



Global Capitalism: The New Transnationalism and the Folly of Conventional Thinking

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ABSTRACT: The current moment must be seen from a stadial perspective on capitalist development. A new transnational stage is marked by the rise of transnational capital, a transnational capitalist class and state, and novel relations of power and inequality in global society. Recent events do not represent a new U. S. bid for hegemony amidst heightened inter-imperialist rivalry. Faced with increasingly dim prospects for a viable transnational hegemony, transnational elites have mustered up fragmented and incoherent responses involving heightened military coercion, the search for a post-Washington Consensus, and acrimonious internal disputes. This militarized globalization is less a campaign for U. S. hegemony than a contradictory political response to the explosive crisis of global capitalism. Yet the power of collective agencies to influence history is enhanced at such times of crisis, rather than of stability and equilibrium.

FEW WILL DENY THAT WORLD CAPITALISM is in crisis, that September 11, the U. S. war on Iraq and other international economic, political and military developments in the early 21st century are expressions of development and contradiction in the “deep structure” of the world capitalist system. But the nature of change in world capitalism has been hotly debated in recent years, enmeshed with the ongoing debate on globalization, and more specifically and recently, on the putative resurgence of U. S. empire. My views on the nature of these changes revolve around a theory of global capitalism as a new transnational stage in the history of the world capitalism system (for the most recent exposition, see Robinson,

2004). In this brief commentary I wish to take issue, from the vantage point of global capitalism theory, with the claim that recent developments represent a new U. S. bid for hegemony amidst a heightened inter-imperialist rivalry. This claim is so prevalent these days that the assumptions and framework of thinking that inform it seem to be accepted as axioms. Arguments to the contrary appear almost heretical. We should recall, however, that the very marrow of historical materialist analysis is to distinguish surface appearance from subterranean essence, which means putting aside the “noise” of conjunctural events and immediate political dynamics for a focus on underlying structure and movement therein.

The current moment must be seen from a stadial perspective on capitalist development that highlights the nature of changes in world capitalism from the 1970s and on. Globally integrated production and financial circuits driven by information technology and organizational innovations in capitalist production have modified how value is created, circulated, and appropriated. The emergent transnational stage is marked by a number of fundamental shifts in the system. These shifts include: 1) the *rise of truly transnational capital* and the integration of every country into a new global production and financial system; 2) the appearance of a new *transnational capitalist class* (TCC), a class group grounded in new global markets and circuits of accumulation, rather than in national markets and circuits; 3) the rise of a *transnational state*, a loose network comprised of supranational political and economic institutions *together with* national state apparatuses that have been penetrated and transformed by transnational forces; and; 4) the appearance of *novel relations of power and inequality* in global society.

It is time to reexamine the theory of imperialism in light of these changes. The dynamics of this emerging stage in world capitalism cannot be understood through the lens of nation-state-centric thinking. There is a new relation between space and power that is only just beginning to be theorized, along with novel political, cultural and institutional relations that are clearly transnational in the sense that the nation-state does not fundamentally mediate these relations as it did in the past. This is not to say that the nation-state is no longer important, but rather that the system of nation-states as discrete interacting units — the inter-state system — is no longer the organizing principle of capitalist development, or the primary institutional

framework that shapes social and class forces and political dynamics. Nation-state-centric thinking constitutes a blinder that limits our understanding of current world dynamics. It informs the widely accepted claim, rooted in the classical theory of imperialism, that current U. S. interventionism and unilateralism is evidence of a new U. S. bid for world hegemony and a renewed round of inter-imperialist rivalry. This claim is based on the assumption — and it is just that, an assumption, not grounded in empirical evidence — that world capital in the 21st century is still predominantly organized as *national* capitals in competition with one another. The current conjuncture, no matter how counterintuitive the argument appears at first blush, points not to a new U. S. bid for world empire, understood from the lens of the classical theory of imperialism or related neo-Marxist approaches such as world-system theory, but to the crisis of global capitalism.

I cannot expand here on my theory of global capitalism. Suffice it to note that the TCC thesis does not suggest there are no longer national and regional capitals, or that the TCC is internally unified, free of conflict, and consistently acts as a coherent political actor. Nonetheless, the TCC has established itself as a class group without a national identity and in competition with nationally based capitals. Transnationally oriented fractions achieved hegemony over local and national fractions of capital in the 1980s and 1990s in most countries of the world, capturing a majority of national state apparatuses (or key branches within those states), advancing their project of capitalist globalization as it attempted to achieve a transnational hegemony around the “Washington Consensus.” But the triumphalist rhetoric of global elites — political and intellectual representatives of the TCC — evaporated by the turn of the century as global capitalism entered into a deep crisis.

This crisis involves three interrelated dimensions. First is a *crisis of social polarization*. The system cannot meet the needs of a majority of humanity, or even assure minimal social reproduction. Second is a *structural crisis of overaccumulation*. The system cannot expand because the marginalization of a significant portion of humanity from direct productive participation, the downward pressure on wages and popular consumption worldwide, and the polarization of income have reduced the ability of the world market to absorb world output. This is the structural underpinning to the series of crises that began in

Mexico in 1995 and then intensified with the Asian financial meltdown of 1997–98, and the world recession that began in 2001. The problem of surplus absorption makes state-driven military spending and the growth of military–industrial complexes an outlet for surplus and gives the current global order a frightening built-in war drive (more on this below). Third is a *crisis of legitimacy and authority*. The legitimacy of the system has increasingly been called into question by millions, perhaps even billions, of people around the world, and is facing an expanded counter-hegemonic challenge. At a certain point in the late 1990s popular resistance forces worldwide formed a critical mass, coalescing around an agenda for global social justice. A global peace and justice movement emerged from the womb of a rapidly expanding transnational civil society, representing, as *The New York Times* acknowledged, the world’s “other superpower.” In opening up the annual meeting of the World Economic Forum in Davos, Switzerland, in early 2003, on the eve of the U. S. invasion of Iraq, Klaus Schwab sounded the alarm for the transnational elite. “Never before in the 33 years of the Forum,” he said, “has the situation in the world been as fragile, as complex, and as dangerous as this year.”

This multidimensional crisis of global capitalism has generated intense discrepancies and disarray within the globalist ruling bloc, which has begun to tear apart at the seams under the pressure of conflicts internal to it and from forces opposed to its logic. The political coherence of ruling groups always frays when faced with structural and/or legitimacy crises as different groups push distinct strategies and tactics or turn to the more immediate pursuit of sectoral interests. The more politically astute among global elites have clamored in recent years to promote a “post–Washington Consensus” project of reform — a so-called “globalization with a human face” — in the interests of saving the system itself (see, *e.g.*, Stiglitz, 2002). Such defectors from the Washington Consensus have included “the best and the brightest” technocrats, intellectuals, and politically active members of the TCC and its agents and allies, among them, George Soros, Joseph Stiglitz, Jeffrey Sachs, Jagdish Bhagwati, Kofi Annan, and several European heads of state.

But there were others from within and outside of the bloc that called for more radical responses. Faced with the increasingly dim prospects of constructing a viable transnational hegemony, in the Gramscian sense of a stable system of consensual domination, the

transnational bourgeoisie has not collapsed back into the nation-state. Global elites have, instead, mustered up fragmented and at times incoherent responses involving heightened military coercion, the search for a post-Washington Consensus, and acrimonious internal disputes. In the post-9/11 period the military dimension appears to exercise an overdetermining influence in the reconfiguration of global politics. The Bush regime militarized social and economic contradictions, launching a permanent war mobilization to try to stabilize the system through direct coercion. Is this evidence for a new U. S. bid for empire? We need to move beyond a conjunctural focus on the Bush regime to grasp the current moment and the U. S. role in it. The U. S. state is the *point of condensation* for pressures from dominant groups around the world to resolve problems of global capitalism and to secure the legitimacy of the system overall. In this sense, interventionism and militarized globalization are less a campaign for U. S. hegemony than a contradictory political response to the crisis of global capitalism — to economic stagnation, legitimation problems, and the rise of counter-hegemonic forces.

The Fallacy of a Realist Reading of the Current Moment

There are two interlinked components to the Marxist theory of imperialism: rivalry and conflict among core capitalist powers; and the exploitation by these powers of peripheral regions. Hilferding, in his classic study on imperialism, *Finance Capital*, argued that national capitalist monopolies turn to the state for assistance in acquiring international markets and that this state intervention inevitably leads to intense political-economic rivalries among nation-states. There is a struggle among core national states for control over peripheral regions in order to open these regions to capital export from the particular imperialist country and to exclude capital from other countries. "Export capital feels most comfortable . . . when its own state is in complete control of the new territory, for capital exports from other countries are then excluded, it enjoys a privileged position," observed Hilferding (1910, 322). Lenin, in his 1917 pamphlet *Imperialism: The Highest Stage of Capitalism*, stressed the rise of *national* financial-industrial combines that struggle to divide and redive the world among themselves through their respective nation-states. The rivalry among these competing national capitals led to inter-state

competition, military conflict and war among the main capitalist countries.

Hilferding, Lenin, and others analyzing the world of the early 20th century established a Marxist analytical framework of rival national capitals that was carried by subsequent political economists into the latter 20th century via theories of dependency and the world system, radical international relations theory, studies of U. S. intervention, and so on. This outdated framework continues to inform observers of world dynamics in the early 21st century.¹ The following assertion by Klare, in near-perfect Hilferdingian fashion, is typical:

By geopolitics or geopolitical competition, I mean the contention between great powers and aspiring great powers for control over territory, resources, and important geographical positions, such as ports and harbors, canals, river systems, oases, and other sources of wealth and influence. Today we are seeing a resurgence of unabashed geopolitical ideology among the leadership cadres of the major powers . . . the best way to see what's happening today in Iraq and elsewhere is through a geopolitical prism. (2003, 51–52.)

What about the second dimension of the theory of imperialism? In the post–World War II period, and drawing on the tradition established by Rosa Luxemburg, Marxists shifted the main focus in the study of imperialism to the mechanisms of core capitalist penetration and exploitation of the third world. In this sense, imperialism refers to this exploitation and also to the use of state apparatuses by capitals emanating from the centers of the world system to facilitate this economic relation through military, political, and cultural mechanisms (*e.g.*, the use by global corporations of first-world states to impose IMF structural adjustment programs or WTO trade agreements, destabilization of progressive governments, military interventions, etc). Imperialism, if we mean by that term the relentless pressures for outward expansion of capitalism and the distinct political, military and cultural mechanisms that facilitate that expansion and the

1 Although I cannot go into detail here, my argument has nothing to do with Kautsky's "ultraimperialism" or "superimperialism" theses. Kautsky assumes capital will remain *national* in its essence and suggests that *national* capitals would *collude internationally* instead of compete, whereas my theory on the TCC emphasizes that conflict among capitals is endemic to the system but that such competition takes on new forms in the age of globalization not necessarily expressed as national rivalry. Rivalry and competition among capitals are fierce, yet take place among transnational conglomerations that turn to numerous institutional channels, including multiple national states, to pursue their interests.

appropriation of surpluses it generates, is a structural imperative built into capitalism. It is not a policy of a particular set of state managers that run core states — to see it as such was Hobson's fallacy — but a practice *immanent* to the system itself. The imperialism practiced by the Bush regime is not peculiar to one group of neo-conservative politicians and organic intellectuals in the United States, and can be expected to continue, notwithstanding particular conjunctures and distinct policies and strategies among elites. In this sense, imperialism remains a vital concept for the 21st century, even if for reasons I cannot take up here such capitalist imperialism is considerably more complex under globalization than the facile North–South/core–periphery framework through which it is typically viewed.

But there is nothing in this imperialism that necessarily links it to a concomitant view that capitalism by definition involves competition among *national* capitalist combines and consequent political and military rivalry among core nation–states. The current (post-9/11) moment may represent some new escalation of imperialism in response to the crisis of global capitalism. *But*, to acknowledge this “new” imperialism is *not* to suggest, as does the received literature these days, the rise of a new “U. S. empire.” This literature sees a new U. S. empire competing with other nation–state capitalists. Such views arise from tenacious nation–state–centric thinking that so fogs current Marxist, and more generally progressive and radical, thinking on the current moment. “Intercapitalist rivalry remains the hub of the imperialist wheel,” claims Foster. “In the present period of global hegemonic imperialism the United States is geared above all to expanding its imperial power to whatever extent possible and subordinating the rest of the capitalist world to its interests” (2003, 13). Marxists such as Foster have frozen their historical analysis in an earlier moment. For Foster, world capitalism is still in its national “monopoly” stage of Lenin's and Hilferding's day, so that U. S. interventionism can only be a drive for hegemony over core state rivals.

What is remarkable about the welter of recent studies that in one way or another take up the thesis of U. S. empire, national competition and core state rivalry (the list is lengthy, but see, *i.a.*, Gowan, 1999; *Monthly Review*, 2003; Foster, 2003; Brenner, 2001; Henwood, 2003) is that none of them shows how the U. S. state has acted in recent years to protect and defend *specifically U. S. capital* and to exclude or undermine other *specifically national capitals*, which is what

the classical Marxist theory of imperialism that these studies rest on would predict. Despite the sundry differences among them, these studies simply *assume* that the U. S. state acts to benefit “U. S.” capital in competition with other core country national capitals. Yet on what basis we should conclude that the giant transnational corporations as putative beneficiaries of U. S. state action represent “U. S.” capital is *not even problematized*, much less documented. That the global capital conglomerates that dominate the world economy represent distinct national capitalist groups is something that must be demonstrated, not assumed, and here the extant literature advancing the U. S. hegemony/inter-imperialist rivalry thesis appears entirely vacuous of empirical content.

Gowan (1999, 2003), indicative of the typical approach, refers incessantly to the “American capitalist class,” the “French capitalist class,” the “Italian capitalist class,” and so on, without even once explaining exactly what these increasingly vacuous phrases refer to in concrete terms of social groups and their material coordinates. According to such thinking there is an “American capitalism,” a “German capitalism,” “French capitalism,” and so on, each a discernible and discrete economic system featuring distinctly organized national capitalist classes involved in sets of national competitive relationships. Such a view smacks of the realist paradigm that dominates the study of *inter-national* relations in mainstream political science, yet stubbornly lies beneath Gowan’s and most others’ allegedly Marxist accounts as well. Realism presumes that the world economy is divided up into distinct national economies that interact with one another. Each national economy is a billiard ball banging back and forth on the others. This billiard image is then applied to global political dynamics. To the extent that real social relations become rigid national state relations, the whole construct becomes a reification. The starting point of the typical analysis is the presumption that 21st-century world capitalism is characterized by national capitalist classes and states that defend the competing interests of these respective national groups against each other. But, to reiterate, this *cannot* be assumed. As Lenin and Hilferding did in their day, but as many latter-day Marxists do not bother with, it must be *tested* and *demonstrated* as the starting point of analysis. A framework whose validity needs to be established informs these studies and the claims that they make. This type of a rational structure to argumentation — to assume what

precisely needs to be demonstrated — is *not* Marxist analysis, yet it draws political applause from the left and progressives for evident reasons² and makes counterarguments that challenge these assumptions appear as counterintuitive if not downright loony.

Global Capitalism and the U. S. State

What does the empirical evidence indicate? In the first place, it strongly suggests that the giant conglomerates of the *Fortune 500* ceased to be “U. S.” corporations in the latter part of the 20th century and increasingly represented transnational capitalist groups (for a summary of this evidence, see Robinson, 2004). Second, the evidence indicates that U. S. policies in this period — such as imposition of neoliberal structural adjustment programs and sponsorship of free trade agreements — by and large served to further pry open regions and sectors around the world to global capitalism. Approached from an empirical standpoint, there is little evidence to suggest that U. S. state policies in recent years have advanced the interests of “U. S.” capital over other “national” capital. To the contrary, the U. S. state has, in the main, advanced transnational capitalist interests. The Bush regime, for instance, consistently ratified and pursued a policy not of national economic retrenchment but of neoliberal global market integration. And an analysis of TNS institutions suggests that they act not to enforce “U. S.” policies but to force nationally oriented policies in general into transnational alignment.

There is little disagreement among global elites, regardless of their formal nationality, that U. S. power should be rigorously applied (*e.g.*, to impose IMF programs, to bomb the former Yugoslavia, for “peacekeeping” and “humanitarian” interventions, etc.) in order to sustain and defend global capitalism. Military intervention has become a major instrument for forcibly opening up new regions to

2 What are these evident reasons? Let us not suppose that it represents a dogmatic defense of paradigms because of the personal and professional investment such commentators have acquired in them. Let us instead speculate that the predominant way of thinking appears as the path of least resistance in attempting to put forth a radical moral and political critique of the ever-more frightening and barbarous outrages and injustices of our times. It is as if we are achieving some moral high ground by decrying “U. S. empire” more loudly than the next person. Who, indeed, cannot be outraged by the utter criminality of Bush and company and the raw power U. S. rulers wield to carry out their crimes? But we can most effectively throw ourselves into the global peace and justice movement with as accurate a reading as possible of the current moment.

global capital and sustaining a process of “creative destruction.” It is in the objective interests of the transnational corporations that drive the global economy. In this regard, “U. S.” imperialism refers to the use by transnational elites of the U. S. state apparatus to continue to attempt to expand, defend and stabilize the global capitalist system. The question is, in what ways, under what particular conditions, arrangements, and strategies, should U. S. state power be wielded? We are witness less to a “U. S.” imperialism *per se* than to a global capitalist imperialism. We face an *empire of global capital* headquartered, for evident historical reasons, in Washington. The U. S. state has attempted to play a leadership role *on behalf of* transnational capitalist interests. That it is increasingly unable to do so points not to heightened national rivalry but to the impossibility of the task at hand, given the crisis of global capitalism. The opposition of France, Germany and other countries to the Iraq invasion indicated sharp tactical and strategic differences over how to respond to crisis, shore up the system, and keep it expanding. That this is not about nation–state rivalry should be obvious from the fact that a good portion of the U. S. elite came out against the war — not just Democrats but such Republican national security doyens as Brent Scowcroft and Lawrence Eagleberger.³

Neoliberalism “peacefully” forced open new areas for global capital in the 1980s and 1990s. This was often accomplished through economic coercion alone, made possible by the structural power of the global economy over individual countries. But this structural power became less effective in the face of the three-pronged crisis mentioned above. Opportunities for both intensive and extensive expansion have been drying up as privatizations ran their course, the “socialist” countries became integrated, the consumption of high-income sectors worldwide reached ceilings, spending through private credit expansion could not be sustained, and so on. The space for “peaceful” expansion, both intensive and extensive, has become ever more restricted. Military aggression becomes an instrument for prying open new sectors and regions, for the forcible restructuring of space in order to further accumulation. The train of neoliberalism became latched onto military intervention and the threat of coercive sanctions as a locomotive for pulling the moribund Washington

3 It is true that military, oil, and engineering/construction groups have managed to secure their own sectoral interests through brazen instrumentalization of the U. S. state under Bush. But this is a secondary dimension and cannot be taken up here.

Consensus forward. The “war on terrorism” achieves a number of objectives for a global capitalism beset by structural, political, and ideological crises. It provides a seemingly endless military outlet for surplus capital; generates a colossal deficit that justifies the ever-deeper dismantling of the Keynesian welfare state and locks neoliberal austerity in place; and legitimates the creation of a police state to repress political dissent in the name of security.⁴ The enhanced class power of capital brought about by these changes is felt around the world. Transnational capitalists have both a material and a political interest in stabilizing the “U. S.” economy. Transnational corporations have trillions of dollars invested in the United States.

More generally, the structural changes that have led to the transnationalization of national capitals, finances, and markets, and the actual outcomes of recent U. S.-led political and military campaigns, suggest new forms of global capitalist domination, whereby intervention creates conditions favorable to the penetration of transnational capital and the renewed integration of the intervened region into the global system. U. S. intervention facilitates a shift in power from locally and regionally oriented elites to new groups more favorable to the transnational project. The result of U. S. military conquest is not the creation of exclusive zones for “U. S.” exploitation, as was the result of the Spanish conquest of Latin America, the British of South Africa and India, the Dutch of Indonesia, and so forth, in earlier moments of the world capitalist system. We see *not* a reenactment of this old imperialism but the colonization and recolonization of the vanquished for the new global capitalism and its agents. The underlying class relation between the TCC and the U. S. national state needs to be understood in these terms. For evident historical reasons, the U. S. military apparatus is the ministry of war in the cabinet of an organically integrated yet politically divided global ruling bloc. This is a ministry with a lot of autonomous powers. Militaries typically acquire tremendous autonomous powers in times of escalating wars and conflict, especially in undemocratic systems such as the global capitalist system.

4 Despite the rhetoric of neoliberalism, the state is undertaking an almost unprecedented role in creating profit-making opportunities for transnational capital and pushing forward an accumulation process that left to its own devices (the “free market”) would likely grind to a halt. A Pentagon budget of nearly \$500 billion in 2003, an invasion and occupation of Iraq with a price tag of nearly \$200 billion by early 2004, and a proposed multi-billion dollar space program that would rest on a marriage of NASA, the military, and an array of private corporate interests must be seen in this light.

It is clear we are living through a moment of chaos. The contradictions of global capitalism are indeed explosive. What solutions might there be to the crisis of the system and the perils that it represents for humanity, from never-ending wars, to mass immiseration and ecological holocaust? In broad strokes, I can think of three alternative futures: 1) a global reformism based on a global Keynesianism; 2) a global fascism based on a “new war order”; 3) a global anti-capitalist alternative, some sort of a democratic socialist project. The current global crisis signals the end of Act I and the opening scenes of Act II in the restructuring crisis of world capitalism that began in the early 1970s. This Act II may end in a reassertion of productive over financial capital in the global economy and a global redistributive project. Perhaps the more reformist (as opposed to radical) wing of the World Social Forum will ally with the more reformist (as opposed to conservative) wing of the World Economic Forum to push such a project. Or we could see the rise of a global fascism founded on military spending and wars to contain the down-trodden and unrepentant. Will there be a predatory degeneration of civilization if neither forces from above nor those from below are able to bring about a resolution of crises and conflicts? Are we already seeing this? The future is not predetermined and we are all its collective agents. As frightening as the current course of things may seem, we should also recall that the crisis opens up tremendous new possibilities for progressive change. It is at times of crisis rather than stability and equilibrium in a system that the power of collective agencies to influence history is enhanced.

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