

SAMIR AMIN

IS TRANSNATIONAL CAPITALISM IN THE PROCESS OF EMERGING?

Over the last 30 years the concept of the globalisation of capitalism has been the focus of great debate. For those, like Wallerstein, Arrighi, Franck and me, who have long argued that historical capitalism has always been globalised, at each stage of its development the sole question to ask is whether the latest stage of globalisation presents us with important new characteristics that constitute a qualitative change in the nature of capitalism.

A resounding 'yes' can be heard from the majority of economists and conventional political scientists, for whom the relevance of the nation-state, which would have characterised the historical capitalism of the past, is gradually being diminished by the rapid development of 'transnationalisation'. For them, the connotations of the latest stage of globalisation scarcely warrant clarification, as they are somewhat obvious.

Far more interesting are the responses of those economists who are critical of capitalism. They too give a positive response to the question. However, by basing their arguments on fact they manage to steer away from detailed conclusions regarding the nature of the transformation of capitalism.

To my knowledge, since 1970 Stephen Hymer is the first person to have formulated this positive response (to a question which was far less frequently asked at that time) by stating that 'an internationalist capitalist class is emerging whose interests lie in the world economy' (William K. Carroll, 'The Making of a Transnational Capitalist Class?', Zed, 2010, p. 2).

Kees Van Der Pijl ('The Making of an Atlantic Ruling Class', 1984) has always integrated his analysis of transformations within the global economic system with those of the wider global political economy, putting all of his emphasis on the political dimension, as should be expected. He was amongst the first to have proclaimed (and rightly so, in my opinion) that the 'European project' was actually born in Washington; 'European unification was a product of US intervention' (Carroll, 2010, p. 155).

However, more recent steps towards acknowledging the emergence of an 'Atlantic transnational capitalism' that comprises the United States and north-west Europe have been proposed by Leslie Sklair ('The Transnational Capitalist Class', Blackwell, 2001), W.I. Robinson ('A Theory of Global Capitalism', John Hopkins, Baltimore, 2004) and William K. Carroll (2010).

Robinson has gone the furthest in terms of defining the qualitative transformation of capitalism by defining the new bourgeoisie as the 'group that owns leading worldwide means of production' (Carroll, 2010, p. 3).

Leslie Sklair defines the new transnational capitalism by combining the different dimensions of his latest investigation into one reality. The global leading class is therefore made up of the following: 'corporate executives'; market majority-holders and the politicians at their disposal ('globalizing bureaucrats and politicians'); the technocrats also at their disposal ('globalising professionals'); and even the most privileged classes who benefit from globalisation ('consumerist elites'). The existence of such an association, for Sklair, is hardly worth mentioning. Yet, can we assume that this constitutes a single global class? Or is it a group of associated classes that delineate a globally dominant historic bloc (à la Gramsci)? Or could it be a group of classes (of differing nationalities amongst other things) who are conscious of their shared interests yet are still in competition with each other? The latter response is that of Pijl and it is a view that I share, the reasons for which I will come to later.

The most recent work on the question of the globalisation of capitalism, that of William Carroll (2010), is an empirical study of titanic proportions. Carroll has created an indicator for measuring the interpenetration of capital at both national and transnational levels, in Europe, the North Atlantic and worldwide. This indicator is made up of the number of firms whose directorates are subject to cross-representation. Carroll has therefore recorded each of the instances of exchanged

representation for the group of 100, or in this case the 500 largest corporations in the world. The end product of Carroll's investigation is a system of ranking which ascertains to what degree the interpenetration of capital occurs; this piece of work is, to my knowledge, unparalleled in its precision and magnificent illustrations; his series of graphs (which turn black with higher levels of interpenetration and grey or even white when interpenetration is less frequent) make for an enlightening set of results.

I don't take issue with the more immediate conclusions that Carroll reaches in this investigation, but I will return later to his less immediate conclusions of which I am not convinced.

Carroll's immediate conclusions are as follows:

(i) Transnational interpenetration has not diminished the strength of national systems; 'the transnationalisation of the corporate network has not fragmented national corporate networks' (p. 24), or a 'transnational network is a kind of superstructure that rests upon rather resilient national bases' (p. 34).

(ii) Links between corporations are strengthened, with this initially taking place at the national level (even in Europe). Germany has the most well-integrated national system in comparison with other European countries; following that is north-western Europe (Germany, France, the Netherlands, Switzerland, Sweden and Great Britain, who altogether occupy a single position within this network of links); and finally the Atlantic (made up of Europe as set out above, and the United States and Canada). In contrast however, Japan-Europe and Japan-North America links are somewhat stunted. Worse still are the links between the central Atlantic on one side and the rest of the world on the other side (including developing countries, China and others).

(iii) The European network excludes practically the whole of eastern Europe and the Balkans; and is entirely centred upon the advanced capitalist countries of occidental Europe.

(iv) The European and Atlantic integrated networks are principally made up of commercial and industrial corporations, with banking corporations featuring very marginally. The banks are strongly linked to certain areas within the national system of production, but are not linked to each other directly. As such, banks remain broadly 'national' in comparison with other corporations; they are not generally considered as European or Atlantic entities.

(v) Western European integration (not simply European, as eastern and southern European countries are typically excluded) is well ahead in comparison with other models of transnational integration.

From his observations, Carroll arrives at two major conclusions:

(i) The western European construction is fully working. I will return to this point, which has been formulated far too hastily in my opinion, and risks instilling an erroneous perspective on the situation.

(ii) National foundations are still important. Carroll illustrates his conclusion using the following points: 'the notion that the elite is becoming disembodied from national moorings and repositioned in a supra national space underestimates the persistence of national and regional attachments' (p. 129).

I feel that the term 'underestimates' is in itself too ambiguous to accurately reflect the reality of the connection between the national and the transnational in both occidental Europe and in the Atlantic.

NATIONAL CAPITALISMS AND COLLECTIVE IMPERIALISM

Capitalism cannot simply be reduced to a sum of capitalist companies in existence. Conventional economics places emphasis on the functions of markets while abandoning the global political economy, and in doing so, systematically distorts reality, only providing a misleading picture that is ultimately incorrect.

Capitalism is an historic and a social reality (and not only economic) that ought to be studied by examining a collection of capitalist societies (rather than a collection of capitalist economies, and especially not a collection of capitalist firms). I believe that capitalist societies are national societies and of this I am very insistent. They always have been and they always will be, in spite of transnationalisation, which as it happens has always accompanied the global distribution of dominant national actors.

When analysing these national capitalisms, today, as in the past, the emphasis within research should not neglect to examine the realities presented to us by capitalist corporations. However, the research must go much deeper than that and examine: (i) the nature of social formations; (ii) how the bourgeoisie (the dominant capitalist class) corresponds with these social formations; and (iii) the role of the state responsible for organising the political set-up of these social formations.

I have always claimed - and I stand by this position - that the social formations of central capitalism create autocentric and integrated production systems, even if they are internationally open, or even aggressively open. The concept of an autocentric system is in itself rather complex and links together several different elements: (i) technical interdependence between the various branches of production (as shown on input-output tables); (ii) methods for managing the conflicting relationship between capital and labour; (iii) links relating the dominant monopolies to the other branches of production submitted to the first and integrated within the reproduction of capital (since the end of the 20th century), or integrated within capitalism; (iv) methods for managing money as a means for putting overall capital interests before the conflicting interests of the individual capitalist; and (v) the nature of the (aggressive) opening of the economy to globalisation and the methods for managing the asymmetric transnationalisation which accompanies it.

Clearly this type of holistic analysis - specific to the political economy (I prefer to say 'specific to historical materialism') - does not give us a one-size-fits-all explanation. We must further analyse history and any transformational developments from one stage to the next.

From this point of view the indicator chosen by Carroll to represent the exchanged representations between boards of directors is incapable of providing answers for any of the questions if it is taken alone. It does not allow us to say that emerging transnational capitalism replaces national capitalism - or that it submits them to its logic - nor does it permit us to believe the contrary - that national capitalisms are determinant in the shaping of transnationalisation. It doesn't explain whether a 'transnational capitalist class' is emerging or not.

There can be no question here of developing the empirical arguments (the emphasis being on 'empirical') that we would need to collate and analyse in order to advance with answering the six questions put forward just now. A great deal of what I have written over the course of the last 50 years has gone towards my modest contribution to responding to these questions. However, this type of contribution is sadly becoming more and more rare, the repercussions of placing the 'markets' at the centre of our focus being fatal for a realist analysis and critique of capitalism.

Sklair is aware of the impossibility of drawing a conclusion on the emergence of a 'post-national' capitalism. He writes, 'we should speak of a transnational capitalist class only if there are structural conditions that reproduces a transnational corporate community independent of its national home base' (Carroll, p. 19). And yet these 'structural conditions' are far from being reunited, notwithstanding transnationalisation, which has had the wind in its sails for 30 years.

In 1993, UNCTAD (United Nations Conference on Trade and Development) proposed methods for measuring this transnationalisation by creating the simple and practically self-explanatory 'transnationality index' (TNI). This index links together three related elements: the number of foreign workers contributing to a firm's total workers; the total volume of exports in comparison to a firm's overall trade; and the amount of work that is sub-contracted externally compared with the total amount of work available. Between 1996 and 2006 the TNI rises visibly (cited by Carroll, *ibid*, p. 91). Yet is this rise simply a conjectural change or does it reflect a decisive and irreversible transformation? And if the latter is indeed the case, is transnationalisation strengthening itself? Or is it actually serving to strengthen the dominant national capitalisms that it is shaped by? Unsurprisingly, simply measuring transnationalisation alone cannot provide an adequate answer to these questions.

Beyond the narrow conclusions we can draw from Carroll's recordings of the cross-representation between boards of directors, he does make important observations:

(i) The economies of the global South, including emerging countries (even the most successful among them, China) have been marginalised thanks to the intensifying transnational interdependence of the global North. Carroll goes so far as to say, 'the network seemed to present one facet of a collective imperialism, organised to help manage global capitalism' (ibid, p. 55). I note here the return to my thesis concerning the emergence of collective imperialism, a term more appropriate in my opinion, than the extremely vague 'globalisation'.

(ii) Transnationalisation only truly holds the interest of the economies within the North Atlantic (US, occidental Europe), whereas Japan seems only to participate very marginally in this process.

The first of these observations provokes debate as to what I perceive the collective imperialism of the triad (US, western Europe and Japan) to be.

Globalisation is an inappropriate term. Its popularity is commensurate with the violence of ideological aggression that has prohibited henceforth the utterance of 'imperialism'. For me, the deployment of true historical capitalism has always been globalised and has always been polarised and to this end, imperialist. Thus, collective imperialism is simply an old and enduring phenomenon in a new guise.

This new form of imperialism is clearly built upon objective foundations and its character is determined by the strong transnationalisation of the leading corporations. It implies a rallying towards a common political project: working together to manage the downtrodden world (global South), and to this end, placing it safely under the military control of the US armed forces and their subaltern allies within the triad (NATO, Japan). Yet this new demand does not wipe out the national character of the capitalist components within the triad. It does reduce the contradictions and conflicts but it does not wipe them out completely. Carroll outlines the uncertainties associated with the permanence of these conflicts. He writes, 'the wave of the international mergers did not lead to stable transnational firms' (ibid, p. 18).

The analysis of political convergences within the triad and the conflicts that accompanies them are outside Carroll's field of vision. I have placed it back at the centre of my analysis of the current long and systematic crisis of widespread monopoly capitalisms (I refer here to my book entitled 'Ending the Crisis of Capitalism or Ending Capitalism?', 2010).

The national partners within the triad (and I am insistent on this point, even with respect to Europe) are quite clearly unequal.

Debates surrounding hegemony - in the Gramscian sense - and particularly the declining hegemon that is the United States, are important here. Carroll's analysis cannot simply be constrained to looking at competitive inequalities of the production systems in concern (United States, Great Britain, Germany, Japan and France etc). It must include political, ideological and military dimensions as well.

Debates regarding the spread of financialisation and its effects are equally important. Again I refer the reader to my work on 'The Crisis'. Financialisation is in my estimation not a product of 'error', nor is it the product of 'ramblings'; it demonstrates how what I call generalised monopolies must manage capital during the crisis. Nevertheless, this financialisation does conflict with the requirements for finance-management at the national level (even in Europe with the euro, as I will explain later on). Carroll's observation that banks are far less transnational than production companies is testament to this contradiction, reminding us of the autonomy of national systems despite the flow of transnationalisation.

Nevertheless, transnationalisation clearly weakens the coherence of the national production systems concerned, even those of the most powerful partners. Yet it does not substitute the emergence of a coherent transnational production system (not even a trans-European one) to which national systems are forced to submit themselves to. To this end, the global system is instable and

will become increasingly so, as remarked in passing by Carroll.

Japan's position within the triad seems somewhat marginal if we are to believe Carroll's deductions. I think that there is an error of judgment here and that Carroll's choice of indicator (the cross exchanges between boards of directors) distorts reality. Japanese capitalism has never been particularly transparent and its main concern, and it is well known, is to remain its own master, even if more for show than anything else. Despite this, in other ways (including of course, political and military plans), Japan's membership in the triad of collective imperialism is in no doubt, in my mind.

Generally the frontiers of this triad seem to me to be clearly demarcated. I will return later to the boundaries within Europe. But what of Canada or Australia? These two national capitalisms are - for reasons I am unable to develop upon here - what I would label 'exterior provinces' of the United States. Japan is in a similar position in its own way, but Mexico, to which I will return later, is not.

Due to the reasons laid out above, major conflict within the global system is divisive and in the foreseeable future it will inevitably continue to divide the 'North' (the imperialist triad) and the 'South' (in particular China and other emerging countries).

ONE EUROPE OR MANY EUROPES; UNDER CONSTRUCTION OR DECONSTRUCTION?

Add together Europe's entire working-class population and its entire GDP (gross domestic product) and you will see that it is the most powerful economy in the world. We are told that even if the European project were thought up in Washington at the beginning, it was soon to become a working reality, allowing Europe to be on equal footing with the United States and to assert itself as having the gravitational pull within the world system.

This argument is not logical, simply because the nation-states associated with the European Union (EU) continue to be founded on national capitalisms which when put together are more competitive than they are complementary, or at least, are only complementary in unequal terms; that is to say, only if the weakest players submit to whatever is dictated by the strongest player. The EU is not therefore a stable ensemble like that of the United States, who, in spite of its federal constitution is one nation and one state.

The European Constitution does not allow the EU to go beyond its current set-up; it is not possible to move towards a 'confederal' and multinational 'European state'. This set-up has done nothing more than ratify the desiderata of the national capitalist monopolies. Apeldoorn was right in 2002 when he said that the European Round Table of Industrialists had practically drafted the constitution without consulting any elected bodies (Carroll, *ibid*, p. 155).

And yet the strategies employed by European monopoly-holders lean on a consensus with only one objective: to make it impossible for the elected authorities to question the exclusive domination of said monopoly-holders (as Giscard d'Estaing confessed 'to make socialism an illegal objective'). The consensus thereby halts the progression towards a transnational state, if it were possible, despite the diversity of national European bodies.

The euro crisis has shattered this reality and brought to light the irregularities that characterise the European construction. Amongst the reasons I gave for 'the impossible management of the euro', I emphasised Germany's objective to 'dominate Europe'. Just as our Greek friends I mentioned in my analysis may recall, Germany's objective is to achieve through economic means what they failed to achieve twice through military conquests: a 'German Europe'.

EUROPE IS STILL CONJUGATED IN THE PLURAL

The 'first Europe' consists of the historic core of the most powerful national capitalisms (Germany, France and Great Britain, to which we can add the more modest states that are no less advanced such as the Netherlands, Belgium, Switzerland and Sweden), and despite appearances it is still subject to potentially violent conflicts. The pairing of France and Germany only works as long as the weaker of the two - France - aligns itself with the interests of the stronger of the two - Germany. This is the case whilst Sarkozy is in power; however, in future this may change. Great Britain stands

alone, seeking to balance itself between satisfying its new 'European' interests and satisfying its North Atlantic preferences.

The 'second Europe' consists of the more fragile national capitalisms such as Italy, Spain and possibly even some others (Ireland, Portugal and Greece). This Europe does not have a say in anything. It is obliged to conform to the decisions made by the more powerful, by Germany above all.

The 'third Europe' - the ex-Central and Eastern Europe Countries (CEE) - constitute the dominated periphery. Its relationship with the first Europe, particularly with Germany, is similar in nature to that of Latin America and the United States. Eastern Europe and the Balkans serve as the field of expansion for the domination of the monopoly-holders coming from the major European powers; it is nothing more than this, even if there is the strong illusion that that their peoples are in the process of 'catching-up' through European integration.

A parallel between the ex-CEE countries and Mexico is drawn here. By adhering to the NAFTA (North American Free Trade Agreement) Mexico has renounced its independence. In spite of appearances - good GDP growth, although this is highly debatable - Mexico is not en route to a course of development that would permit it to climb the ladder in order to leave behind its 'semi-peripheral' position: history shows that the surrendering of the Mexican nation will be difficult to overcome, as will the situations of Eastern European nations. A disaster similar to that which cost Mexico half its territory after it was annexed by the United States in the 19th century could be repeated in the form of the annexation of Lower California and North Mexico, subjecting the rest of the country to the same conditions faced by their southern neighbours in Central America, Guatemala and others.

Europe is therefore not 'under construction', as unfortunately Carroll and others are so quick to conclude, basing their judgments on fragile and limited criteria relating to the interdependence of the short-term interests of 'European' monopolies. The ongoing crisis will most likely, in my opinion, inform the 'deconstruction' of Europe. In the instance that Germany fails to impose its project of a 'German Europe', Berlin could take the initiative to leave the euro and to withdraw to a mark zone incorporating the Netherlands, Scandinavia, eastern Europe and the Balkans (more or less followed by Italy and Spain) - without worrying too much about compromising with France and Great Britain. Could this be a return to the Europe of the 1930s?

FACED WITH THIS CHALLENGE, ARE THE PEOPLES' RESPONSES EFFECTIVE? UNDER WHICH CONDITIONS?

The people, those from the centres (the triad) and those from the peripheries (emerging or not) are not confronted by the 'challenge of globalisation' but by the spread of the collective imperialism of the powers (plural) of the triad. Proper analysis of this challenge requires us to go upstream of 'globalisation' in order to examine the major transformations of capitalism that control it.

Here I intend to describe these transformations by connecting the various aspects of their existence into what I have labelled 'widespread monopoly capitalism'. What I mean by this is a new stage of the capitalism of the monopoly-holders which is characterised by the submission of the set of national production systems that is concerned with the domination of these monopolies, which, by the way, suck up much of the surplus value produced in the dominant sectors. I refer the reader to my book on 'The Crisis' again. This virtually complete (and new) domination has inspired within me the idea of moving towards the domination of abstract capital, based on the dispossession of the historical bourgeoisies for their own good. The expression for it is 'financialisation'.

In his work on the emergence of a 'transnational bourgeoisie' (transatlantic in fact), Carroll does not rely solely on the argument (which is both limited and fragile in my opinion) regarding the exchanged representations between various boards of directors; he strengthens his argument by highlighting the institutionalised political instruments that this newly forming class have given themselves. His analyses of the functions carried out by nine of these institutions are worth recalling:

(i) While the International Chamber of Commerce was founded in 1919, its role has become new and considerably more decisive since the recent creation of the World Trade Organisation (WTO).

(ii) The Bilderberg Conference in 1952 (Society of Mount Pèlerin), led by Hayek -; the mentor of liberalism without borders or boundaries - managed to popularise discourse on neoliberalism amongst politicians, media heavyweights and the high-grade militaries of the countries within the triad. The Trilateral Commission, established in 1973, gave the discourse a quasi-official tone, to which governments and major political parties in the triad - from the right and the left - have joined. The World Economic Forum (Davos) then took over by continuing to promote the discourse from 1982 onwards.

(iii) More recently the World Business Council for Sustainable Development, created in 1995, aimed 'to dress in green' the strategies for expansion of capitalist monopolies in order to rally together high-riding environmental opinions.

(iv) On the European level, from 1984 the European Round Table of Industrialists took on an important role, becoming the major source of influence for decisions made in Brussels concerning the European Union.

(v) Parallel to this, in 1995 the partners of the triad put in place two instruments to facilitate their long-term dialogues; the Transatlantic Business Dialogue and the European Union/Japan Round Table; meanwhile in 2006, NAFTA established the North American Competitiveness Council.

Although the discourses developed within such institutions are well known and banal to the extreme - simply rather conservative - it is necessary to voice them and to repeat them because these 'think tanks' benefit from an honourable reputation in terms of bringing into their folds those who 'know best' how to tackle certain issues. The Citizen - Spectator base today is largely convinced that no one can understand the economic problems better than the entrepreneurs. We have forgotten that the sole concern of these entrepreneurs is to ensure that their profits are maximised as far as possible; unemployment, for example, is not their problem. As such, economic issues are being studied through a distorted lens.

From these observations, Carroll draws all too easily the conclusion that there is an emerging 'transatlantic bourgeoisie'. I will not say much more about this, except that the convergence of representation styles is not sufficient evidence of the above. The European royal courts of the 17th, 18th and 19th centuries were equally populated by characters that shared the same ways of thinking, and this did not preclude any conflict. Today, in the same vein, I claim that the bourgeoisie of the triad share the same way of thinking, yet this does not mean that they are any less 'national' - even in Europe. Moreover, they are simply aware that it is necessary for them to put on a united front in the face of their common enemy - the global South and more particularly China. Therefore, they constitute the foundations of what I have labelled the collective imperialism of the Triad.

Are we soon to witness the deepening crisis adding to the development of conflicting interests between the collective imperialism's national partners? It seems that this will likely be the case. It will put to question the already-damaged forms of globalisation that currently exist.

However, faced with this new challenge, Carroll's proposed new counter-strategies seem to me to be inadequate. The reason for this is due to the fact that Carroll is still caught up in the globalisation bubble; he believes it is possible to build a 'better globalisation' than that which exists already and does not see that prior to this what actually needs to be addressed is its deconstruction, in order to reconstruct it later on, on other possible foundations.

Faced with the institutions created by the transnational bourgeoisie, Carroll proposes a counter-strategy, in which four promising new institutions emerge. These are: (i) the International Trade Union Confederation (ITUC); (ii) the Transnational Institute Amsterdam, itself a branch of the Institute for Policy Studies based in Washington; (iii) Friends of the Earth International (FoEI); and (iv) the World Social Forum (WSF), which was first held in Porto Alegre in 2001.

Beyond the differing nuances and concerns specific to each of these institutions, a single common denominator unifies them as a coherent group. First, these institutions are largely 'reformist', sometimes to the extreme, like the ITUC, who no longer even defends the 'old-style' social

democratic programmes - a compromise between capital and labour worthy of the name - and is satisfied with minor proposals aimed at alleviating the most dramatic social consequences of the policies dictated by the monopolies. The FoEI is not interested in examining the fundamental relationship between capitalist logic and ecological disaster and as such is able to act as a viable interlocutor for the World Business Council for Sustainable Development (WBCSD). The WSF charter forbids the research of credible alternative policies and is satisfied with simply recording the spontaneous societal changes that are produced by the 'resistance'.

In a relentless critical analysis of the practices of a number of institutions labelled as, among other things, 'anti-systemic' or 'non-profit', Michel Chossudovsky describes the inconsistencies demonstrated by these 'manufactured' institutions; he claims that they are in fact destined to serve the system and that they also generously finance these self-described 'anti-systemic' finance programmes ('Manufacturing Dissent', website Chossudovsky, 2010).

Without necessarily going as far as Chossudovsky, I would say that the general strategy employed by these institutions - and others of a similar nature - is based on the search for a 'new consensus' able to effectuate 'another globalisation' - better than that which has been shaped by the elite. This strategy is, in my opinion, condemned to failure, because it ignores the lessons of history. I have pointed out that the first long and systemic crisis of the capitalism only found its 'solution' after 30 years of wars and revolutions. It was these power struggles, both social and newly international, that gave rise to the 'three golden decades' (1945-75). According to my analysis, it was during this period that three families of 'development models' (arising from the compromise between social democracy, Sovietism and popular national development) comfortably coexisted with a parallel 'pluricentric globalisation'.

There is absolutely no reason to think things will be any different in the future. We must question the construction of globalisation and deconstruct it before 'another globalisation' becomes possible. This is true for globalisation today (that is to say, the global domination of the collective imperialist triad); it's also true for Europe.

Alternative strategies can only be effective if they are radical. In other words, both by working on the deconstruction of the existing system and by initiating progress towards building an alternative system which, in my opinion, should be socialist-driven, in the sense that it must consciously shake itself free from the shackles of capitalist logic.

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* Samir Amin is the director of the [Third World Forum](#) in Dakar, Senegal.

* Translated from the French by Mairi Lockwood.