

NEW PHASE OF CAPITALISM

(or rejuvenating treatment for senile capitalism)

Capitalism is a system which undergoes constant and relatively rapid changes as compared to previous systems which portrayed the image of great stability. Consequently, it is essential to identify, each time, what is new in the system to ensure effective analysis and action. The changes which are sometimes of really qualitative dimension, nevertheless, remain locked up in the framework of the very basic logic of capitalism. This should not be glossed over.

The dominant ideological discourse of imaginary capitalism considers the invention of technology as the cradle of progress and the competitive flow of capital on the market as a means to concretize this reality. In turn, this material progress produces broad achievements from which all social categories derive benefits and for that matter further strengthens democracy and guarantees peace ; whereas the expansion of the system worldwide offers to all peoples the opportunity to enjoy the lasting triumph of Reason (the "end of history"). The dominant discourse concludes that there is no alternative (acceptable) ; it is necessary and suffices to accept the submission of all aspects of social life to the exigencies that are specific to the unilateral logic of capitalism.

The history of capitalism in its real form denies the Epinal image of this ideological discourse which has no scientific basis. It is the history of a constant conflict between the logic of capitalist accumulation and the logic expressed by other interests (social and national). It also shows that destructive dimensions of the unilateral logic of capitalism expand at the same pace as the creative dimensions from which they cannot be separated (ref. "The destructive dimensions of capital accumulation). Societies are thus confronted, each time, with various alternatives from which they make their choice much as the exigency they face to conceive, on a long term basis, another system capable of freeing them from the immanent destruction of the indefinite expansion of capitalism. The new system that will emerge at a given time of this evolution should be situated within the framework of this critical analysis.

- 2 -

2. The modern world was organized on the basis of a new order defined by capitalism beginning from 1500. During three centuries of mercantilism (1500 - 1800), Western Europe took the initiative and organized its own system and at the same time disorganized the former system by substituting transoceanic navigation, which it controlled, for the roads (called silk roads) of the previous epoch. It thus laid the basis of what became the capitalist economic order in the 19th century. This system brought about a phenomenon of a huge dimension, unprecedented in history : world polarization (Ref. Polarization). The 20th century was largely characterized by the revolt against this economic order in these two dimensions : its capitalist relations (challenged by socialist revolutions) and the polarization under review, criticized by the national liberation movements in Asia and Africa. In the course of the century, various capitalist orders were observed.

From the end of the 19th century, beginning from about 1880 - with the emerging capitalist monopolies - to the new order in 1945, the capitalist economic order can be described as "nationalist liberalism of monopolies". Liberalism means the double affirmation of the predominant role of markets (oligopolistic markets) considered as the automatic regulatory mechanism within the framework of appropriate state policies implemented at the time on one hand and the bourgeois

democracy political system on the other. Nationalism shaped this liberal model and legitimized state policies underlining the competition in the world system. In turn, the latter was organized in blocks of local hegemonies which reinforced the power of the dominant capital of monopolies through various alliances with the middle and/or aristocrat classes while isolating the industrial working class. The crisis of national liberal order coincided with the first world war (1914 - 1918) which confirmed the fact that this order was far from creating the conditions of a "peaceful globalization". After the world war, the dominant groups of capital tried to improve political aspect of the system without rejecting the nationalism (which it rather propounded) nor internal social compromises which reinforced the power of the monopolies. The fascist order was therefore part of the unique and dominant order of this entire phase of the history of capitalism, be it a form of deterioration.

A new capitalist order replaced the nationalist liberal system in 1945 and dominated the world scene till 1980. The world war changed the position of force in the favour of the working classes in the developed western world by the defeat of fascism (these classes acquired a legitimacy and a position which they never had till then) ; in the favour of the peoples and the colonies who liberated themselves and in favour of really existing countries of socialism (sovietism). This new relation explains the tripple construction of Welfare State, Developing State in the Third World, State planned socialism. The economic order at that time (1945 - 1980) was "social and national", operating within the framework of controlled globalisation.

The two adjectives of "social" (and not socialist) and "national" expressed the main objectives of the policies implemented within that period and for that matter the resources mobilized to that effect. Solidarity was seen through a remarkable stability in distribution of income, through full employment and through the continued increase in social expenditure. It was conceived to be materialized firstly at the national level through systematic State intervention policies. This model of nationalism was not far-fetched. For, it formed part of the general tendency of regionalization (European countries coming together) and opening up onto the rest of the world (Marshall Plan, expansion of transnationals, North-South negotiations within the United Nations system - UNCTAD, GATT, etc...) which was accepted even wished but controlled.

The comparison between the fundamental objectives of these Welfare State practices on one hand and those relating to the modernization and the industrialization of Third World countries which had become independent (Bandung project for Asia and Africa, as well as "desarrollismo" of Latin America) makes it possible to describe this order as dominant throughout the market, with the exception of sovietism zone. For the Third World countries, it also consisted of "bridging the gap" by fitting into a world system in expansion through an effective and yet controlled manner.

The alternative economic and political order established in 1917, that of the really existing socialism (sovietism) aimed at attaining the two objectives of "bridging the gap" and "building something else" through State-controlled planning delinked from the world system. Its shortcoming which consisted of its rejection of democracy for building socialism led to its collapse (in the case of Eastern Europe and the former URSS) or its shift towards capitalism (in the case of China).

With this twofold failure of soviet orders and national populism in the Third World, the situation became ripe for the dominant capital to try to rebuild a new order known as global neo-liberal system.

However, although difficult socio-economic options largely dominate the proposed global neo-liberal rhetoric as new order, in reality, they are implemented in a manner that is in total contradiction with its dogma. The globalization envisaged remains devoid of logic ; the discourse on the virtue of

competition barely hides the practices of systematic defense of monopolies while the affirmation of future depreciation (reinforced by financialization) totally negates the environmentalist discourse. Finally, despite the affirmation of anti-nationalist principle, the World Powers (especially the United States) continue to show their strength in all fields, military and economic.

All the successive models of the order of capitalism were based on an imperialist vision of the world in line with the display of capitalism which has always been, by nature, unequal and polarizing. In the nationalist liberal phase of monopolies (from 1880 to 1945), imperialism in its plural form was synonymous to the conflict of imperialist powers. Whereas the social and national phase of the post world war period (1945 - 1980) was characterized on the one hand by the convergency of national imperialist strategies grouped behind the hegemony of the United States and on the other hand, by a drawback of imperialism obliged to leave the zones of "real socialism" (URSS, Eastern Europe, China) and to negotiate with national liberation movements over its presence in the peripheral States of Asia, Africa and Latin America.. With the collapse of the really existing socialism and radical populism in the Third World, imperialism is back on the attack. Globalization, deployed in the ideology of the present era with so much arrogance is simply the new form of the imperialist nature resulting from the system. In this regard, "globalization" may be considered as synonymous of imperialism (Ref. Globalization and Imperialism).

3. The 20th century ended in an atmosphere which recalled, in a strange manner, the one which prevailed at its beginning - the "Belle Epoque" (which was effectively beautiful for capital). The bourgeois groups of the triad already constituted (the European powers, the United States and Japan) could then sing a hymn to the glory of their lasting triumph. The working classes of the centres of capitalism ceased from being the "dangerous classes" which they were in the 19th century and the peoples of the rest of the world were called upon to accept the "civilization mission " of the western world.

The triumph of the centres of globalized capitalism was characterized by a demographic outburst with a European population growth of 23 % in 1800 to 36 % in 1900. The concentration of the industrial revolution in the triad group simultaneously led to the polarization of wealth to an extent unprecedented in the entire history of humanity.

- 5 -

Far from bringing about accelerated accumulation of capital, this first globalization rather began with a structural crisis from 1873 to 1896 almost exactly like a century later. The crisis was, however, followed by a new industrial revolution (electricity, petrol, car, plane) with the hope that it would succeed in changing the human race, which is the same consideration given today to electronics. At the same period, the first industrial and financial oligopolies emerged (the multinationals of that time). Financial globalization appeared to have come to stay in the form of gold-sterling standard and reference was made to the internationalization of transactions which the new stock exchanges allowed with much enthusiasm as the present reference made to financial globalization. Jules Verne had his hero (an English of course) travel around the world in 80 days : the "global village" had, in his mind, already come into existence.

The triumph of the "Belle Epoque" did not last for two decades. Some celebrated heads (young at that time : Lenin !) foresaw its collapse but received no attention. Liberalism - unilateral domination of capital - could not reduce the intensity of the contradictions of all kinds entailed in the system but rather increased it.

Three quarters of the 20th century were marked by the management of adjustment and transformation projects, more or less radical, of the peripheries which were made possible through liberal dislocation and globalization reminiscent of the "Belle Epoque".

However, within thirty years (1914-1945), two world wars, the big crisis of the 1930s, two major revolutions (russian and chinese) and the uprisings of the whole of Asia and Africa were needed to change the position of strength which had installed a unilateral dictatorship of capital in the "Belle Epoque", in favour of the working classes and peoples, following the double victory of democracy over fascism and national liberation over old colonialism. It implies that the positions of strength in favour of capital and which again characterize our era will not be "easily" modified. The challenges facing social movements which refused to be subjected to these positions of strength are many. It should not be glossed over.

- 6 -

The second half of the 20th century was shaped by social and international positions of strength which were less unfavourable to the working classes and peoples, bringing pressure to bear on capital to adjust itself to logic by which the former expressed their interests.

The crisis that followed (from 1968 to 1975) was that of the erosion and the collapse of the systems which constituted the foundation of the previous boom. This period, which has not ended, is not that of establishing a new world order as is too often said but rather that of chaos which is difficult to surmount. The policies implemented under these conditions do not provide a positive strategy for the expansion of capital but rather only seek to place the crisis under control. They will not be successful because the "spontaneous" project resulting from the immediate domination of capital in the absence of frameworks which would be imposed on it by the forces of the society through coherent and effective reactions remains utopism ; the project which aims at administering the affairs of the world through "the market", governed by short term interests of the dominant forces of capital.

Modern history is thus made that after the phases of reproduction on the basis of stable systems of accumulation come moments of chaos. In the first of these phases, as was the case with the emergence of the post war period, the course of events gives the impression of some kind of monotony as a result of the fact that social and international relations which constitute its fabric are stabilized. These relations are reproduced by the functioning of dynamics in the system. In these phases appear clearly historical subjects that are active, definite and precise (active social classes, States, political parties and dominant social organizations) whose practices seem solid and consequently their reactions are foreseeable at all times, much as their underlying ideologies, enjoy undisputed legitimacy. Under such conditions, if the conjuncture changes the structures remain stable. The forecast is then possible and even easy. There is danger when the forecasts are extended too far as if the structures in question are eternal, till the "end of the history". The analysis of the contradictions which undermine these structures is replaced by what the post modernists rightly consider as "major narrations" which propose a linear vision of a movement that is goaded by the "normal course of things", the laws of history. The subjects of history disappear giving way to structural logic described as objective.

However, the said contradictions corrode the system and one day or other these structures which are considered as stable collapse. History then begins a phase that is described perhaps later as "transition" but the phase is lived as a transition towards the unknown. For, it is a phase during which crystallize new historical subjects which, after cristallizing, launch new practices and provide legitimacies through new ideological discourses often confused at the start. It is only when these processes of qualitative changes would have sufficiently matured that will appear new social relations which define the post transition systems.

4. That page on the period of the expansion of the 20th century is now turned.. The collapse of three regulated accumulation models of the post-war period opened the way, from 1968 - 1971, to a structural crisis of the system which very much recalls that of the end of the 19th century. The investment and growth rates fell sharply to half of what they had been, unemployment rose, poverty and inequalities of all kinds spread increasingly at all levels, national and international.

The crisis results from the fact that surplus profits do not find sufficient outlets in profit-making investment capable of developing production capacities. The management of the crisis then consist of finding "other outlets" for the surplus profits in a way to avoid their massive and brutal depreciation. The solution of the crisis would rather entail modifying the social rules governing the distribution of income, consumption, investment decisions which implies a consistent social project that is different from that which is based exclusively on profit-making.

If the management of the crisis has been disastrous for the working classes and the peoples of the peripheral countries, it was not the case with all. This management was very much in favour of the dominant capital. The inequality in the social distribution of income which increased tremendously throught the world created a lot of poverty, precarity and marginalisation for some people and also many new billionaires who, without any ill feelings, proclaim "long live globalization".

This structural crisis, like the previous one, is the moment for a third technological revolution which profoundly changes the organizationall conditions for organizing labour and consequently makes them lose their effectiveness. Therefore previous forms of struggle and organisation of workers and peoples lose their legitimacy. The social movement now reduced into pieces has not yet found the formula for a strong new crystalization that meets challenges. However, it has made remarkable break-through which enriched the output : the sudden rise of women in social life, the awareness of environmental destruction which has reached such an extent that, for the first time in history, it constitutes a threat for the entire planet. Within a few years, social struggle was reinforced - be it still at the level of a defensive strategy - faced with the offensive of capital. Their rise as shown by Seattle and Porto Alegre constitutes a matter of concern henceforth for the present world powers.

It is in the light of this concern that the new plan of G7 should be examined. The G7 suddenly adopts a new approach. The word « regulation » hitherto forbidden is now introduced in the resolutions of this body : « international financial flows should be regulated ». The leading economist of the World

Bank, Stiglitz, suggests that a debate be organised to define a new « post Washington consensus ». The speculator, Georges Soros, published a book with a resounding title : « The crisis of world capitalism-fundamentalism of markets » which resembles a plea to « save the capitalism of neo-liberalism ». No fooling, it is simply a strategy which pursues the same objectives of making it possible for the dominant capital of transnationals to remain in control. However, the danger entailed in that change of language should not be underestimated. Many people with good intentions are and will continue to be fooled. The World Bank has already been working over several years to harness NGOs to make them imbibe its discourse of « fight against poverty ».

It is also in this perspective of chaos that the United States has launched their new offensive to re-establish their world hegemony and to that effect, organize the world system economically, potitically and militarily.

5. What the present moment reveals as being « new » should be the focal point for social movements which are concerned with promoting other alternatives to the solutions proposed by capital, whose main concern is to harness what is « new » to its sole interest.

- 9 -

Admittedly, it is never easy to grapple, in the labyrinth of reality, with what is actually new and will impose its laws in the long duration and distinguish it from what is only "conjunctural" and related to the management of the crisis. The two groups of phenomena are, indeed, both real. There is the aspect of "crisis and crisis management" and there is the aspect of "lasting qualitative changes of the system".

- (i) The reality and the importance of the on-going scientific and technological revolution with its long term implications on labour organization, social relations and the culture of societies of tomorrow constitute, without doubt, the hard core of what is really "new".

This contemporary revolution (with computer science in the front line) certainly exert a powerful action imposing the restructuring of productive systems (notably by facilitating the geographical spread-out segments with remote control). Consequently, labour process is gradually being largely shaken up. The models of assembly line labour (taylorism) are being replaced by new forms which affect considerably the structure of social classes and their perception of problems relating to the segmentation of labour markets. It consists of a change which will weigh heavily on the long duration. Whereas the aim of the evolution already leads to a certain « decline of the law of value », which also signifies that capitalism has been overtaken by historical development. It may be so in various ways ; overtaken by socialism which constitutes the only possible humanist solution to the challenge or overtaken by the setting up of a kind of generalized apartheid system in which social identity is no longer based on the participation in the creation of wealth (even if this participation would lead to exploitation) but rather on other para-political/cultural criteria.

In any case, it is true that technological revolution –each technological revolution- changes the structures of labour organization. If the society remains class society, the classes are not abolished by the change in any way ; they simply change in aspect, whereby the illusion of seeing them disappear – or diluted in other realities – may prevail under some conditions as those of the present moment. Consequently, the forms of social organization and movements by which the various parties express their projects and conflicts are extensively characterized by the technological revolution. At this level

too, the best and the worst co-exist, bearing in mind the fact that every technological revolution remains ambiguous.

- 10 -

The dominant discourse concerning changes in labour organization relating to the deployment of on-going technological revolution deals with the new model of sociability and the society based on the organization of « networks » (in replacement of the chain of hierarchy) and the interaction of « projects » (in replacement, at least partially, of the unit which hitherto represented enterprise) hoping that the new society of networks would open the perspective affirming the creative autonomy of individuals etc. This society has been established in our presence. What real social impact does it make ? The rapid and extraordinary increase in capital and property incomes at the expense of labour, casualisation, poverty and the exclusion of an increasing percentage of the people. These facts reduce to nothing the pretext of dominant discourse according to which the individual would become the subject of history, considering the fact that classes and nations have now become obsolete concepts. The individual remains a social being who is prisoner of the constraints of oppression and exploitation which constitute the foundation of our contemporary society. The utopia of communication which, by its very nature, should help find solutions to the problems of humanity by putting an end to conflicts, emanates from the same type of discourse.

Besides, the development of productive forces – which are at the same time destructive forces – has now attained a level that modifies qualitatively its impact and for that matter challenges us in new terms. The whole battery of nuclear arms can make it possible to put an end to all forms of life on the planet. This new element in history demands that we refrain from their use and have them all dismantled. NATO has taken the contrary position by resorting to the principle of resolving political conflicts through war. In other fields like biogenetics, scientific knowledge acquired can also lead to devastations with unknown effects. It becomes necessary that their use be socially managed. It is the only way by which ethical principles that are indispensable for the survival of humanity can be integrated in the system. In its declared intention to privatize everything, the system has opted precisely for the contrary. The development of productive forces shows that the basic rules of capitalism are obsolete and no longer lead to social development but rather to self-destruction (ref. The destructive dimension of capitalism).

- 11 -

The issue of environment thus requires attention. For the first time in the history of humanity, the irreversible and extremely serious danger of the destruction of the environment has become real. It is unimaginable that a project of society that ignores this reality can be viable. Whatever its system of organization, capitalism is incapable of meeting the challenge. It is simply because capitalism is based on short-term calculation (a few years maximum) as expressed in its concept of « devaluation of the future », whereas a serious approach to this issue implies the implementation of a very long term rationality (practically for eternity). The emergence of the environmental issue is one of the proofs of

the fact that capitalism has become obsolete as a form of civilization. Unfortunately, only few « Greens » admit this fact !

- (ii) Many phenomena – undeniable – should however be examined ; this would probably reveal their temporary rather than lasting aspect. « The desengagement of the State » and the « financialisation » of capitalism may be included in this chapter.

The dominant discourse holds that the big firm has acquired an autonomy from the State and has become the exclusive dominant active agent of a new lasting phase of capitalism. The ideologists of the system have, besides, expressed their satisfaction through an « anti-State » discourse.

The big multinational firms are still national firms (notably by their ownership and, in particular, the control of their capital) whose activities go beyond the borders of the country. They still need the active and positive support of their State to be able to carry out their activities. However, they have, at the same time, become powerful enough to develop their own expansion strategy outside (and sometimes against) the logic of State policies. They therefore wish to subject the latter to their own strategies. The neo-liberal anti-State discourse hides this objective to legitimize the exclusive logic of the defense of the specific interests of these firms. The « freedom » being claimed is not the freedom for all but rather for the firms to assert their interests at the detriment of the others. In this context, the neo-liberal discourse is completely ideological and mis-leading. The status of the relations between the private oligopolistic capital and the State is ambiguous and it cannot be affirmed that the one which prevails presently, with the State apparently totally subjugated to private interests, will remain so forever and will not change. The temporary approach is then transformed, in this context, into a lasting and irreversible form. Besides, it seems premature to talk about multinational capital (and for that matter a multinational bourgeois class) which would become a dominant force over national capital. Triad solidarity can only be expressed elsewhere.

- 12 -

Financialisation is, to a large extent, a phenomenon which is purely temporary. It is the product of the crisis. Capital surplus which – in the present structure – cannot be utilized for the expansion of productive systems constitutes a serious threat for the dominant class, that of heavy devaluation of capital. The solution to the crisis requires that financial outlets be made to avoid the worst scenario. However, financialisation escapism cannot « resolve » the crisis but rather stagnates the situation by worsening the inequality in the distribution of income and obliges the firms to play the financial game. The big crisis which cannot be foreseen (the crash of stock exchange ?) still lies ahead. The political solutions to the chaos that it will bring about –reactionary neo-populism, radical left-wing shift– cannot, equally, be foreseen. However, the structures of the future system will depend on them. Social movements should be prepared to face them.

Financialisation has, at the same time, created the opportunity for a powerful trend of capital concentration. In twenty years, the scope of assets concerned by mergers has been multiplied by seven. This new state of concentration will probably remain, to a large extent, irreversible. It raises, more than ever, the issue of the legitimacy of such a concentration of power in the hands of the private sector (with its occult practices which are anti-democratic), playing roles which should have been those of the government, sole guarantor of a possible transparency.

The economic management of the crisis aims systematically at «deregulating», to weaken the « rigid positions » of the trade-unions and if possible dismantle them, liberalize prices and wages, reduce public expenditure (notably subsidies and social services), privatize and liberalize relations with the outside world, etc... « Deregulate » is a misleading term. For, there are no deregulated

markets except in imaginary economy of « pure » economists. All markets are regulated and only operate on this condition. The main issue is who regulates them and how ?

Behind the expression "deregulation" lies a hidden reality : the unilateral regulation of markets by the dominant capital. Of course the fact that the liberalization in question locks up the economy in a state of stagnation which is unmanageable worldwide thus increasing conflicts which it cannot resolve is readily accepted in the interest of the refrain that liberalism is a prelude to development (in the future) considered « safe ».

- 13 -

Capitalist globalization demands that the management of the crisis be carried out at this level. This management should tackle the issue of the huge floating capital which leads to the submission of the economic machinery to the exclusive criterium of financial profit. The liberalization of international capital transfers, the adoption of floating exchange rates, high interest rates, U.S. trade deficit, the external debts of the third world countries and privatization constitute together a perfectly rational policy which offers the said floating capital the escapist outlet in speculative financial investment, thus avoiding the major danger of massive devaluation of capital surplus.

The scope of the disaster brought about by the unstable financial flows was suddenly highlighted by the 1997 Asian crisis. The region characterized by high level of savings did not need floating foreign capital. The latter knew very well that it was financing an artificial inflation on property and securities from which they obtained immediate huge profits, leaving behind them devastated economies and societies. Various proposals were made to that effect concerning the taxation of speculative financial flows (Tobin tax) and the necessary measures to neutralize the « tax-free paradises ».

Financialization is not a lasting characteristic of the new capitalism as said by those who consider it as the specificity of « anglo-saxon capitalism », as compared to the specificities of « rhenan and japanese » capitalisms. The financial sphere cannot be developed indefinitely, in an autonomous manner separated from the sphere of the real economy.

The dominant discourse on financialization emphasizes a totally different set of problems relating to the aging triad population and the explosion of pension funds. In some of these analyses the « creditors group » is presented as a social force already constituted and conscious of its interests. It includes retired people, « stable » wage-earners acting in common with pension funds administrators with the foremost concern of avoiding the menace of inflation, the beneficiary of high interest rates and financial capitalization on their funds. This group is opposed to the « outcasts » group made up of the unemployed and unstable employees. The social split is no longer that which opposes capital to labour as a whole but rather the creditor group (association of capital and labour) to the group of the outcasts. The issue needs to be addressed. For, private capitalization of funds (which is the american form) is opposed to the tradition of some European countries and the left-wing parties in general which prefer the system of income distribution. Admittedly, European governments have now opted for the american system. Does it not constitute, specifically, a strategy aimed at creating the creditors group which does not exist (yet), not as an « inevitable » product of the evolution but as an advantage for the dominant forces of capital to break the possible stand of the labour movements ?

(iii) Globalization which is presented under these conditions as a qualitative step forward should remain a subject for thought.

Apparently, there is a tendency that a global economy replaces the international economy which operated as such in the previous phases of capitalism. However, the dismantling of national auto-centred productive systems is always only relative and partial. Moreover, no logic of a global productive system emerges in replacement. The absence of a political authority capable of managing the globalized system (in chaotic construction) and enjoying a legitimacy that is equivalent to that of nation States constitutes a major contradiction of our epoch, which cannot be resolved in the near future. It simply nurses submission – temporary – to the hegemony of the United States.

Really existing globalization can be compared to an archipelago buried in an ocean which is not globalized. The density of islands in this archipelago is variable : stronger in central areas where the multinationals are heavily established, average in the peripheral areas that have developed modern industrialization and very low in the peripheral areas of the « fourth world ».

It is an undeniable fact that State authorities are concerned in two directions by globalization, from above and from below, by the emergence of local authorities capable of acting as autonomous agents within the framework of globalization. The fact still remains that the archipelago of the globalized sub-systems does not follow any group logic that will provide it with a form of coherence.

- 15 -

Besides, the legacy of the previous phase, that of the period after the world war (1945-1990) was to break up the former "third world", that of the « non-industrialized countries » (the traditional peripheral countries of 1880-1950) in three distinct groups :

- First group : the former socialist countries , China, Korea, Taiwan, India, Brazil and Mexico - which have succeeded in building national productive systems (thus potentially competitive).
- Second group : the countries which embraced industrialisation but which did not succeed in creating national productive systems : Arab countries, South Africa, Iran, Turkey, Latin American countries. Sometimes, there are, here, some « competitive » industrial establishments (due in particular to cheap labour) but not competitive systems.
- Third group : the countries which did not enter the industrial revolution (the ACP countries). They are only « competitive » in the frame of their eventual "natural resources" : mines, petrol, tropical agricultural products.

Globalization will be incapable of having the countries of the first group enjoy the status of fully developed « new centres » in the capitalist term, let alone the countries of the other groups. For, where the progress of industrialization left major impact, the peripheral countries still include considerable « reserves », bearing in mind the fact that a very high percentage of their labour force continues to be employed (whenever they are) in activities of low productivity. The reason is that modernization policies -« catching up » attempts- impose technological options which are modern (in order to be effective and competitive) but which are extremely expensive in terms of the utilization of scarce resources (capital and skilled labour). This systematic distortion is even worse each time that the modernization in question relates to increasing inequality in the distribution of income.

Under these conditions, it will be impossible for the expansion of modernized productive activities to absorb the huge reserves stocked in the activities of low productivity. The dynamic peripheral countries will thus remain peripheral, being societies that have to grapple with all kinds of major contradictions resulting from the juxtaposition of modernized enclaves (be they important) surrounded by an ocean barely modernized ; these contradictions favour their being maintained in subordinate position, subjected to the "five monopolies of the centres" (ref. Polarisation...). The assertion that only socialism can find solutions to the problems of these societies is true if socialism means not a definite formula but a movement of solidarity for all, implemented through the strategies defined by the people and aimed at ensuring the gradual and organized transformation of the ocean reserves into modern activities through civilized means. It requires delinking which implies the submission of external relations to the logic of this national and popular phase of the long transition.

Which are the marginalized areas ? Is it a phenomenon that is unprecedented in history ? Or is it rather the expression of a constant tendency of capitalist expansion that was thwarted at a given period after the second world war by a position of strength less unfavourable to the peripheral countries as a whole ? This exceptional situation laid the basis of the solidarity of the third world countries in their struggle against colonialism, their claims relating to their primary products, their political determination to impose modernization and industrialization which the western countries tried to withhold, in spite of the variety of the countries. It is precisely because the success achieved through these stands were not the same that the coherence of the third world and its solidarity eroded.

A lot was said on the « Asian miracle » ; Asia or Asia-Pacific, centre of the future under construction, snatching from Europe and North America their domination on this planet, China future super-power and what have you ! In more sober terms, some conclusions were sometimes drawn from the asian phenomenon which, even if they seem rushed merit to be addressed more seriously. It was considered that the theory of polarisation, inherent in global capitalist expansion as delinking strategies in response to the challenge of polarisation, was being questioned. It was argued that «catching up » is possible, rather through active insertion in globalization (in the elementary version of this proposal through an « export-oriented » strategy) than through

an illusory delinking (which was said to be the cause of the soviet disaster). The internal factors – including « cultural » - were considered as the cause of the success of some on one hand, having been able to impose themselves as active agents in how to shape the world and the failure of the others on the other hand, marginalized and «delinked against their wish». The Asian and Eastern countries achieved success considering the fact that they conditioned their external relations to the demands of their internal development by refusing to «adjust » to global dominant trends. It is the very definition of delinking which was wrongly interpreted – by rushed observers – as autarky. The crisis which

erupted later in Eastern and the South East Asia put an end to this type of discourse. However, the issue of China and Korea becoming part of the global economy remains unsettled.

In general, the new global economy is characterized by its « various forms » of operating. Once more, is it really a new phenomenon or rather the various forms of operating do constitute the standard procedure in the history of capitalism ? This phenomenon was probably only exceptionally reduced during the after-world-war phase (1945-1980) because social relations had then imposed systematic State interventions (Welfare State, the State of the Soviet systems, the national State in the third world of Bandung) which promoted the growth and modernization of productive forces by organizing regional and sectorial transfers.

(iv)

Besides, in many aspects, the present world crisis appears to be a major crisis of civilization testifying to the fact that capitalism is a senile and obsolete system which is incapable, as per its own logic, of meeting the challenges facing humanity. It is clear that it has been overtaken by history, which should constitute food for thought for social movements. Its policies of global liberalism and financialization can be compared to doping the aging capitalism ; it is the viagra for this senile body.