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The future of global polarization¹

Unequal Development and the Historical Forms of Capitalism

History since Antiquity has been characterized by unequal development of regions. But it is only in the modern era that polarization has become the immanent by product of the integration of the entire planet into the capitalist system.

Modern (capitalist) polarization has appeared in successive forms during the evolution of the capitalist mode of production:

(i) The mercantilist form (1500-1800) before the industrial revolution which was fashioned by the hegemony of merchant capital in the dominant Atlantic centers, and by the creation of the peripheral zones (the Americas) in function of their total compliance with the logic of accumulation of merchant capital.

(ii) The so called classical model which grew out of the industrial revolution and henceforth defined the basic forms of capitalism. In contrast, the peripheries - progressively all of Asia (except for Japan) and Africa, which were added to Latin America – remained rural, non industrialized, and as a result their participation in the world division of labour place via agriculture and mineral production. This important characteristic of polarization was accompanied by a second equally important one: the crystallization of core industrial systems as national auto centred systems which paralleled the construction of the national bourgeois states. Taken together, these two characteristics account for the dominant lines of the ideology of national liberation which was the response to the challenge of polarization: (i) the goal of industrialization as synonym for liberating progress and as a means of “catching up”; (ii) the goal of constructing nation states inspired by the models of those in the core. This is how modernization ideology was conceived. From the industrial revolution (after 1800) up to the end of the Second World War the world system was characterized by this classical form of polarization.

(iii) The post war period (1945-1990) witnessed the progressive erosion of the above two characteristics. It was a period of industrialization of the peripheries – unequal to be sure. It was the dominant factor in Asia and Latin America – with the national liberation movement doing its best to accelerate the process within the peripheral states having recently regained their political autonomy. This period was simultaneously one of the progressive dismantling of autocentric national production systems and their recomposition as constitutive elements of an integrated world production system. This double erosion was the new manifestation of the deepening of globalization.

(iv) The accumulation of these transformations resulted in the collapse of the equilibria characteristic of the post war world system.

This evolution is not leading to a new world order characterized by new forms of polarization, but to “global disorder”. The chaos which confronts us today comes from a triple failure of the system: (i) it has not developed new forms of political and social organization going

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beyond the nation state – a new requirement of the globalized system of production; (ii) it has not developed economic and political relationships capable of reconciling the rise of industrialization in the newly competitive peripheral zones of Asia and Latin America with the pursuit of global growth; (iii) it has not developed a relationship other than an exclusionary one with the African periphery which is not engaged in competitive industrialization. This chaos is visible in all regions of the world and in all facets of the political, social, and ideological crisis. It is at the origin of the difficulties in the construction of Europe and its inability to pursue market integrations and establish parallel integrative political structures. It is the cause of the convulsions in all the peripheries in Eastern Europe, in the old semi industrialized Third World, in the new marginalized fourth world. Far from sustaining the progression of globalization, the current chaos reveals its extreme vulnerability.

(v) The predominance of this chaos should not keep us from thinking about alternative scenarios for a “new world order” even if there are many different possible futures “world orders”. What I am trying to do here is to call attention to questions which have been glossed over by the triumphalism of inevitable globalization at the same time as its precariousness is revealed.

The reader will no doubt have discovered that this analysis of world capitalism is not centred on the question of hegemonies. I do not subscribe to the successive hegemonies school of historiography. The concept of hegemony is often sterile and not scientific because it has been so loosely defined. It does not seem to me that it should be the centre of the debate. I have, in contrast, developed the idea that hegemony is far from the rule; it is rather the exception. The rule being conflict among partners which puts an end to the hegemony. The hegemony of the United States, seemingly in effect today – perhaps by default – is as fragile and precarious as the globalization of the structures through which it operates.

The Present World System and the Five Monopolies of the Centre

In my opinion the debate should start with an in depth discussion of the new features in the world system which are produced by the erosion of the previous one. In my opinion there are two new elements:

(i) The erosion of the autocentred nation state and the subsequent disappearance of the link between the arena of reproduction and accumulation together with the weakening of political and social control which up to now had been defined precisely by the frontiers of this autocentred nation state.

(ii) The erosion of the contrast: industrialized centre/non industrialized peripheral regions, and the emergence of new dimensions of polarization

A country’s position in the world pyramid is defined by its capacity to compete in the world market. Recognizing this truism does not in any way imply sharing the bourgeois economist’s view that this position is achieved as the result of “rational” measures. The said rationality being measured by the standard of the so-called “objective laws of the market”. On the contrary, I think that this competitiveness is a complex product of many economic, political, and social factors. In this unequal fight the centres use what I call their “five monopolies”. These monopolies challenge the totality of social theory. They are:

(i) Technological monopoly: It requires huge expenditures that only a large and wealthy state can envisage. Without the support of the state especially through military spending – something liberal discourse does not mention - most of these monopolies would not last.

(ii) Financial control of world-wide financial markets: These monopolies have an unprecedented efficacy thanks to the liberalization of the rules governing their establishment. Not so long ago the greater part of a nation's savings could circulate only within the arena – largely national – of the financial institutions. To day these savings are handled centrally by institutions whose operations are worldwide. We are talking of finance capital: capital's most globalized component. The logic of this globalization of finance could be called into question by a simple political decision to delink, even if limited to the domain of financial transfers. Moreover I think that the rules governing the free movement of finance capital have broken down. This system had been based on the free floating of currencies on the market (according to the theory that money is merchandise like any other) with the dollar serving de facto as a universal currency. Money as a merchandise theory is unscientific and the position of the dollar is only *faute de mieux*. A national currency cannot fulfil the functions of an international currency unless there is a surplus of exports in the “international currency” country thus underwriting structural adjustment in the other countries. This was the case of Great Britain in the late nineteenth century. This is not the case of the United States today which finances its deficit by imposed borrowing. Nor is this the case for the competitors of the United States: Japan's surplus (that of Germany disappeared after reunification) is not sufficient to meet the financial needs occasioned by the structural adjustment of the others. Under these conditions financial globalization, far from being a “natural” process, is an extremely fragile one. In the short run it leads only to permanent instability and not to the stability necessary for the efficient operation of the processes of adjustment.

(iii) Monopolies of access to the planet's natural resources: The dangers of the reckless exploitation of these resources is now planet-wide. Capitalism, based on short term rationality, cannot overcome these dangers posed by this reckless behaviour, and it therefore reinforces the monopolies of already developed countries. Their concern is simply not to let others be equally irresponsible.

(iv) Media and communication monopolies: They not only lead to uniformity of culture but also open up new means of political manipulation. The expansion of the modern media market is already one of the major components of the erosion of democratic practices in the West itself.

(v) Finally, monopolies of weapons of mass destruction. Held in check by the post war bipolarity, this monopoly is again, as in 1945, the sole domain of the United States. If “proliferation” risks getting out of control it is still the only way of fighting this unacceptable monopoly in the absence of democratic international control.

These five monopolies taken as a whole define the framework within which the law of globalized value operates. The law of value is the condensed expression of all these conditions, hardly the expression of objective “pure” economic rationality. The conditioning of all of these processes annuls the impact of industrialization in the peripheries, devalues their productive work, and overvalues the supposed value added to the activities of the new monopolies from which the centres profit. What results is a new – more unequal than ever before – hierarchy in the distribution of income on a world scale, subordinating the industries of the peripheries and reducing them to subcontracting. This is the new foundation of polarization, presaging its future forms.

An Alternative Humanistic Project of Globalization

In contrast to the dominant ideological discourse, I maintain that “globalization via the market” is a reactionary utopia. We must counter it by developing an alternative humanistic project of globalization consistent with a socialist perspective.

Implied in the realization of such a project is the construction of a global political system which is not in the service of a global market but one which defines its parameters, just as the nation state historically represented the social framework of the national market and not its field of deployment. A global political system would thus have major responsibilities in each of the following four domains:

- (i) The organization of global disarmament at appropriate levels thus liberating humanity from the menace of nuclear and other holocausts.
- (ii) The organization of access to the planet’s resources in an equitable manner so that there would be less and less inequality. There should be a global decision-making process with a valuation (*tarification*) of resources which would make obligatory waste reduction and the distribution of the value and income from these resources. This could also be the beginning of a globalized fiscal system.
- (iii) Negotiating of open, flexible economic relationships between the world’s major regions which are unequally developed. This would reduce progressively the centres’ technological and financial monopolies. This means of course the liquidation of the institutions presently running the global market (the so-called World Bank, the IMF, GATT, etc.) and the creation of other systems for managing the global economy.
- (iv) Starting negotiation for the correct management of the global/national dialectic in the areas of communication, culture, and political policy. This implies the creation of political institutions which would represent social interests operating on a global scale, the beginning of a “world parliament” going beyond interstate mechanisms that exist now.

Obstacles to the Realization of this Project

It is more than evident that current trends are not going in the direction described above and that the humanist objectives are not those being fought about today. I am not surprised. The erosion of the old system of globalization is not able to prepare its own succession and can only lead to chaos. Dominant forces are developing their activities in the framework of these constraints, trying to manoeuvre for short term gain and thereby aggravating the chaos. Their attempt to legitimate their choices by the stale ideology of the “self regulating” market, by affirming that “there is no alternative”, or by pure and simple cynicism, is not the solution but in fact part of the problem. The people’s spontaneous responses to the degradation are not necessarily more helpful. In a time of disarray, illusory solutions such as fundamentalism or chauvinism can be very politically mobilizing. It is up to the left – that is its historic mission – to formulate, in theory and in practice, a humanistic response to the challenge. In its absence and until it is formulated, regressive and criminal scenarios will be the most likely order of the day.

The difficulties confronting the European project today are a good illustration of the impasse of “globalization by market mechanisms”. In the first blush of enthusiasm over the European project no one foresaw these difficulties. Yet they were perfectly predictable by people who never believed that the common market by itself could create Europe. We said that a project as ambitious as this one could not be accomplished without a left capable of making it

socially and culturally progressive. If not, it would remain fragile and the least serious accident would be fatal. It was necessary therefore for the European lefts to make sure that each step of the integration was accompanied by a double series of measures – on the one hand insuring that profits go to the workers thereby reinforcing their social power and their unity; and on the other, beginning the construction of a political system which supersedes the nation state and could be the only unit that can effectively manage an enlarged market. This did not happen. The European project, in the hands of the right was reduced to mercantilist proportions, and the left sooner or later offered its support without imposing any conditions. The result is what we see before us: the economic downturn has put the European partners in an adversarial position. They can only imagine solutions to their problems (notably unemployment) that are at the expense of others, and they don't even have effective tools for doing that. They are increasingly tempted by involutive pullbacks. Even the sincere efforts to avoid such action on the part of French and German politicians on the right and on the left have resulted only in incantation.

Little Europe (the EC) is experiencing problems at the same time as big Europe is giving a new meaning to the challenge. This is an opportunity for the left to rethink the European project as a whole and to begin the construction of a confederal political and economic big Europe that is anchored on the left by a reconstructed and united European labour force. They have missed this opportunity, and, on the contrary, have backed the forces of the right which were in a hurry to profit from the collapse of the Soviet Empire by substituting a wild capitalism. It is obvious that the “Latin Americanization” of Eastern Europe can only weaken the chances of success for a European project anchored on the left, and that can only accentuate the disequilibrium among the Europe of the EC to the benefit of the only partner able to profit from this evolution: reunited Germany.

This crisis of the European project is one of the major challenges confronting the construction of the new globalization. But these inadequate and tragic responses to the challenge of the construction of a renewed global system are not found exclusively in Europe. They are seen throughout the former Third World, especially in regions marginalized by the collapse of the old world order (Sub Sahara Africa and Arabic Islamic areas), and also in the new Third World of the East (as in the ex USSR and ex Yugoslavia), where we see auto destructive involutions rather than valid responses to the challenge.

Possible Future Scenarios and their Inadequacy

Given this background, there are few realistic scenarios which can be proposed. I will examine several of them and show that they do not reply to the exigencies of the construction of an acceptable and stable world order. They therefore do not provide an exit from chaos.

The European question is at the centre of theorizing about the future of globalization. With the breakdown of the European project and the threat of disintegration, forces faithful to the European idea could find it useful and possible to regroup at their “second best” position, that is, a German Europe. There is reason to believe that in this scenario the British ship would sail close to American shores, keeping its distance from “continental Europe”. We have already started down this path and some have even legitimated this choice by giving priority to the “neutral management of money” (a technocratic concept based on ignorance of the political meaning of money management), and conferring it (where else?) to the Bundesbank! I do not believe that this caricature of the original European project can be truly stable, for neither Russia nor France will accept the erosion of their positions which it implies.

To make matters worse, the preferential position of the United States is not challenged by the scenario of Germany's going it alone or of a German Europe. Nor is it clear that there is anything in this project that could challenge America in any of the areas of the five monopolies discussed above. A German Europe would remain within the American orbit.

There is a second scenario – for lack of an alternative – a second edition of “American hegemony”. There are many variations. The most likely one is a “sharing of the burden” associated with neo-imperialist regionalization: hitching Latin America to the US wagon and Africa to the German-European one (with crumbs for France), but not the Gulf oil region and the “common market of the Middle East”, which would remain the domain of the United States. The American presence is felt by the military occupation of the Gulf and indirectly by the alliance with Israel. And, one can say, by the symmetry of leaving southern Asia to Japanese expansion. But there is no equality implied in this division among the three centers discussed above: the United States retains its privileged position. Here too I do not believe that neo-imperialist options of this type guarantee the stability of the system. They will be disputed here and there by revolts in Latin America, Asia and Africa.

We should therefore focus our attention on Asia, which has been largely outside the Euro-American conflict. It has often been observed that Asia – from Japan to Communist China, to Korea, and to a lesser degree to certain countries of Southeast Asia (Singapore, Thailand and Malaysia) and even India – has not been affected by crisis and these countries have registered successes in terms of growth and efficiency (measured by competitively on the world market). One can not quickly jump ahead and say that Asia will be the locus of the next hegemony. Asia, in this globalizing concept, is more than half the world's population! This population is divided among distinct states. In the place of a vague concept of hegemony one could substitute one of an Asia becoming the principal region of capitalist accumulation. It remains to be described in detail how this is occurring: the articulation between the different nations, and between them and the rest of the world. There are variants of the model. The easiest to imagine – the domination of Japanese imperialism in the region – is, in my opinion, the least plausible. Admirers of Japan's recent success too often underestimate Japan's vulnerability. It is because of this weakness that Japan remains tied to the US. It is not seriously probable that China, or even Korea, would accept being subordinated to Japan. Under these conditions the maintenance of an inter Asia equilibrium would depend on forces external to the region and here again only the United States is a candidate for this role, which would prolong its primacy on the world scene.

Nonetheless it is highly probable that the positions of these Asia countries will be reinforced within world system. How will the United States react to this? All strategies of alliances will, in my opinion, revolve around this question. It goes almost without saying that the development of China threatens all global equilibria. And that is why the United States will feel threatened by its development. In my opinion the United States and China will be the major antagonists in a future conflict. What will Europe's attitude be? It is hard to tell today.

Renewing a Perspective of Global Socialism

Current developments suggest different possible scenarios, none of which question the cause of “North-South” polarization. The commanding logic of the capitalist system perpetuates the centre/periphery polarization. Its modes of operation are ever renewed and will in the future be founded on the five monopolies around which I constructed my argument.

One could say that there is nothing new in this view because polarization is almost part of the natural order of things. I do not conclude on this note precisely because this is what has changed over the last five centuries: peoples peripheralized by capitalist world expansion, who seemed for a long time to accept their fate, have over the past 50 years not been accepting it any longer and will refuse it more and more in the future. The positive aspect of the universalization which capitalism inaugurated – and which can't get beyond its present truncated version – is the worm in the fruit. The Russian and Chinese revolutions began the attempt to go beyond the system on the basis of the revolts of peripheral peoples – and this will be continued in new versions. The final explanation for the instability of the “world systems” in progress is found here. Of course the conflicts that will occupy the forefront of the stage in the future will, as always, not all be of equal importance. I would intuitively give determining priority to future conflicts opposing the peoples of Asia and the dominant system. This does not mean others won't participate in this generalised revolt against polarization, just as it does not mean that transformations and progress won't emanate from the very centers of the system. I have written elsewhere about this aspect of the problematic of the socialist transformation of the world and I won't go into it here.

This does not exclude failure, dramatic ones when people resolutely refuse a universalist perspective. I have also written about this elsewhere.

A humanistic response to the challenge of globalization inaugurated by capitalist expansion may be idealistic but it is not utopian. On the contrary, it is the only realistic project possible. Let us just begin to develop it and powerful social forces will rally to it from all regions of the world.

This is the way to renew the perspective of global socialism. In preparation, ideological and political forces must regroup in order to be capable of combating the five monopolies which reproduce capitalism. This combat will create conditions for “mutual adjustment”.

In this struggle we have to reconsider fundamental questions on the ideological cultural front: (i) the universal/particular dialectic; (ii) the relationship between political democracy and social progress; (iii) the dialectic of so-called economic efficiency (and the ways it is expressed: the “market”) and values of equality and fraternity; (iv) the definition of a global socialist objective in the light of all the above.

On the political front we have to develop world organizational which are more authentically democratic so as to be capable of reshaping economic relations on the basis of less and less inequality. In this perspective it seems to me that high priority should be given to reorganize the global system on the basis of large regions which would group together scattered parts of the peripheries. This would be the place for the constitution of Latin American, Arab, African, Southeast Asian regions, along side China and India (the only continental countries on our planet). I propose that this objective receive priority treatment in the new agenda of the “Non-Aligned Movement”. The regional groupings do not exclude others such as Europe or the ex USSR. The reason for this exigency is simple: it is only on this scale that one can effectively combat the five monopolies of our analysis. The construction in turn of a truly global economic and financial system becomes possible on this basis.

Of course the transformation of the world always begins by struggles at its base. For without the beginning of changes in ideological, political, and social systems on the level of their national bases, any discussion about globalization and polarization remains a dead letter.

BIBLIOGRAPHICAL NOTE

This text contains in condensed form conclusions from discussions developed in:

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