

# History has not ended, or retreated

18 May 2001

*Back to the reply by Nick Beams*

With the November Revolution there was a turning point in history. Nationalisation of the means of production was the order of the day. Under private ownership social production reached its zenith. National production demanded national ownership and this was done by the Russian Revolution. After the Second World War this was a worldwide phenomenon. Under National ownership (state ownership) social production developed and expanded and became international production. National ownership became a hindrance to international production. Up to the 70th decade nationalisation was the order of the day. From 1980 onwards, national ownership started to fall, as national ownership is not fit for international production. With the fall of the Soviet Union internationalisation of the means of production become the order of the day. This is also the turning point of history. Today social production is international production.

Modern commodities are the product of integrated international production. International ownership is based on private ownership. Integrated international production as reflected in the World Investment Report 1994 is given below.

“A firm pursuing complex integrated strategies needs to be seen, therefore, as consisting of an integrated set of corporate functions, each with (potentially) varied geography. In this strategy, intra-firm transactions of goods and services play, by necessity, an important role. Furthermore, because each element of the production chain is highly dependent upon all other elements within the system, information and coordination requirements are high. In this respect, advances in information technology have played a pivotal role in turning the potential for operating and effectively coordinating spatially dispersed function into a reality for many TNC's. The resulting product is a complex bundle of inputs, produced in variety of

locations, assembled in host or home countries for sale in those countries or anywhere in the world. To identify such a product with a single country becomes, therefore, less and less meaningful &SHY; a fact that may make it increasingly meaningless to identify a product as ‘Made in [name of the country]’ but rather requires an identification as ‘Made by [name of the firm]’ (page 140, *World Investment Report 1994*, UNCTAD).

Regarding ownership see the following:

“Most MNE's can be readily identified as originating from a single country. Everyone, for example, identifies ICI as a British firm, Ford as a USA firm, NEC as a Japanese firm, Volvo as a Swedish firm, Siemens as a German firm and Samsung as a Korean firm. Yet each of these MNE's has its shares quoted on a number of stock exchanges throughout the world and the membership of their Board of Directors is multinational, while an increasing proportion of their value added activity is undertaken outside their home countries. Even more difficult is to identify the true nationality of ownership of a MNE that is, itself, fully or partially owned by foreign interests. As global or regional integration increases, it is likely that these “spin&SHY;off” or secondary MNE activities are likely to increase” ( *Multinational Enterprises and The Global Economy* by John H. Dunning, Chapter 1, page 10-11 of 1998 print).

Regarding ownership and production see the following:

“The rapid growth, geographical spread and international integration of TNC activity makes it increasingly difficult to draw traditional distinction between domestic and foreign firm or between production in different locations. Take for instance the ownership of companies. National boundaries are becoming blurred as firms start to list their shares in several stock exchanges and spread head office functions across countries.

“Until now this had been mostly in developed countries, where some TNC's like Shell and Unilever even have headquarters in different countries (the United Kingdom and the Netherlands). Others (like Astra&SHY;Zeneca) have the responsibility for R & D in one country and their corporate headquarters in another. Developing countries do not yet participate in this process to a similar extent, but as their stock markets grow and gain greater credibility, TNC's are likely to increase their presence there as well. The spreading of head office functions have already started, with some basic research facilities established in the more advanced developing countries.

“Over time, some companies may disperse ownership so widely that their ‘Nationality’ becomes very difficult to identify. The spread of cross border M & A's, with extensive share swaps, and the rise of conglomerate cross holding of shares make this even more complex. Thus, while firms become larger and more visible, where they are headquartered becomes less important-&SHY;a very different scenario from the traditional transnational corporation with clear national origins, loyalties and culture. TNC's have not become stateless, but their spread and interests place them increasingly above individual national interests... similarly, the growth of integrated production systems means that it is difficult to define where a product actually comes from. Is a Ford made in United Kingdom, when inputs come from all over Europe or further a field, design is done jointly in United States and Europe, and stages of processing are spread over many locations, British, American or European? In some instances, as with television sets or videos, the whole product may have been manufactured by an independent local company, say, in the Republic of Korea, and sold under the brand of a Japanese TNC as part of an original equipment or contract manufacturing arrangement. Moreover, the sourcing of products and components may shift rapidly over time, as cost and demand conditions change” ( *World Investment Report 2000*, UNCTAD, Chapter &SHY; 1, pages 20, 21, 22).

Under international ownership (private) international production is becoming more and more international and going to be global. “International production&SHY;-production under the common governance of transnational corporations (TNC's)&SHY;-is growing faster than other economic

aggregates. The nature of international production is changing, responding to rapid technological change, intensified competition and economic liberalization. Falling transportation and communications costs are allowing TNC's to integrate production and other corporate functions across countries in historically unprecedented ways. Previous World Investment Reports have termed this process “deep integration”, which is giving rise to a cohesive global production system, with specialized activities located by TNC's in different countries linked by tight, long&SHY;lasting bonds” ( *World Investment Report 2000*, page 3).

The Modern Bourgeoisie are digging their graveyard by the act of internationalisation—the globalisation of social production. By this act they are making a strong material basis of the international revolutionary unity of the Proletariat against themselves. Private international ownership is not fit for global production. Global production will demand global ownership of the means of production (that is complete abolition of private ownership) soon. And it will be done by the Proletariat through world revolution because the emancipation of the Proletariat from wage-slavery coincides with the global ownership of the means of production (socialist ownership).

After the fall of Petit bourgeois-socialism (state &SHY; capitalism) the Bourgeoisie are saying &SHY; the end of history and the so-called communists are saying &SHY; history retreated. But history has not ended or retreated, history is proceeding forward, towards a Borderless, classless World Socialist Society.

Please send your opinion after reading the above article written by me.

w.r.g.

SS

*Back to the reply by Nick Beams*



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**