

Marxist internationalism vs. the perspective of radical protest

A reply to Professor Chossudovsky's critique of globalization

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25 February 2000

The World Socialist Web Site is publishing here the third and final part of a three-part article by Nick Beams, national secretary of the Socialist Equality Party of Australia and member of the WSWS editorial board, replying to an article by Professor Michel Chossudovsky, "Seattle and beyond: disarming the New World Order," which was posted by the WSWS on January 15, 1999. Beams is the author of numerous articles and lectures on modern capitalist economy, including Marxism and the Globalisation of Production and The Significance and Implications of Globalisation: a Marxist Assessment.

The first part of Nick Beam's article was posted on the WSWS of Monday, February 21, the second on Wednesday, February 23.

Part 3

According to Professor Chossudovsky, the movement which has developed against the World Trade Organization and the other institutions of global capitalism "must be geared to disarming this economic system and dismantling its institutions."

As we have explained in the first two parts of this article, for Chossudovsky this means that the present economic order must be rejected and society returned to a previous stage of development in which the national state exercised greater sway over the functioning of the economy. Our differences centre on this fundamental question.

Contrary to the approach of Chossudovsky, the development of a perspective and program for the broad masses cannot be advanced by simply rejecting the vast economic changes that have taken place. Rather, the economic and social processes involved in the globalization of production and the development of a global financial system must be subjected to critical examination, so that their significance from the standpoint of the historical development of human society can be grasped. In other words, it is necessary to extract the rational kernel of the system of globalized production from the social and economic forms in which it is presently encased.

This is not the first time that a crisis in global capitalism has brought forward demands for the defense of the economic power and sovereignty of the national state. Such positions were common in the Great Depression of the 1930s. Analyzing these positions at that time, Leon Trotsky placed this issue within the context of the whole development of human society and the laws governing its evolution.

"Mankind", he wrote, "is impelled in its historic ascent by the urge to attain the greatest possible quantity of goods with the least expenditure of labour. This material foundation of cultural growth also provides the most profound criterion by which we may appraise social regimes and political programs. The law of the productivity of labour is of the same significance in the sphere of human society as the law of gravitation in the sphere of mechanics. The disappearance of outgrown social formations is but the manifestation of this cruel law that determined the victory of

slavery over cannibalism, of serfdom over slavery, of hired labour over serfdom. The law of productivity of labour finds its way not in a straight line but in a contradictory manner, by spurts and jerks, leaps and zigzags, surmounting on its way geographical, anthropological and social barriers. Whence so many 'exceptions' in history, which are in reality only specific refractions of the 'rule'."1

It was from this standpoint that Trotsky approached the call for economic processes somehow to be forced back into the straitjacket of the nation-state system: "The progressive task of how to adapt the arena of economic and social relations to the new technology is turned upside down and is made to seem a problem of how to restrain and cut down the productive forces so as to fit them to the old national arena and to the old social relations."2

The processes to which Trotsky referred have developed immeasurably over the past 50 years. Consider in this regard the formation of the transnational corporation, which had only begun to emerge in the 1930s, mainly in the oil industry, but which now dominates every form of production. According to recent estimates, of the largest 100 economic entities in the world today, around half are transnational corporations, and that figure may well have increased with the wave of mergers and takeovers in the past year. This fact alone demonstrates the utter impossibility of Chossudovsky's program of restoring economic sovereignty to the national state.

The growth of the transnational corporation and its domination over other economic forms is an expression of the law of the productivity of labour. The rise of these organizations does not merely signify the transcendence of the national corporation and the national state, it also points to new and higher forms of economic and social organization.

Here it is necessary to penetrate the ideological confusion created by the proponents of the "free market", with their endless denunciations of the possibility of a socialist economic system based on conscious planning. In essence, the rise of the transnational corporation represents nothing other than the attempt, within the system of capitalist social relations, to overcome the anarchy and wastefulness caused by the destructive tendencies of the capitalist market.

Within the transnational corporation, the basis of activity is the continuous attempt to subject the production process to conscious planning and control. Of course, given the fact that social relations within society as a whole are dominated by the anarchy of the market, the growth of the transnational corporation cannot overcome this anarchy. Rather this process leads to a compounding of the socially destructive and anarchic tendencies of the capitalist market on an even larger scale. Notwithstanding this however, the transnational corporation does signify an attempt, in the continuous drive to develop the productivity of labour, to subject economic activity to conscious control.

In a perceptive article written more than 60 years ago, the Nobel Prize winning economist Ronald H. Coase pointed out that “the distinguishing mark of the firm is the suppression of the price mechanism.” Corporations conduct their activities within the sphere of the market and are ultimately dominated by it, but they do so as “islands of conscious power in this ocean of unconscious cooperation, like lumps of butter coagulating in a pail of buttermilk.”³

Every stage in the development of the corporation, from the formation of national monopolies at the end of last century, to the formation of transnational companies and now the merger movement of the transnational giants, has involved the attempt to replace the invisible hand of the market with the visible hand of planning. The same tendency is revealed in the technological transformations now sweeping through all sections of the economy. The aim of so-called information technology is not only to make more conscious the immediate production process within a given corporation, but also to co-ordinate ever more closely the activities of different branches and even different firms, whether situated next door to each other or on the other side of the world.

Viewed from this historical standpoint, the significance of globalized production is that it represents the maturation within the framework of capitalism of the material pre-conditions for the development of a planned socialist economy.

If production processes can be organized down to the last detail across countries and continents, and the movement of goods and services determined with pinpoint accuracy across space and time, then there is no question that it is materially possible to organize the global economy to meet the needs and requirements of the world's people. In short, the argument of the “free marketers” that a planned socialist economy is inherently impossible because of the complexities of the decision-making process, and therefore the market and the profit system constitute the only viable form of social organization, is being refuted practically by developments within the capitalist economy itself.

At the same time, within the system of capitalist social relations, in which all economic activity is subordinated to the drive for profit, these vast technological transformations necessarily result in a continuous worsening of the living standards of the broad masses and a growth of social polarization—the accumulation of fabulous wealth at one pole and increasing misery at the other—with all its attendant social ills.

The resolution of this crisis lies not in the rejection of globalization in favour of the reactionary utopia of national economic sovereignty, but in the liberation of the productive forces from the constrictions imposed on them by the outmoded social relations of capitalism. The social and political basis for such a movement is the international unity of the working class. Contrary to the assertions of those who maintain that the working class has “disappeared” under the impact of new technologies, it has in fact expanded both in absolute and relative terms.

The globalization of production has resulted in the growth of the working class by hundreds of millions in regions of the world where industry barely existed just a few decades ago. In the advanced capitalist countries many of the old forms of labour have disappeared—just as they did in earlier phases of capitalist development. But the economic changes associated with technological innovation have meant that many sections of the population, once considered to be middle class, and upon which the stability of capitalist rule depended, have been effectively proletarianized.

The result of these processes is that for the first time in human history the majority of the world's people are proletarians, having nothing to sell but their labour power.

And in every part of the world, whatever the particular differences in national economic life, the broad masses of working people find that their social conditions are being torn apart by the operation of the same global economic system. The development of an integrated global capitalist economy has given rise to a globally polarized society—the division

between a wealthy elite, whatever their particular national origin, and the broad mass of the population.

Already the impact of globalization has resulted in social upheavals—the mass strike wave in France in 1995 and the fall of Indonesian dictator Suharto, to name two—amid indications of mounting instability within the global capitalist economy.

The decade of the 1990s opened to proclamations of the triumph of the market and the defeat of socialism. But the triumph has proved to be rather short-lived. The last decade has seen a series of escalating financial and economic crises—the collapse of the European Exchange Rate Mechanism in 1992 followed by the crisis of the Scandinavian banks, the bond market turmoil of 1994 followed by the \$50 billion Mexican bailout in 1994-95, the so-called Asian financial crisis of 1997-98, which rapidly became a crisis of the global financial system. Now new financial storms are building up in the heart of the capitalist system, in the orgy of speculation and debt in US financial markets.

These financial eruptions are sure signs of the ongoing breakdown of the global capitalist economy, as was the failure of the major capitalist powers to reach any agreement at the WTO meeting in Seattle. This breakdown will produce deepening social struggles in the advanced capitalist countries and the so-called developing countries alike. But the crucial question is on what program will this movement develop? All manner of partial and single-issue demands will no doubt play a role. But these struggles will only be able to advance to the extent that a clearly worked out internationalist perspective guides their most advanced elements.

This requires the assimilation of the political lessons of the 20th century—above all an historical understanding of the nature and outcome of the Russian Revolution of 1917.

The Russian Revolution—the objective economic and social conditions for which were prepared by the first phase of capitalist globalization from 1870 to 1914—was the first attempt by the working class to reconstruct society on socialist foundations. Its leadership in the Bolshevik Party of Lenin and Trotsky and the workers who undertook the first overturn of capitalism were inspired and guided by the understanding that the conquest of political power in Russia was not an end in itself, but rather a step towards a wider objective—the world socialist revolution.

The first attempt at the socialist reconstruction of society ultimately failed. The revolution remained isolated and its failure to spread created the conditions for the rise of a vicious nationalist reaction in the form of the Stalinist bureaucracy and its perspective of “socialism in one country.”

In the succeeding years tremendous blows were struck against the international working class through the murder of its revolutionary leadership, first by social democracy and then by Stalinism and Nazism. The degeneration of the Russian Revolution and the murder of its leadership gave rise to great confusion in the working class, as the most monstrous crimes were carried out in the name of Marxism and communism.

The consequent ideological and political decay within the international workers' movement created the conditions for the domination of various nationalist doctrines—social reformism and Stalinism—as well as those associated with peasant-based and petty-bourgeois movements such as Maoism and guerrillism.

This process has left a legacy of political disorientation with the working class. But the objective conditions are emerging for the political education, clarification and re-orientation of the international working class and the renewal of the international socialist movement. If the Russian Revolution was the outcome of the first phase of capitalist globalization, then the further intensification of this historical process over the past 25 years is just as surely creating the conditions for new revolutionary upheavals.

It is sometimes said that the wheels of history grind all too slowly. Petty-

bourgeois opportunism, seeking to base itself upon these sentiments, offers new ways, short cuts and immediate “results” in opposition to the protracted struggle to forge a revolutionary leadership in the working class. But if the historical process does appear, at times, to be slow-moving, it is always extremely thorough. All the nationalist programs which claimed to offer a way forward for the masses have collapsed, leaving “not one stone upon another.”

The only program which has stood the test of the great events of the 20th century is the perspective of international socialism advanced by Leon Trotsky and carried forward today by the Fourth International under the leadership of the International Committee. We are confident that the *World Socialist Web Site* will become the focal point for the re-education and re-organization of the international workers' movement on the basis of this program. This is why we welcome the contribution by Professor Chossudovsky, for it has opened up a discussion on decisive political issues which must be addressed to meet the challenges of our time.

Notes:

1. Leon Trotsky, Nationalism and Economic Life in *Writings 1933-34*, p. 158
2. Leon Trotsky, op. cit., p. 159
3. Ronald H. Coase, *The Nature of the Firm* in *Economica* 4, 1937, cited in Henwood's *Wall Street*, p. 249



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