freedom of Information (FoI) request that revealed that there was a coordinated network to crack-down on Occupy protesters, involving the US Department of Homeland Security, Federal Bureau of Investigation (FBI) and police. Banks, campus police and university administrations closely partnered with the FBI to funnel and collect information about protesters.²⁷³

Looking at the glass half-full, Lawrence Cox sees a legitimization crisis in which large parts of the globe are not only protesting but have actually broken free from neoliberalism's ideological grip:

The Zapatistas have held their territory for some 16 years. The Northern anti-capitalist movement is now some 11 years old, and has not retreated in the face of the turn to warfare and criminalization; rather, the 'leaders of the free world' remain in hiding at their regular summits. On a larger scale, the 'New World Order' has both lost control of large parts of South America, traditionally the US's backyard, as well as facing severe problems with European and Muslim allies alike in its Middle Eastern wars. The past decade has seen warfare as a way of life, neoliberal capitalism and ecologically destructive policies – all central movement targets – suffer massive losses in terms of popular consent.

(Lawrence Cox)²⁷⁴

In addressing this legitimization crisis, the challenge may well be to transform the Indignados to instaurators, a proposition that will be examined in greater detail in the next chapter.

Conclusion

In the public transcript projection of globalization examined in this chapter, people and alternatives have been placed on the putative margins of the framed-as-global, corporatist economy. This projection arrays a violent and hierarchical worldview that subsumes space and social processes into a singularist command and control ontology. The implicit acceptance of this projection even by critics who crucially leave unchallenged its perceived dominance means that subversion often fails or can be co-opted when it is forced into an oppositional stance. Representation matters in the way a singular representation of global reality stymies the radical heterogeneity of possibilities. For more than three decades, there has been a concerted effort to reconstitute not just the globalized capitalist economy but to re-shape the whole social structure of governance and process of accumulation. Neoliberalism

has been an orthodoxy disproven as an intellectual project by real events. In its more recent policy adaptations, I have argued in this chapter, neoliberal capitalist orthodoxy seems to have merged with the neoconservative project of endless war. Neither endless accumulation nor endless war is feasible, sustainable or desirable for the great majority of the world's people. This chapter has sought to disentangle corporatism from its deliberate conflation with globalization. In so doing my task has included disturbing the universalist and globalist pretensions of corporatism's projection of globalization, which includes an exploding financial sector and bubble-based crises that increasingly feed on stagnation.

At this juncture, it is becoming highly apposite to challenge the neoliberal and neoconservative projections of globalization, and to envision and enact a grass-roots and humane globalization. In [Chapter 3](#), I argue that efforts by an emerging global democratic movement have moved from merely opposing and contesting the social costs of the neoliberal, corporatist globalization agenda towards building globalization from the grassroots. A progressive propositional politics would see networked communities and movements invest in cultivating their capacities and incubating their ideas, and where possible subventing strategies for networked economic initiatives.

Notes

- 1 Original quotation in Latin, translated by Paul Turner. Thomas More, *Utopia*, trans. Paul Turner (London: Penguin, [1516] 2003), p. 130.
- 2 Ron Susskind, 'Faith, certainty and the presidency of George W. Bush', *The New York Times Magazine*, 17 October 2004, <<http://www.nytimes.com/2004/10/17/magazine/17BUSH.html>>.
- 3 The term 'dominant capital' is from Jonathan Nitzan and Shimshon Bichler, who approximate it to the top 0.01 per cent of US-based corporations in terms of market capitalization, emblematic of Occupy's 'one-percenters'. Jonathan Nitzan and Shimshon Bichler, *Capital as Power: A Study of Order and Creorder* (London: Routledge, 2009), Chapter 14 as well as a slightly different measure of dominant capital employed in Bichler and Nitzan, 'The asymptotes of power', *Real-World Economics Review*, issue 60, 20 June 2012, pp. 18–63.
- 4 Greta R. Krippner, 'The financialization of the American economy', *Socio-Economic Review*, Vol. 3 (2), 2005, p. 174.
- 5 Shimshon Bichler and Jonathan Nitzan, 'Capital as power: toward a new cosmology of capitalism', *Real-World Economics Review*, no. 61, September 2012, pp. 76–7.
- 6 Jason W. Moore, 'The end of cheap nature, or: how I learned to stop worrying about "the" environment and love the crisis of capitalism'. In: Christian Suter and Christopher Chase-Dunn (Eds.), *Structures of the World Political Economy and the Future of Global Conflict and Cooperation* (Berlin: LIT, 2014), p. 302. The rapidly increasing participation of women in the labour workforce in the industrialized countries – 50 per cent from 1975 to 1995 in the United States – increased the double-duty they performed of paid and unpaid work and coincided with the wage repression policies central to neoliberal policy. Moore makes the point that this was 'also a *one-shot deal*. The commodity frontier is a one-way ticket. Frontiers, once appropriated and commodified, are no longer frontiers – they do however move on, as we've seen in the roll out of the proletarian relation for women across the Global South since the 1980s'.

- 7 Jason W. Moore, 'The end of cheap nature', p. 293.
- 8 Jason W. Moore, 'The end of cheap nature', p. 291.
- 9 Jason W. Moore, 'The end of cheap nature', p. 304. As Moore summarizes: 'In the heartlands, the appropriation of women's unpaid work was central to the cheap reproduction of labour-power; in the hinterlands, the appropriation of extra-human natures (forests, soils, mineral veins) was often primary'.
- 10 Similarly, a typical dominant capital firm in the 1950s commanded a profit stream about 5,000 times the income of an average worker. By the late 1990s, the figure had multiplied fivefold to 25,000 times. Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', *Review*, Vol. xxix, 2006, pp. 45–6. 'Fortune 500' refers to the annual ranking of the top 500 corporations worldwide by Fortune magazine, as measured by revenue.
- 11 Karl Marx, *Capital: A Critique Of Political Economy*, Vol. 1, trans. Samuel Moore and Edward Aveling (Chicago: Charles H. Kerr & Co., 1909), p. 836.
- 12 Barry Lynn, *Cornered: The New Monopoly Capitalism and the Economics of Destruction* (Hoboken: John Wiley & Sons, 2010).
- 13 Thomas Geoghegan interviewed on 'Infinite debt: how unlimited interest rates destroyed the economy' on *Democracy Now!*, 24 March 2009, audiovisual and transcript, <http://www.democracynow.org/2009/3/24/thomas_geoghegan_on_infinite_debt_how>.
- 14 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', *Journal of World-Systems Research*, Vol. 10 (2), August 2004, p. 262.
- 15 Shimshon Bichler and Jonathan Nitzan, 'Capital as power: toward a new cosmology of capitalism', *Real-World Economics Review*, no. 61, September 2012, p. 83.
- 16 Jamie Peck and Adam Tickell, 'Neoliberalizing space', *Antipode*, Vol. 34 (3), 2002, pp. 380–404.
- 17 Shimshon Bichler and Jonathan Nitzan, 'Systemic fear, modern finance and the future of capitalism', *Dissident Voice*, 26 July 2010, <<http://dissidentvoice.org/2010/07/systemic-fear-modern-finance-and-the-future-of-capitalism>>.
- 18 Shimshon Bichler and Jonathan Nitzan, 'Systemic fear, modern finance and the future of capitalism', p. 32.
- 19 Jonathan Nitzan and Shimshon Bichler, 'The scientist and the church', *Mimeograph, Montreal and Jerusalem*, July 2005, <<http://bnarchives.yorku.ca/185/>>, p. 10.
- 20 Shimshon Bichler and Jonathan Nitzan, 'Capital as power: toward a new cosmology of capitalism', *Real-World Economics Review*, no. 61, September 2012, pp. 76–7.
- 21 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', p. 258.
- 22 Shimshon Bichler, and Jonathan Nitzan, 'Capital as power: toward a new cosmology of capitalism', p. 77.
- 23 Saskia Sassen, 'Pulling the economy down into our communities', *Z-Net*, 17 July 2009, accessed at <<http://www.zcommunications.org/pulling-the-economy-down-into-our-communities-by-saskia-sassen>>.
- 24 David Harvey, *The Enigma of Capital and the Crises of Capitalism* (London: Profile Books, 2010), p. 27.
- 25 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', p. 272.
- 26 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', p. 258.
- 27 Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', p. 60.
- 28 Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', pp. 29–30.
- 29 See for example Susan Strange, *States and Markets: An Introduction to Political Economy* (London: Pinter, 1988).

- 30 See John Agnew, *Hegemony: A New Shape of Global Power* (Philadelphia: Temple University Press, 2005). In Karl Polanyi's classic work, *The Great Transformation: The Political and Economic Origins of our Time* (Boston: Beacon Press, [1944] 1971), Polanyi argues that the emergence of market liberalism – the idea that markets are self-regulating and can be disembedded or abstracted from society at large – emerged as a means of managing the problems of industrialization. Polanyi rejected the notion that the economy can be abstracted from society, warning against supplanting social relations with a purely economic logic: 'The control of the economic system by the market is of overwhelming consequence . . . it means no less than the running of society as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system' (p. 57). The goal of a putatively self-regulating disembedded market, which involves the commodification of people and nature, is a utopian (one could argue dystopian) project, against which his idea of the 'double movement' was developed, referring to the movement toward markets requires an alternative movement to stabilize it, which may include the state, and more recently, civil society through concepts like social capital.
- 31 The concept of legibility as it is applied here is drawn from James C. Scott's *Seeing Like a State* where it is principally applied to the state.
- 32 Joseph Campbell, *The Power of Myth* (New York: Anchor Books, 1991), p. 39.
- 33 Arjun Appadurai, 'Grassroots globalization and the research imagination', *Public Culture*, Vol. 12 (1), 2000, p. 17.
- 34 See for example Neil Brenner and Nik Theodore, 'Cities and the geographies of "actually existing neoliberalism"', *Antipode*, Vol. 34 (3), July 2002, pp. 349–79.
- 35 David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005), p. 3.
- 36 Conservative Chris Patten similarly objects to what he sees as the hijacking of the term 'conservative': 'The one thing that neoconservative does not mean is conservative. As is often the case, "neo" means not "new" but simply "not"'. Chris Patten, *Not Quite the Diplomat* (London: Allen Lane, 2005), p. 238. In contrast, Robert Cox calls this current phase of global capitalism 'hyperliberal' rather than neoliberalism because it tries to subsume all social life within the economic. See Robert W. Cox with Michael G. Schechter, *The Political Economy of a Plural World: Critical Reflections on Power* (London: Routledge, 2002).
- 37 Russell Leong, 'Majority world: new veterans of globalization', *Amerasia Journal*, Vol. 34 (1), 2008, pp. vii–xii; Shahidul Alam, 'Majority world: challenging the west's rhetoric of democracy', *Amerasia Journal*, Vol. 34 (1), 2008, pp. 89–98. See also <<http://www.shahidulalam.com/>>.
- 38 As a point of interest, the term 'free market' was barely used in Adam Smith's major works, appearing only once in *The Wealth of Nations* as 'open and free market'. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Oxford: Clarendon Press, [1776] 1976), p. 705. Nor does it make much of an appearance in Marshall, Hayek or Schumpeter: it is in Milton Friedman that the term's multiple use plays a 'starring role', a point made by Barry C. Lynn, *Cornered: The New Monopoly Capitalism and the Economics of Destruction*, p. 141.
- 39 This also speaks to the myth of pure capitalist markets: all advanced industrial economies depend to a large degree on activity outside markets. Much of this activity also makes formal activity possible. For its continued operation, the market economy depends upon public services and public institutions, the very institutions the ideology of neoliberalism serves to undermine through privatization.

- 40 David Harvey, 'Organizing for the anti-capitalist transition', *Interface*, Vol. 2 (1), May 2010, p. 247.
- 41 Bill Moyers, Howard Zinn Memorial Lecture, Boston University, 29 October 2010, text accessed at <<http://truth-out.org/archive/component/k2/item/92657:bill-moyers-welcome-to-the-plutocracy>>.
- 42 Bacon may have misattributed this great line to Aesop as it is found in the *Fables* of Laurentius Abstemius, which were annexed to an edition of Aesop's *Fables* in 1580. Francis Bacon, 'Of vain-glory', *The Essays, or Counsels, Civil and Moral*, Brian Vickers (Ed.) (Oxford: Oxford University Press, 1999), Chapter 54, p. 119.
- 43 Samir Amin, *Re-reading the Postwar Period: An Intellectual Itinerary* (New York: Monthly Review Press, 1994), p. 14.
- 44 *Financial Times*, 'Pangloss on globalization', 7 March 1998, p. 8.
- 45 This is in stark contradistinction to those like Ayn Rand, whose protégés included Alan Greenspan, who held that the opposite was true. Ayn Rand's *The Fountainhead* (New York: Plume, [1943] 2005) and *Atlas Shrugged* (New York: New American Library, 1957) revolved around this theme that there were two classes of people: the producers and the parasites. The producers were, to her mind, the great industrial figures who created businesses and commercial empires, and it was everyone else who were somehow feeding off them.
- 46 Peter Dicken, *Global Shift: Mapping the Changing Contours of the World Economy*, 5th ed. (New York: Guilford Press, 2007), p. 3.
- 47 This question is examined in such works as David Held, Anthony G. McGrew, David Goldblatt and Jonathan Perraton, *Global Transformations: Politics, Economics and Culture* (Stanford: Stanford University Press, 1999); Paul Hirst and Grahame Thompson, *Globalization in Question: The International Economy and the Possibilities of Governance*, 2nd ed. (Cambridge: Polity Press, [1996] 2000); and Peter Dicken, Jamie A. Peck and Adam Tickell, 'Unpacking the global' in Roger Lee and Jane Wills (Eds.), *Geographies of Economies* (London: Arnold, 1997), Chapter 12.
- 48 David Harvey, 'Globalization in question', *Rethinking Marxism*, Vol. 8 (4), Winter 1995, p. 2; Peter Dicken et al., 'Unpacking the global'; and Robert H. Fagan, 'The region as political discourse', Plenary Paper, Institute of Australian Geographers Conference, Newcastle Town Hall, Newcastle, Australia, September 1995, p. 8.
- 49 By 2004 the Triad produced 86 per cent of the global GDP. TNCs account for about two-thirds of world exports of goods and services, a significant share of which is intra-firm trade. Peter Dicken, *Global Shift*, pp. 39–40.
- 50 Robert Cox, for example, identifies three salient forms of capitalist political economy: the Anglo-American individualistic-competitive form; the European social market form and the Asian mercantilist form. Cox identifies hyperliberalism as the ideology of the first. See *The Political Economy of a Plural World*, p. 89. See also Fons Trompenaars and Charles Hampden-Turner, *The Seven Cultures of Capitalism: Value Systems for Creating Wealth in the United States, Japan, Germany, France, Britain, Sweden, and the Netherlands* (London: Piatkus, 1994).
- 51 Amongst other things, the NIDL thesis erred in oversimplifying the connection between manufacturing decline in OICs and TNC offshore migration to cheaper, globally optimal locations, downplaying the importance of *in situ* restructuring. Firms were compelled, as the General Electric manufacturing arm motto became in the early 1980s, to 'automate, emigrate or evaporate'. The portrayal of a placeless capital's foot-loose hypermobility in its game of ruthless, exploitative and mercurial arbitrage with

nation-states contrasted with the depiction of the relative immobility and powerlessness of labour and the state. There is no doubt however that the increased volume of world trade (particularly between TNCs), genuinely global financial flows (neglected by NIDL) and a more international division of labour between more knowledge-intensive production in the older 'triad' markets of North America, Western Europe and Japan, and the low cost production in the so-called NICs have been features of this period. See Robert H. Fagan and Michael Webber, *Global Restructuring: The Australian Experience* (Melbourne: Oxford University Press, 1994).

- 52 Regulation theory was developed in the 1980s by French structuralist sociologists such as Robert Boyer, Michel Aglietta, Alain Lipietz and taken up by Anglophone social scientists such as Bob Jessop. The regulation approach suggests that capitalist economies have moved through long waves (also known as Kondratiev waves after the Russian economist) of techno-economic change that confer stability: they are not simply economic cycles but describe the dominant modes of regulation, governance, production, and major technologies associated with each identified period (see [Figure 2.1](#)). See Michel Aglietta, *A Theory of Capitalist Regulation: The US Experience* (London: Verso [1976] 1979); Alain Lipietz, 'Behind the crisis: the exhaustion of a regime of accumulation. A "regulation school" perspective on some French empirical works', *Review of Radical Political Economics*, Vol. xviii, Spring and Summer 1986, pp. 15–16; Robert Boyer, *La Théorie de la Régulation: Une analyse critique* (Paris: L'Adécouverte, 1986); Bob Jessop and Ngai-Ling Sum, *Beyond The Regulation Approach: Putting Capitalist Economies In Their Place* (Cheltenham: Edward Elgar Publishing, 2006); Robert Boyer and Yves Saillard (Eds.), *Régulation Theory: The State of the Art* (London: Routledge, 2002).
- 53 According to proponents of Post-Fordism, globalization and restructuring within OICs has contributed to the re-emergence of regional economies and 'new industrial spaces' based upon smart, knowledge intensive 'sunrise industries' commensurate with the decline of traditional, blue collar, 'smokestack' industries. This development has also been described as constituting a 'second industrial divide'. See Michael Piore and Charles Sabel, *The Second Industrial Divide: Possibilities for Prosperity* (New York: Basic Books, 1984) and David Harvey, *The Condition of Postmodernity* (Oxford: Blackwell, 1989).
- 54 The contemporary information economy is especially important to capital accumulation: profits often result from spatio-temporally mediated information asymmetries. Digital technologies and the Internet are deeply involved in these changes. The idea of a 'knowledge economy' and 'information age' coincided with the neoliberal political project. Yet it is worth remembering that both the Internet and its subset the World Wide Web was entirely government funded: initially, commercial use was in fact strictly forbidden and private enterprise came into the picture relatively late in 1989.
- 55 The notion of globalization having a spatial fix, whereby space and scale have roles in processes of crisis formation and resolution, is an ongoing question examined by David Harvey in his notion of a spatial fix (and later a 'spatio-temporal fix') to capitalism's contradictions: 'The very real possibility exists that the global pace of accumulation can be sustained through compensating oscillations *within the parts*' (emphasis added). David Harvey, *Limits to Capital*, 2nd ed (London: Verso, [1982] 1999), p. 428. The processes of globalization in this conception not only manifest as uneven impacts of restructuring, they in turn feed off that spatial unevenness.
- 56 E. H. Carr, *The Twenty Years' Crisis: An Introduction to the Study of International Relations* (Basingstoke: Palgrave Macmillan, [1939] 1995), p. 45.

- 57 Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', pp. 58–9.
- 58 They continue: 'The exponential growth in the Buy-to-Build Ratio also helps put in context the gradual shift of state policies. While official rhetoric in the United States and elsewhere has remained loyal to the "national interest" of growth, policy practice has increasingly tilted in favour of amalgamation via deregulation (and re-regulation in other forms), privatization, subsidies, and tax incentives'. Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', p. 58.
- 59 Jonathan Nitzan and Shimshon Bichler, 'Cheap wars', *Tikkun*, 9 August 2006, <http://bnarchives.yorku.ca/205/01/20060806nb_cheap_wars_tikkun_web.htm>.
- 60 Shimshon Bichler, and Jonathan Nitzan, 'Capital as power: toward a new cosmology of capitalism', p. 79.
- 61 Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', p. 51.
- 62 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', p. 284.
- 63 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', pp. 286–7.
- 64 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', p. 286.
- 65 Giovanni Arrighi, *The Long Twentieth Century: Money, Power and the Origins of our Times* (London: Verso, 1994).
- 66 Shimshon Bichler and Jonathan Nitzan, 'Contours of crisis: plus ça change, plus c'est pareil? Part II', *Dollars & Sense*, 31 December 2008, <<http://www.dollarsandsense.org/archives/2008/1208bichlernitzan.html>>.
- 67 Shimshon Bichler and Jonathan Nitzan, 'Can capitalist afford recovery? Economic policy when capital is power', *Working Papers on Capital as Power*, No. 2013/01, October 2013, p. 29.
- 68 Shimshon Bichler and Jonathan Nitzan, 'How capitalists learned to stop worrying and love the crisis', *Dissident Voice*, 22 November 2013, <<http://dissidentvoice.org/2013/11/how-capitalists-learned-to-stop-worrying-and-love-the-crisis>>.
- 69 Shimshon Bichler and Jonathan Nitzan, 'How capitalists learned to stop worrying and love the crisis'.
- 70 Cited in David Harvey, 'Afterthoughts on Piketty's capital', *Reading Marx's Capital with David Harvey*, 17 May 2014, <<http://davidharvey.org/2014/05/afterthoughts-pikettrys-capital>> with no originating reference included by Harvey.
- 71 Even prior to but especially since the 1980s, suburbanization and urban transformations have been a huge sink for capital surplus absorption, albeit in an uneven process. The economic crisis has also been an urban crisis, particularly in the US where federal programs to address the urban crisis were drastically cut in many cities, leading to job loss, riots and social unrest. The experience of New York City in the 1970s and 1980s is particularly illustrative: City governments had increased borrowing but in the mid–1970s, investment bankers, who did not like community organizations' increasing power to shape urban environments, started refusing to lend. The aim was to 'discipline' the city and to enact their own corporate designs. This led to neoliberal city islands of privilege (Manhattan) in a sea of urban delapidation (the Bronx) and produced immense inequalities that governments were finding harder to ameliorate. David Harvey, 'The Crises of Capitalism', Lecture at The Royal Society for the Encouragement of Arts, Manufactures and Commerce (RSA), London, 26 April 2010, <<http://davidharvey.org/2010/05/video-the-crises-of-capitalism-at-the-rsa>>.
- 72 As cited by Joseph Schumpeter, *Ten Great Economists: From Marx to Keynes* (London: Routledge [1952], 2003), p. 252. A search of Juglar's works does not

- yield this exact phrase; though it may have been expressed in Schumpeter's words, however, it does not preclude that Schumpeter was summarizing Juglar's thought. See Jürg Niehans, 'Juglar's credit cycles', *History of Political Economy*, Vol. 24 (3), 1992, pp. 554–5, <<http://hope.dukejournals.org/cgi/reprint/24/3/545.pdf>>.
- 73 Maurice Obstfeld and Alan M. Taylor, *Global Capital Markets: Integration, Crisis and Growth* (Cambridge: Cambridge University Press, 2004), pp. 52–3, [Table 2.1](#). See also Shimshon Bichler and Jonathan Nitzan, 'The asymptotes of power', *Real-World Economics Review*, Vol. 60, June 2012, p. 46, the reference for the 1970s figure.
 - 74 Jamie Peck and Adam Tickell, 'Neoliberalizing space', pp. 400–1.
 - 75 David Harvey, *Spaces of Global Capitalism: Towards a Theory of Uneven Geographical Development* (London: Verso, 2006), p. 16.
 - 76 David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005), p. 15.
 - 77 John Pilger, Sydney Peace Prize address, Sydney Opera House, 5 November 2009, <<http://johnpilger.com/articles/breaking-the-great-australian-silence>>.
 - 78 Shimshon Bichler and Jonathan Nitzan, 'The asymptotes of power', p. 32.
 - 79 Milton Friedman, 'Preface, 1982' in *Capitalism and Freedom* (Chicago: University of Chicago Press, [1962] 2002), p. xiv.
 - 80 Notably, while the neoliberal acolytes were brought in, General Pinochet did not reverse Salvador Allende's nationalization of the copper mines. He was a nationalist as well as neoliberal.
 - 81 David Harvey, *A Brief History of Neoliberalism*, p. 7.
 - 82 David Harvey, *A Brief History of Neoliberalism*, p. 121.
 - 83 David Harvey, *A Brief History of Neoliberalism*, pp. 39–63; Walden Bello, 'A very capitalist disaster: Naomi Klein's take on the neoliberal saga', *Review of International Political Economy*, Vol. 15 (5), December 2008, pp. 881–91.
 - 84 Since 1980, companies and financial institutions have increasingly turned to capital markets for financing, with equities and private debt accounting for most of the increase in financial assets. The total value of global financial assets reached a peak of US\$194 trillion by 2007, equal to 343 per cent of GDP. McKinsey Global Institute, 'Global capital markets: entering a new era', September 2009, <http://www.mckinsey.com/mgi/publications/gcm_sixth_annual_report/executive_summary.asp>.
 - 85 Susan Strange, 'From Bretton Woods to the casino economy' in Stuart Corbridge, Nigel Thrift and Ron Martin (Eds.), *Money, Power and Space* (Oxford, Blackwell, 1994), p. 59.
 - 86 John Williamson, who coined the term 'Washington Consensus' has asserted that it has come to mean something different from that which he intended, and is worth quoting at length: 'Audiences the world over seem to believe that this signifies a set of neo-liberal policies that have been imposed on hapless countries by the Washington-based international financial institutions and have led them to crisis and misery . . . My own view is of course quite different . . . For the most part they are motherhood and apple pie, which is why they commanded a consensus. The three big ideas here are macro-economic discipline, a market economy, and openness to the world (at least in respect of trade and FDI). These are ideas that had long been regarded as orthodox so far as OECD countries are concerned, but there used to be a sort of global apartheid which claimed that developing countries came from a different universe which enabled them to benefit from: (a) inflation (so as to reap the inflation tax and boost investment); (b) a leading role for the state in initiating industrialization; and (c) import substitution. The Washington Consensus said that this era of apartheid was over . . . I of course never intended my term to imply policies like capital account liberalization . . . monetarism,

- supply-side economics, or a minimal state (getting the state out of welfare provision and income redistribution), which I think of as the quintessentially neoliberal ideas'. See John Williamson, 'Did the Washington consensus fail?', Speech at the Centre for Strategic & International Studies, Washington, DC, 6 November 2002, <<http://www.iie.com/publications/papers/paper.cfm?ResearchID=488>>.
- 87 Robert Wade and Frank Veneroso, 'The Asian crisis: The high debt model versus the Wall Street–Treasury–IMF complex', *New Left Review*, Vol. 228, March/April 1998.
- 88 The phrase 'poverty capital' is from Ananya Roy's *Poverty Capital: Microfinance and the Making of Development* (New York: Routledge, 2010).
- 89 Thomas Friedman, *The Lexus and the Olive Tree: Understanding Globalization* (New York: Anchor Books, 1999).
- 90 World Commission on the Social Dimension of Globalization, *A Fair Globalization: Creating Opportunities for all* (Geneva: International Labour Organization, 2004), cited in David Harvey, *Spaces of Global Capitalism*, p. 42.
- 91 Angus Maddison, *The World Economy: A Millennial Perspective* (Paris: OECD Development Centre, 2001), p. 126 cited in James Crotty, 'Why there is chronic excess capacity', *Challenge*, Vol. 45 (6), November–December 2002, p. 25 who notes that the UN, 'Using a different measurement procedure from Maddison's . . . estimates that world GDP grew at an annual rate of 5.4 per cent in the 1960s, 4.1 per cent in the 1970s, 3 per cent in the 1980s, and 2.3 per cent in the 1990s'.
- 92 Saskia Sassen, 'Too big to save: the end of financial capitalism', *OpenDemocracy*, 1 April 2009, <<http://www.opendemocracy.net/article/too-big-to-save-the-end-of-financial-capitalism-0>>.
- 93 Wayne Ellwood, *The No-Nonsense Guide to Globalization* (London: New Internationalist Publications, 2001), p. 76.
- 94 Pre-crisis, South East Asian countries Thailand, Indonesia, Malaysia, Philippines, South Korea were 'star pupils' of the Washington Consensus. The East Asian financial crash exposed flaws in the promise of neoliberal globalization. The crisis resulted from 'hot money' overinvestment in real estate, which led to panic withdrawal, devaluation of currencies, factory shutdowns and the slashing of public services. The crash pushed 20 million Indonesians into unemployment and haemorrhaged funds out of affected countries. Rather than power or strength, global capital markets here conveyed weakness, panic and volatility, albeit with powerfully devastating social consequences. Crisis capitalism involves the buy-up of assets, commonly by foreigners, at bargain basement prices, as seen in the foreign purchasing of over half of Korean companies and all of its banks. Rudi Dornbusch, a US economist, crowed, 'Korea is now owned and operated by our Treasury'. See 'Asian crisis spurs search for new global rules', *Economic Justice Report*, July 1998, cited in Wayne Ellwood, *The No-Nonsense Guide to Globalization*, p. 89.
- 95 David Harvey, 'The crises of capitalism', *Lecture at The RSA*, London, 26 April 2010.
- 96 See Dollars & Sense, *Real World Macro*, 18th ed (Cambridge, MA: Dollars & Sense, 2001), Appendix 3; Duncan Green, *Silent Revolution* (London: Cassell, 1995), p. 91 and Appendix A, cited in Minqi Li, 'After neoliberalism: empire, social democracy, or socialism?', *Monthly Review*, Vol. 55 (8), January 2004.
- 97 US Government Accountability Office (GAO), 'Tax administration: comparison of the reported tax liabilities of foreign- and US-controlled corporations, 1998–2005', GAO-08-957, 24 July 2008, <<http://www.gao.gov/products/GAO-08-957>>.
- 98 See Antony Giddens, *The Third Way: The Renewal of Social Democracy* (Cambridge: Polity Press, 1998).

- 99 See John Gray, *False Dawn: The Delusions of Global Capitalism* (London: Granta, 1998); George Soros, *The Crisis of Global Capitalism: Open Society Endangered* (New York: Perseus, 1998); Joseph Stiglitz, *Globalization and Its Discontents* (New York: W. W. Norton, 2002).
- 100 Jacques B. G  linas, *Juggernaut Politics: Understanding Predatory Globalization*, trans. Raymond Rabitaille (London: Zed Books, 2003), p. 216.
- 101 Jason W. Moore, 'Wall Street is a way of organizing nature: interview', *Upping the Anti: A Journal of Theory and Action*, no. 12, May 2011, p. 48. See also Jason W. Moore, 'The end of cheap nature'.
- 102 Jason W. Moore, 'The end of cheap nature', p. 308.
- 103 Shimshon Bichler and Jonathan Nitzan, 'The asymptotes of power', p. 27.
- 104 Shimshon Bichler and, Jonathan Nitzan, 'Can capitalists afford recovery? Economic policy when capital is power', Working Papers on Capital as Power, October 2013/01, p. 29.
- 105 Lester Salamon, 'The global associational revolution: the rise of the third sector on the world scene', *Occasional Paper 15*, Institute for Policy Studies (Baltimore, MD: Johns Hopkins University), 1993, p. 114.
- 106 John Clark points to Greenpeace's UK membership rising to a third of a million in 1990, in contrast with Labour's membership of 280,000, for example. John Clark, *Worlds Apart: Civil Society and the Battle for Ethical Globalization* (London: Earthscan, 2003), p. 71.
- 107 In the last hundred years, there has been a two hundred-fold increase in civil society organizations operating on a world scale. (John Keane, 'Global Civil Society?', p. 26.) The Union of International Associations in Brussels estimates that currently there are about 25,000 international organizations. Some have had long continuous histories, such as the International Typographical Union, established in 1852, or the International Committee of the Red Cross, established in 1863 (John Clark, *Worlds Apart*, p. 97). Civil societies in both the 'East' and 'West' have a long lineage that goes back before the nation-state. The historical lens through which an emergent Global Civil Society is apprehended is undoubtedly a Eurocentric one. Global Civil Society institutions are concentrated in North-Western Europe. See Helmut Anheier, Marlies Glasius and Mary Kaldor, 'Introducing Global Civil Society' in (Eds.), *Global Civil Society 2001* (Oxford: Oxford University Press, 2001), p. 7.
- 108 Helmut Anheier et al., 'Introducing global civil society', p. 17.
- 109 John Keane, 'Global civil society?' in Helmut Anheier, Marlies Glasius and, Mary Kaldor (Eds.), *Global Civil Society 2001* (Oxford: Oxford University Press, 2001), Chapter 2, p. 20.
- 110 Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon and Schuster, 2000), p. 19.
- 111 See Robert Putnam, 'The prosperous community: social capital and public life', *American Prospect*, 21 March 1993.
- 112 Ben Fine, *Theories of Social Capital, Researchers Behaving Badly* (London: Pluto, 2010).
- 113 Katharine N. Rankin, 'Social capital, microfinance, and the politics of development', *Journal of Feminist Economics*, Vol. 8 (1), 2002, p. 10.
- 114 Tina Wallace, 'NGO dilemmas: Trojan horses for global neoliberalism?', *Socialist Register*, Vol. 40, 2003, pp. 202–19; Gary Gereffi, Ronie Garcia-Johnson and Erika Sasser, 'The NGO-industrial-complex', *Foreign Policy*, no. 125, July–August 2001, pp. 56–65; Peter Buffett, 'The charitable-industrial complex', *The New York Times*, 26

- July 2013, <<http://www.nytimes.com/2013/07/27/opinion/the-charitable-industrial-complex.html>>.
- 115 Patrick Reinsborough, 'Decolonizing the revolutionary imagination: values crisis, the politics of reality and why there's going to be a common sense revolution in this generation', *Journal of Aesthetics and Protest*, August 2003, Vol. 1 (2), p. 196. Reinsborough is ambivalent about certain NGOs and believes that they are regressive to the goal of social as opposed to concessionary change: 'NGOism views change in reference to existing power relations by accepting a set of rules written by the powerful to ensure the status quo. These rules have already been stacked against social change . . . NGOism institutionalizes the amnesia of the colonized imagination. After all, who needs a social movement when you've got a six-figure advertising budget and "access" to all the decision-makers?'.
- 116 Patrick Reinsborough, 'Decolonizing the revolutionary imagination', p. 198.
- 117 Japhy Wilson, 'The shock of the real: the neoliberal neurosis in the life and times of Jeffrey Sachs', *Antipode*, Vol. 46 (1), January 2014, p. 316. For Wilson, other examples of 'neurotic neoliberals' includes Paul Krugman, Joseph Stiglitz and Nicholas Stern (p. 318, endnote 22).
- 118 *The New York Times*, 28 March 2002, cited in John Clark, *Worlds Apart*, p. 103.
- 119 Oxfam International, *Rigged Rules and Double Standards: Trade, Globalization and the Fight Against Poverty* (Oxford: Oxfam International, 2002).
- 120 Arjun Appadurai, 'Grassroots globalization and the research imagination' in (Ed.) *Globalization* (Durham, NC: Duke University Press, 2001), p. 3.
- 121 Thomas Friedman, *The Lexus and the Olive Tree*, p. 373.
- 122 Peter Ustinov, *Achtung! Vorurteile* (Hoffmann and Campe, 2003). In the original German: 'Der Terrorismus, der im furchtbaren 11. September kulminierte, ist ein Krieg der Armen gegen die Reichen. Der Krieg ist ein Terrorismus der Reichen gegen die Armen' and truncated as: 'Terrorismus ist der Krieg der Armen und der Krieg ist der Terrorismus der Reichen'.
- 123 Francis Fukuyama, 'The end of history?', *The National Interest*, Summer 1989, no. 16, pp. 3–18, subsequently expanded in Francis Fukuyama, *The End of History and the Last Man* (New York: Free Press, [1992] 2006).
- 124 US military spending figures expressed as a percentage of GDP are drawn from Jonathan Nitzan and Shimshon Bichler, 'Cheap wars'; the Budget Authority for National Defence figures (FY 1948–2009) are drawn from the US Department of Defence and Congressional Research Service cited in Travis Sharp, 'Current US defence spending vs. spending since 1948', The Centre for Arms Control and Non-Proliferation, 26 February 2009, <http://armscontrolcenter.org/issues/securityspending/articles/022609_fy10_topline_growth_since48/>.
- 125 Jonathan Nitzan and Shimshon Bichler, 'The scientist and the church', p. 17.
- 126 Chalmers Johnson, 'Why the US has really gone broke', *LeMonde Diplomatique*, February 2008, <<http://mondediplo.com/2008/02/05military>>. On the permanent arms economy in the US see Paul A. Baran and Paul M. Sweezy, *Monopoly Capital* (New York: Monthly Review Press, 1966); M. Kidron, *Western Capitalism Since the War* (London: Weidenfeld & Nicholson, 1968); Harry Magdoff, *The Age of Imperialism: The Economics of U.S. Foreign Policy* (New York: Monthly Review Press, 1969); see also Seymour Melman's body of work which includes *Pentagon Capitalism: The Political Economy of War* (New York: McGraw-Hill, 1970); *The War Economy of the United States: Readings on Military Industry and Economy* (New York: St. Martin's Press, 1971); *The Permanent War Economy: American Capitalism in Decline*

- (New York: Simon and Schuster. [1974] 1985); and 'In the grip of a permanent war economy', *Swans*, 2003, <<http://www.swans.com/library/art9/melman01.html>>; and Mary Kaldor, *New and Old Wars: Organized Violence in a Global Era* (Stanford: Stanford University Press, 1999).
- 127 See Jonathan Nitzan and Shimshon Bichler, 'New imperialism or new capitalism?', pp. 1–86.
- 128 With more than two million of its citizens in prison, the extension of the so-called Patriot Acts, erosion of civil liberties and habeas corpus, as well as race, class, wealth disparities, the public transcript of Empire and its corporatocracy is at sharp odds with reality: 'We don't torture' – torture and extraordinary rendition happens; 'we are democratic' – civil liberties have been at their lowest levels with the effective abolition of Habeas Corpus. This illustrates Hannah Arendt's observation that 'though tyranny, because it needs no consent, may successfully rule over foreign peoples, it can stay in power only if it destroys first of all the national institutions of its own people'. *The Origins of Totalitarianism* (San Diego: Harcourt Brace and Company [1948] 1968), p. 8.
- 129 The US Supreme Court ruling of December 12 2000 in *Bush v Gore* ultimately halted the Florida recount of votes.
- 130 Its figures included Max Shachtman, Sidney Hook, Irving Kristol and Irving Howe. By the end of the Second World War, their radical anti-Stalinism had given way to liberal anti-Communism and clandestine co-operation with the CIA as part of the culture war against the Soviet Union. At the end of the Vietnam War, however, their liberalism was abandoned for 'neo'-conservatism. Second generation neoconservatives included both Jews and Gentiles, including military 'hawks' Dick Cheney and Donald Rumsfeld.
- 131 Andrew Bacevich, *The New American Militarism: How Americans are Seduced by War* (Oxford: Oxford University Press, 2005), pp. 73–8. These propositions are based on Bacevich's reading of Podhoretz. See Norman Podhoretz, 'Making the world safe for communism,' *Commentary*, April 1976; *Breaking Ranks: A Political Memoir* (New York: HarperCollins Publishers, 1979); 'The neo-conservative anguish over Reagan's foreign policy', *The New York Times Magazine*, 2 May 1982; and 'Appeasement by any other name', *Commentary*, July 1983.
- 132 Institute for Advanced Strategic and Political Studies (IASPS), 'Coping with crumbling states: a western and Israeli balance of power strategy for the Levant', 1996, <<http://www.iasps.org/strat2.htm>>.
- 133 I refer specifically to the Office of Special Plans (OSP), a shadow ad hoc agency for Iraq war planning created by Donald Rumsfeld, Paul Wolfowitz and Douglas Feith. It was a conduit to the White House that operated outside official intelligence channels and provided the Bush administration with alarmist reports on Saddam Hussein's administration in Iraq. It had close ties to a parallel intelligence operation inside Ariel Sharon's office in Israel. See Julian Borger, 'The spies who pushed for war', *The Guardian*, 17 July 2003, <<http://www.guardian.co.uk/world/2003/jul/17/iraq.usa>> and Sourcewatch, 'Office of Special Plans', accessed at <http://www.sourcewatch.org/index.php?title=Office_of_Special_Plans>.
- 134 PNAC, 'Rebuilding America's defences: strategies, forces and resources for a new century', *Project for a New American Century*, September 2000, <<http://www.newamericancentury.org/RebuildingAmericasDefenses.pdf>>, pp. 50–1.
- 135 See Ray McGovern interviewed by Amy Goodman, "The crazies are back": Bush Senior's CIA briefer discusses how Wolfowitz and Allies falsely led the US to war',

- Democracy Now!*, 17 September 2003, <http://www.democracynow.org/2003/9/17/the_crazies_are_back_bush_sr>.
- 136 The neoconservatives' unwillingness to separate sectional Israeli interests from US interests eventually led to non-Jewish neoconservatives such as Daniel Patrick Moynihan and Francis Fukuyama to defect. Fukuyama would go on to write *After the Neocons* (London: Profile Books, 2006).
- 137 George W. Bush, 'The national security strategy of the United States of America', 17 September 2002, published at <http://www.whitehouse.gov/nsc/nss.html> (active for then current year 2002–3 only, not archived at that link) and accessed at <<http://www.informationclearinghouse.info/article2320.htm>>.
- 138 Derek Gregory, *The Colonial Present* (Malden, MA: Blackwell, 2004).
- 139 See The Economist, 'Iraq's oil: don't mention the o-word', 12 September 2002; Steve Schifferes, 'War in Iraq and the economy', *BBC News*, 8 November 2002; Anthony Sampson, 'Oilmen don't want another Suez', *The Observer*, 22 December 2002; Maureen Lorenzetti, 'A risky business', *Oil & Gas Journal*, 21 October 2002; Editorial, 'Oil, war, and Iraq', *Oil & Gas Journal*, 17 February 2003.
- 140 The role of the Israel Lobby in the US, unlike the far better documented role of the military industry lobby, is a large lacuna in many accounts of US hegemony and imperial designs, mitigated in part by the publication of John Mearsheimer and Stephen Walt's *The Israel Lobby and US Foreign Policy* (New York: Farrar, Straus and Giroux, 2008). See also Paul Findley, *They Dare to Speak Out: People and Institutions Confront Israel's Lobby*, 3rd ed (Chicago: Lawrence Hill, 1993).
- 141 See for example David Harvey who argues that the control of Iraqi oil was a means to arrest US hegemonic decline, and Neil Smith who marshals it in his Empire argument in *The Endgame of Globalization* (New York: Routledge, 2005). In contrast, Derek Gregory's *The Colonial Present* evinces a greater awareness of the role played by the Israeli regime.
- 142 George Bush Senior, James Baker and Lawrence Eagleberger saw the invasion as undermining US strategic interests. See Michael Lind, 'How neoconservatives conquered Washington – and launched a war', *Antiwar.com*, 10 April 2003, <<http://www.antiwar.com/orig/lind1.html>>. The 'Salvador Option' involves, in this case, using ethnic and sectarian death squads who have been US (and Israeli- and UK-) trained against recalcitrant communities, which has contributed to fomenting a civil war in Iraq. In January 2005, Newsweek reported the Salvador Option was being considered by the Bush Administration (Michael Hirsh and John Barry, "'The Salvador Option': The Pentagon may put special-forces-led assassination or kidnapping teams in Iraq', *Newsweek*, 5 January 2005). See also Tom Gibb, "'Salvador Option" mooted for Iraq', *BBC*, 27 January 2005; John Pilger, 'The Salvador Option has been invoked in Iraq', *New Statesman* and *John Pilger.com*, 4 May 2006; Ali Al-Fadhily and Dahr Jamail, 'Government death squads ravaging Baghdad', *InterPress Service*, 19 October 2006; *The Washington Post*, 'Editorial: Iraq's death squads', 4 December 2005; Julian Borger, 'Israel trains US assassination squads in Iraq', *The Guardian*, 9 December 2003; Dahr Jamail, 'Negroponte's 'serious setback'', *Truthout*, 3 March 2006; David Batty and Jamie Doward, 'Iraq war logs: UN calls on Obama to investigate human rights abuses', *The Guardian*, 23 October 2010. In contrast, there is little evidence that the oil establishment ever lobbied for invasion. Notably, James Baker co-chaired the Iraq Study Group (ISG), which recommended a phased US military withdrawal from Iraq. See James A. Baker and Lee H. Hamilton (co-chairs), *The Iraq Study Group Report*, December 2006.

- 143 See Stephen Holmes, 'Free-Marketeering', *London Review of Books*, 8 May 2008, <<http://www.lrb.co.uk/v30/n09/stephen-holmes/free-marketeering>> for a review of Klein's *The Shock Doctrine*. See also Alexander Cockburn, 'On Naomi Klein's "The shock doctrine"', *Counterpunch*, 22 September 2007, <<http://www.counterpunch.org/cockburn09222007.html>>.
- 144 Stephen Holmes, 'Free-marketeering', *London Review of Books*, 8 May 2008. As Holmes goes on to note, 'the single most profitable event' in the history of Halliburton was the Iraq war, in which Dick Cheney, former CEO, still retains stock options.
- 145 Arundhati Roy, 'Peace and the new corporate liberation theology', Sydney Peace Prize Address, 4 November 2004, accessed at <<http://peoplesgeography.com/2004/11/04/arundhati-roy-peace-prize-lecture-transcript/>>.
- 146 Sidney Blumenthal, *The Rise of the Counter-Establishment* (New York: Sterling, [1986], 2008), Chapter 3 and 4.
- 147 Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (London: Penguin, 2007).
- 148 The propagation of humanitarian intervention helped the neoconservatives present themselves as idealists rather than as cynical realpolitikers. For more on humanitarian intervention as humanitarian imperialism, see Jean Bricmont, *Humanitarian Imperialism: Using Human Rights to Sell War* (New York: Monthly Review Press, 2006).
- 149 Their support for Bush's pre-emptive war makes more sense, Judt writes, 'when one recalls their backing for Israel: a country which for fifty years has rested its entire national strategy on preventive wars, disproportionate retaliation, and efforts to redesign the map of the whole Middle East'. Tony Judt, 'Bush's useful idiots: on the strange death of liberal America', *London Review of Books*, Vol. 28 (18), 21 September 2006, pp. 3–5. Elsewhere Judt notes: 'neoconservatives culpably overestimated America's capacity to dominate the actual world . . . almost no one in these circles had any military experience, so there was a natural disposition to exaggerate the scope for military action and minimize its risks'. Tony Judt, 'Dreams of Empire', *New York Review of Books*, Vol. 51 (17), 4 November 2004, <<http://www.nybooks.com/articles/archives/2004/nov/04/dreams-of-empire/>>.
- 150 This is my own term and should not be confused with the 'neo-neo' debate in International Relations theory between the neorealists and neoliberal approaches.
- 151 David Harvey, *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2005), pp. 81–6.
- 152 National Security Council Report 68 (NSC–68) was a classified report issued by the United States National Security Council in April 1950 during the presidency of Harry S. Truman. It became a blueprint for US foreign policy in the Cold War for the next 20 years and shaped the US as a National Security State. It signalled a shift in US foreign policy to a comprehensive containment strategy that involved both covert and overt financial, economic, political, and military warfare, underpinned by huge increases in military expenditure. Domestically, it called for US military preparedness to be placed on a perpetual wartime footing. The original document can be accessed at <<http://www.fas.org/irp/offdocs/nsc-hst/nsc-68.htm>>.
- 153 See Ann Markusen, Peter Hall, Scott Campbell and Sabina Deitrick, *The Rise of the Gunbelt: The Military Remapping of Industrial America* (New York: Oxford University Press, 1992). Identified as a crescent stretching from Washington state through to California, the south-west desert states, Texas and the Great Plains, Florida and up the east coast to New England, the US 'gunbelt' is defined as communities whose economies are dependent upon military industries.

- 154 Stuart Corbridge, 'Bearing witness: the global spigot, American empire and the colonial present', *Geopolitics*, Vol. 11 (1), 2006, p. 165.
- 155 Gary Stoller, 'Homeland security generates multibillion dollar business', *USA Today*, 10 September 2006, <http://usatoday30.usatoday.com/money/industries/2006-09-10-security-industry_x.htm?csp=34>.
- 156 See Nick Turse, 'War's shopping cart', *LA Times*, 9 May 2008, accessed at <http://www.nickturse.com/articles/misc_shoppingcart.html>. See also his *The Complex: How the Military Invades our Everyday Lives* (New York: Metropolitan, 2008).
- 157 Paul Harris, 'How US merchants of fear sparked a \$130bn bonanza', *The Observer*, 10 September 2006, <<http://www.guardian.co.uk/world/2006/sep/10/september11.usa>>.
- 158 Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon & Schuster, 1996), p. 51. Critiquing Huntington's highly flawed and problematic book of a 'clash of civilizations' is outside the scope of my book but this quote is probably one of the few assertions from Huntington with which I would agree. Significantly, in the 1960s Huntington advocated an authoritarian rather than democratic path to economic development – see *Political Order in Changing Societies* (New Haven, CT: Yale University Press, 1968). In the 1970s he co-authored with Michel Crozier and Joji Watanuki, *Crisis of Democracy: On the Governability of Democracies* (New York: New York University Press, 1975) in which he argued that an excess of democracy was a disease of the US body politic, producing a 'democratic distemper' partly as a result of 1960s civil right and students movements. This endangered US projection of global power as the manifestations of the 'distemper' could 'have already stimulated uncertainty among allies and could well stimulate adventurism among enemies' (p. 106).
- 159 Michael Parenti, 'What do Empires do?', Michael Parenti website, 2010, <<http://www.michaelparenti.org/WhatDoEmpiresDo.html>>.
- 160 Benedict Brogan, 'It's time to celebrate the Empire, says Brown', *Daily Mail*, 15 January 2005, <<http://www.dailymail.co.uk/news/article-334208/Its-time-celebrate-Empire-says-Brown.html>>.
- 161 The work of the Monopoly Capital school (Baran and Sweezy, Kalecki, Magdoff) is cited earlier; for Hobson, Hilferding, Luxemburg, Kautsky, and Lenin see John A. Hobson, *Imperialism: A Study* (New York: James Pott and Co., 1902), <<http://www.econlib.org/library/YPDBooks/Hobson/hbsnImpCover.html>>; Rudolf Hilferding, *Finance Capital: A Study of the Latest Phase of Capitalist Development*, Ed. Tom Bottomore (London: Routledge & Kegan Paul, [1910] 1981); Karl Kautsky, 'Der imperialismus'. In: *Die Neue Zeit*, 32 (1914), Vol. 2, pp. 908–22; Karl Kautsky, 'Imperialism and the war', trans. William E. Bohn, *International Socialist Review* [Chicago] 15 (1914), <<http://www.marxists.org/archive/kautsky/1914/09/war.htm>>; V. I. Lenin, *Imperialism: The Highest Stage of Capitalism* (New York: International Publishers, [1916] 1997); Rosa Luxemburg, *The Accumulation of Capital: A Contribution to an Economic Explanation of Imperialism*, Ed. W. Stark (London, Routledge and Kegan Paul [1913] 1951).
- 162 John A. Hobson, *Imperialism: A Study* (New York: James Pott and Co., 1902), Part I, Chapter VII, section 23.
- 163 United States Department of State Policy Planning Staff, Policy Planning Study 23, *Foreign Relations of the United States 1948*, Vol. 1, Part 2 (Washington DC: Government Printing Office, 1976), pp. 524, section VII. Also known as Memo PPS23, it was written by Kennan on 28 February 1948 and declassified 17 June 1974. To be

fair, Kennan reportedly opposed both the Vietnam and Iraq wars and the totality of his scholarly and policy work is more nuanced than this oft-cited précis. Nevertheless, it is indicative of and relevant to stated US policy and policy recommendations, though it should be read where possible in its entirety and I have endeavoured not to truncate the quote too much. See Gilles d'Aymery for some well-noted caution on its use, 'Context and accuracy: George F. Kennan's famous quotation', *Swans.com*, 28 March 2005, <<http://www.swans.com/library/art11/ga192.html>>.

- 164 See Chalmers Johnson, *The Sorrows of Empire: Militarism, Secrecy, and the End of the Republic* (New York: Metropolitan Books, 2004).
- 165 Beatrix Campbell, 'After neoliberalism: the need for a gender revolution' in Stuart Hall, Doreen Massey and Michael Rustin (Eds.), *After Neoliberalism? The Kilburn Manifesto* (London: Lawrence and Wishart, 2014), <http://www.lwbooks.co.uk/journals/soundings/pdfs/manifesto_gender_revolution.pdf>. See also Shimshon Bichler and Jonathan Nitzan, 'No way out: crime, punishment and the capitalization of power', *Crime, Law and Social Change*, Vol. 61 (3), April 2014, pp. 251–71.
- 166 See Mark Curtis, *Unpeople: Britain's Secret Human Rights Abuses* (London: Vintage, 2004); Giorgio Agamben, *Homo Sacer: Sovereign Power And Bare Life*, trans. by D Heller-Roazen (Stanford: Stanford University Press, 1988) and *État d'exception: Homo Sacer* (Paris: Seuil, 2003).
- 167 Neil Smith, *The Endgame of Globalization*.
- 168 Stuart Corbridge, 'Bearing witness', p. 167.
- 169 Neil Smith, *The Endgame of Globalization*, p. 209.
- 170 Neil Smith, *The Endgame of Globalization*, p. xiv.
- 171 See, for example, Jared Diamond, *Guns, Germs, and Steel: The Fates Of Human Societies* (New York: W. W. Norton & Company, [1999] 2005) and *Collapse: How Societies Choose to Fail or Succeed* (London: Penguin [2005] 2011); Derrick Jensen, *Endgame, Vol. 1: The Problem of Civilization* (New York: Seven Stories Press, 2006); Bill McKibben, *The End of Nature* (New York: Random House, [1989] 2006); William R. Catton, *Overshoot: The Ecological Basis Of Revolutionary Change* (Illini Books/University of Illinois Press, 1982); James Howard Kunstler, *The Long Emergency: Surviving the End of Oil, Climate Change, and Other Converging Catastrophes of the Twenty-First Century* (New York: Grove/Atlantic, 2005); James Lovelock, *The Vanishing Face of Gaia: A Final Warning* (New York: Basic Books, 2009) and Richard Heinberg, *Peak Everything: Waking up to the Century of Declines* (Gabriola Island: New Society Publishers, 2010). There has also been a proliferation of energy and peak oil websites in the past decade. See for example <<http://www.peakoil.net>>; <<http://www.theoildrum.com>> and <<http://jayhanson.us>>.
- 172 Shimshon Bichler and Jonathan Nitzan, 'Systemic fear, modern finance and the future of capitalism'.
- 173 Michael Kalecki, 'Vietnam and US big business' in *The Last Phase in the Transformation of Capitalism* (New York: Modern Reader, 1967), p. 114.
- 174 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', pp. 255–327.
- 175 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', p. 320.
- 176 The 1990s saw a great deal of mergers and rationalization in the US military industry. Currently the world's largest defence company, in 1995 Lockheed merged with Martin Marietta, which also included Martin Marietta's own previous purchases of General Dynamics Space and GE Aerospace in 1993. In 1996 Lockheed Martin also acquired electronics company Loral, who in turn had also previously acquired several

defence companies. The second largest company, Boeing, merged with Rockwell and McDonnell Douglas and Northrop-Grumman is the result of a merger of Northrop, Grumman, Westinghouse and TRW. The three occupy the top three of the Top 100 US Federal Government Contractors, which Lockheed Martin has topped every single year from 2001 to 2012 (the last year accessed at time of printing). For data see <<http://www.fedspending.org>> and select drop down list of Top 100 Contractors by year. See also Sam Perlo-Freeman and Pieter D. Wezeman, 'The SIPRI Top 100 arms-producing and military services companies in the world excluding China, 2012', *SIPRI Fact Sheet*, January 2014, <<http://www.sipri.org/research/armaments/production/Top100>>.

- 177 Jonathan Nitzan and Shimshon Bichler, 'Cheap wars'.
- 178 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', pp. 310–11.
- 179 Jonathan Nitzan and Shimshon Bichler, 'Cheap wars'.
- 180 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', pp. 304–6. As Bichler and Nitzan point out, price is so important that George Bush Senior in 1986 made an emergency trip to Saudi Arabia to persuade the kingdom to cut oil output in order to increase the price of oil. So much for free markets.
- 181 Jonathan Nitzan and Shimshon Bichler, 'Cheap wars'.
- 182 Shimshon Bichler and Jonathan Nitzan, 'Dominant capital and the new wars', p. 258.
- 183 Cited in Jack Metzgar, 'Would wage concessions help the steel industry?', *Labor Research Review*, Vol. 1 (2), Article 8, p. 26, <<http://digitalcommons.ilr.cornell.edu/lrr/vol1/iss2/8/>>.
- 184 Karl Marx, *Capital*, volume 1, Chapter 24, section 3, <<https://www.marxists.org/archive/marx/works/1867-c1/ch24.htm>>.
- 185 'Compensating for anaemic rates of return in production by the construction of whole series of asset market bubbles, all of which had a Ponzi character', Harvey continues, 'culminating in the property bubble that burst in 2007–8'. David Harvey, 'Organizing for the anti-capitalist transition', Talk given at the World Social Forum 2010, Porto Alegre and published in *Interface*, Vol. 2 (1), May 2010.
- 186 In the US, the breakthrough case for corporate capital came in *Marquette National Bank vs. First of Omaha Service Corp.*, with a 1978 Supreme Court opinion effectively abolishing anti-usury legal protections with no real caps on what the big national banks could charge credit-card holders. See Thomas Geoghegan, 'Infinite debt: how unlimited interest rates destroyed the economy', *Harpers*, April 2009, <<http://www.harpers.org/archive/2009/04/0082450>>.
- 187 Thomas Geoghegan, 'Infinite debt'.
- 188 Larry Lohmann, 'When markets are poison: learning about climate policy from the financial crisis', *The Corner House Briefing*, 40, September 2009, p. 19.
- 189 Gillian Tett, 'Lost through destructive creation', *Financial Times*, 9 March 2009.
- 190 Securities Industry and Financial Markets Association (SIFMA), the American Securitization Forum (ASF), the European Securitization Forum (ESF), and the Australian Securitization Forum (AuSF) and McKinsey & Company, 'Restoring Confidence in the Securitization Markets', 15 October 2008, pp. 3–4, cited in Shimshon Bichler and Jonathan Nitzan, 'Contours of crisis: plus ça change, plus c'est pareil?'.
- 191 Saskia Sassen, 'Too big to save: the end of financial capitalism'.
- 192 McKinsey Global Institute, 'Mapping global capital markets: fifth annual report', October 2008, <http://www.mckinsey.com/mgi/reports/pdfs/fifth_annual_report/fifth_annual_report.pdf>, p. 8.

- 193 Wayne Ellwood, *The No-Nonsense Guide to Globalization*, p. 72.
- 194 McKinsey Global Institute, 'Mapping global capital markets: fifth annual report', October 2008, <http://www.mckinsey.com/mgi/reports/pdfs/fifth_annual_report/fifth_annual_report.pdf>.
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- 196 Shimshon Bichler and Jonathan Nitzan, 'The asymptotes of power', p. 48.
- 197 Saskia Sassen, 'Too big to save'.
- 198 A striking number of the same US Democratic administration economic advisors who dismantled Roosevelt's reins on the financial system during the Clinton era are also in the Obama administration, such as Timothy Geithner and Larry Summers.
- 199 Paul M. Sweezy, 'The triumph of financial capital', *Monthly Review*, June 1994, online at <<http://monthlyreview.org/940600sweezy.php>>. The work of Paul Baran, Paul Sweezy and Harry Magdoff focused on the growth of finance relatively early. See Paul A. Baran and Paul M. Sweezy, *Monopoly Capital* (New York: Monthly Review Press, 1966); Harry Magdoff and Paul M. Sweezy, *The Dynamics of US Capitalism* (New York: Monthly Review Press, 1972); Harry Magdoff and Paul M. Sweezy, *Stagnation and the Financial Explosion* (New York: Monthly Review Press, 1987). See also Giovanni Arrighi, *The Long Twentieth Century* and Giovanni Arrighi, Beverly J. Silver, Iftikḥār Aḥmad, *Chaos and Governance in the Modern World System* (Minneapolis: University of Minnesota Press, 1999).
- 200 Gillian Tett, 'Lost through destructive creation'.
- 201 John Quiggan, *Zombie Economics: How Dead Ideas Still Walk Among Us* (Princeton: Princeton University Press, 2010); Jamie Peck, 'Zombie neoliberalism and the ambidextrous state', *Theoretical Criminology*, Vol. 14, 2010, p. 109.
- 202 Jamie Peck, 'Austerity urbanism: American cities under extreme economy', *City*, Vol. 16 (6), 2012, pp. 626–55.
- 203 James C. Scott, *Two Cheers for Anarchism: Six Easy Pieces on Autonomy, Dignity and Meaningful Work and Play* (Princeton: Princeton University Press, 2012), p. 119.
- 204 Gillian Tett, 'Lost through destructive creation'.
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- amanmadefamine> and 'Food rebellions: mozambicans know which way the wind blows', 4 September 2010, <<http://rajpatel.org/2010/09/04/food-rebellions-mozambicans-know-which-way-the-wind-blows>>; Johann Hari, 'How Goldman gambled on starvation', *The Independent*, 2 July 2010, <<http://www.independent.co.uk/opinion/commentators/johann-hari/johann-hari-how-goldman-gambled-on-starvation-2016088.html>>; World Development Movement web site, 'Food speculation: briefings and reports', <<http://www.wdm.org.uk/stop-bankers-betting-food-and-causing-hunger/briefings-and-reports>>.
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- 214 Andrew Ross Sorkin and Vikas Bijaj, 'Shift for Goldman and Morgan marks the end of an era', *The New York Times*, 21 September 2008, <<http://www.nytimes.com/2008/09/22/business/22bank.html>>.
- 215 Matt Taibbi, 'Wall Street's bailout hustle', *Rolling Stone*, 4 March 2010. Elsewhere, Taibbi writes, 'And after all that effort by the state to buy back these phony assets so the thieves could all stay in business and keep their bonuses, what did the banks do? They put their foot on the foreclosure gas pedal and stepped up the effort to kick people out of their homes as fast as possible, before the world caught on to how these loans were made in the first place . . . When you meet people who are losing their homes in this foreclosure crisis, they almost all have the same look of deep shame and anguish. Nowhere else on the planet is it such a crime to be down on your luck, even if you were put there by some of the world's richest banks, which continue to rake in record profits purely because they got a big fat handout from the government. That's why one banker CEO after another keeps going on TV to explain that despite their own deceptive loans and fraudulent paperwork, the real problem is these deadbeat homeowners who won't pay their fucking bills. And that's why most people in this country are so ready to buy that explanation. Because in America, it's far more shameful to owe money than it is to steal it'. Matt Taibbi, 'Courts helping banks screw over homeowners: retired judges are rushing through complex cases to speed foreclosures in Florida', *Rolling Stone*, 25 November 2010.
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- 218 Saskia Sassen, 'Too big to save'.
- 219 Saskia Sassen, 'Too big to save'.
- 220 Nitzan and Bichler, 'Contours of crisis: plus ça change, plus c'est pareil?'
- 221 Raj Patel, 'The value of nothing' excerpted in 'Capitalism overload and the value of nothing', *National Public Radio website*, 4 January 2010, <<http://www.npr.org/templates/story/story.php?storyId=122125016>>.
- 222 Shimshon Bichler and Jonathan Nitzan, 'How capitalists learned to stop worrying and love the crisis'.
- 223 Michael Hudson, 'Why the US has launched a new financial world war – and how the rest of the world will fight back', *Counterpunch*, 11 October 2010, <<http://www.counterpunch.org/hudson10112010.html>>.

- 224 Richard Portes, 'Currency wars and the emerging-market countries', *VOX*, 4 November 2010, <<http://www.voxeu.org/index.php?q=node/5740>>. An MGI discussion paper questions this, finding that in 2007–8, the United States economy gained a net benefit of 'only' \$40 to \$70 billion from its reserve currency status, or between 0.3 to 0.5 per cent of US GDP. See McKinsey Global Institute, 'An exorbitant privilege? Implications of reserve currencies for competitiveness', December 2009, <http://www.mckinsey.com/mgi/publications/reserve_currencies/index.asp>.
- 225 Michael Hudson, 'Why the US has launched a new financial world war – and how the rest of the world will fight back', *Counterpunch*, 11 October 2010, <<http://www.counterpunch.org/hudson10112010.html>>.
- 226 David Harvey, *The Enigma of Capital*, p. 147.
- 227 David Harvey, *The Enigma of Capital*, p. 36. Also illustrative of the fact is the number of corporations each country has in the 'Fortune 500' or alternatively the *Financial Times* (London) FT Global 500: the US has in the past had almost twice as many as its each next rival and is still currently well ahead of the next country, China. The 2013 top 10 list by country and number of Fortune 500 companies are: (1) USA: 132; (2) China: 89; (3) Japan: 62; (4) UK: 37; (5) France: 31; (6) Germany: 29; (7) Netherlands: 22; (8): Switzerland 14; (9) South Korea: 14; (10) Canada: 9. See <<http://fortune.com/global500/>>.
- 228 Sean Starrs, 'American economic power hasn't declined – it globalized! Summoning the data and taking globalization seriously', *International Studies Quarterly*, Vol. 57 (4), December 2013, p. 827.
- 229 Sean Starrs, 'American economic power hasn't declined – it globalized!', p. 825 and 823.
- 230 Sean Starrs, 'American economic power hasn't declined – it globalized!'.
- 231 Michael Hudson, 'Why the US has launched a new financial world war'.
- 232 See for example Miguel Otero-Iglesias and Federico Steinberg, 'Is the dollar becoming a negotiated currency? Evidence from the emerging markets', *New Political Economy*, Vol. 18 (3), pp. 309–16. See also Andrew Walker, 'BRICS: building a new development bank', *BBC*, 11 July 2014, <<http://www.bbc.com/news/business-28255127>>.
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- 237 Michael Hudson, 'Why the US has launched a new financial world war'.
- 238 Sean Starrs, 'American economic power hasn't declined – it globalized!', p. 823.
- 239 Michael Beckley, 'China's century?: why America's edge will endure', *International Security*, Vol. 36 (3), 2011, p. 43.
- 240 The Economist, 'The end of cheap China: what do soaring Chinese wages mean for global manufacturing?', 10 March 2012, <<http://www.economist.com/node/21549956>>; Vikas Bajaj, 'Bangladesh, with low pay, moves in on China', *The New York Times*, 16 July 2010, <<http://www.nytimes.com/2010/07/17/business/global/17textile.html>>; *The Economist*, 'The boomerang effect: as Chinese wages rise, some production is moving back to the rich world', 21 April 2012, <<http://www.economist.com/node/21552898>>.
- 241 Geoghegan laments: 'Many Americans think that we've got a trade deficit because we can't compete with China. We've got a trade deficit because we can't compete with Germany in selling things to China . . . Countries like Germany do both capitalism and socialism better than we do'. See Terrence McNally interviewing Thomas Geoghegan, 'Why Germany has it so good – and why America is going down the drain', *AlterNet*, 14 October 2010, <<http://www.alternet.org/story/148501/>>.
- 242 BBC, 'Rich Germans demand higher taxes', 23 October 2009, <<http://news.bbc.co.uk/2/hi/europe/8321967.stm>>.
- 243 See Manuel Castells, *The Urban Question: A Marxist Approach*, trans. Alan Sheridan (London, Edward Arnold, [1972] 1977).
- 244 See Terrence McNally interviewing Thomas Geoghegan, 'Why Germany has it so good'. Of the countries currently in financial trouble, Ireland is officially neutral, although the Irish government allowed the passage of over 100,000 heavily armed US troops in the preparation for and the conduct of the US-led war against Iraq, and use of Irish airports and Shannon airport in southern Ireland, for example, has been used for at least a decade to refuel US war planes.
- 245 Harvey, *The Enigma of Capital*, p. 217.
- 246 McKinsey Global Institute, 'Mapping global capital markets', p. 14.
- 247 McKinsey Global Institute, 'Mapping global capital markets', p. 19.
- 248 McKinsey Global Institute, 'Global capital markets', p. 30.
- 249 ATTAC in French stands for Association pur la Taxation des Transactions financiers pour l'Aide aux Citoyens or Association for the Taxation of Financial Transactions to Aid Citizens. It was formed in France in June 1998 and is now in thirty countries, with 30,000 members in France alone. Thomas Piketty also suggests a global wealth tax that he deems 'utopian'. See *Capital in the Twenty-First Century: The Dynamics of Inequality, Wealth, and Growth*, trans. Arthur Goldhammer (Cambridge, MA: Belknap Press of Harvard University Press, 2014).
- 250 Jason W. Moore, 'The end of cheap nature', p. 290.
- 251 Jamie Swift, *Civil Society in Question* (Toronto, Ontario: Between the Lines with South Asia Partnership Canada, 1999), p. 62.
- 252 See editorials that appeared in the *The New York Times* and *The Washington Post* on 17 November 1993 and 16 November 1993 respectively. The North American Free Trade Association (NAFTA) treaty was enacted on 1 January 1994, the same day as the Zapatista rebellion in Chiapas, southern Mexico. The strident promotion of NAFTA by major corporate lobbies, for example, involved the mainstream corporatist media, with the aforementioned editorials not only extolling the virtues of NAFTA but also declaring that those not embracing it would be abdicating the US's historic role

in spearheading international liberalization and peace! According to the way NAFTA is promulgated, rejecting it would represent a backward step into isolationism and the US national interest was best served by 'national internationalism' – an update of the dictum 'What is good for General Motors is good for America'. This contrasts with vigorous opposition from anti-NAFTA coalitions united in support of a more participatory decision-making process about the global trade regime. These groups of students, environmentalists, labour unions, and other community groups advocated not protectionism as much as greater participation and consultation, in solidarity and horizontal networking with their counterparts in Canada and Mexico, hardly 'isolationist'.

- 253 Shimshon Bichler and Jonathan Nitzan, 'The asymptotes of power', p. 20.
- 254 Shimshon Bichler and Jonathan Nitzan, 'The asymptotes of power', p. 23.
- 255 Jason W. Moore, 'The end of cheap nature', p. 301.
- 256 Jason W. Moore, 'The end of cheap nature', p. 308.
- 257 Shimshon Bichler and Jonathan Nitzan, 'The asymptotes of power', p. 43.
- 258 Shimshon Bichler and Jonathan Nitzan, 'The asymptotes of power', pp. 27–8.
- 259 Shimshon Bichler and Jonathan Nitzan, 'The asymptotes of power', pp. 20–1.
- 260 Joseph Stiglitz, 'Of the 1 per cent, by the 1 per cent, for the 1 per cent', *Vanity Fair*, May 2011, <<http://www.vanityfair.com/society/features/2011/05/top-one-percent-201105>>.
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