

GLOBAL CAPITALISM VERSUS DEMOCRACY

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PREFACE

One of the hallmarks of *The Socialist Register* has been its critique of the illusions that have attended capitalism's triumphal global march over the last two decades. If our analysis of the contradictions of 'globalisation' has been necessary and distinctive, this is equally true of this present volume, the Register's thirty-fifth, which has been completed amidst general recognition that global capitalism has entered an era of global crisis. 'The collapse of the emerging markets and its ricochet effect on advanced economies may not be the end of globalisation. But it is certainly the end of an era,' writes Jeffrey Sachs in *The Economist* of September 12, 1998. The mantra of the day among capitalists themselves is that globalisation has gone 'too far, too fast' and that 'the 90s are **over**'. 'Investors have begun to treat "global" as a bad word,' the *New York Times* tells us. Suddenly, even the *Wall Street Journal* and the *Financial Times* feature sober articles giving credence to the relevance – even the necessity – of capital and exchange controls, while pressures that the US Treasury and the IMF exerted only a few months back for further capital liberalisation and currency convertibility measures are now derided as having been other-worldly.

What has made the *Socialist Register's* approach distinctive over the past decade has been its demonstration that the contradictions of contemporary capitalism have not disappeared but have been playing themselves out both within the new forces generating globalisation and in the various forms which the process of globalisation has taken. This stands in contrast to the arguments advanced both by those who have minimised globalisation's novelty or **significance**, and by those who have only seen it as unstoppable force, sweeping away a century of socialist ideals and institutions, and even transcending the nation state. One of the Register's main accomplishments has been to have explained

why states remain central actors, and to have shown how they have reorganised themselves, however unevenly, to try to both advance and harness the processes generating globalisation. Just as the current global crisis will not have surprised Register readers, nor led them to imagine that it means the end of globalisation, so would they have understood that processes that developed under the neo-liberal ideological aegis of the new right will increasingly be revealed as depending heavily on the role of states for their continuance and **stabilisation**.

But increased – or at least more visible – regulation, even under the aegis of social democratic elites, must also mean an acceleration in the political contradictions of **global** capitalism. A further achievement of the *Register* in this respect has been to pierce the predominant illusions that have governed left strategies in the **1990s**, from the vague search for a new international civil society, to the apparently sober pursuit of 'progressive competitive' strategies by social democratic parties. The latter, in particular, have been shown not only to have failed the test of socialist ethics, in seeking to export their unemployment to less competitive regions, but also to have failed practically: the attempt by every state to compete for capital inflows, while limiting its imports and promoting exports, generates a vicious circle of 'competitive austerity', growing inequality and financial instability.

In these conditions, far from the socialist aspiration for democratic economic planning being passe, it has never been more relevant; and the Register has also been distinctive in its endeavour to offer at least the rudimentary basis of an alternative response (beginning with, but hardly limited to, capital controls). This has entailed constructive thinking about strategic direction on the basis of our authors' more realistic and complex view of capitalist and state restructuring. This important thread, combined with a stream of essays which have explicitly focussed on **organisational** alternatives, has meant that thinking about agency and strategy has been a consistent feature of the Register's engagement with the globalisation phenomenon.

This volume takes the analysis further, both in examining the changing contours of global capitalism at the end of the century, and in demonstrating that no democracy worth the name can any longer be conceived except in terms of a fundamental break with it. In the process, it exposes many illusory responses to globalisation. The essays published here on the contradictions that have been undermining the Swedish, Rhineland and East Asian 'models' go far towards showing how vacuous are the currently fashionable proposals for a 'third way'

(even those advanced in Cuba). But it is not only the crisis of all models implicated in globalisation that concerns us here. The essays in this volume also reveal the shallowness and growing instability of the 'democracy' peddled and often put in place by global capitalism's ideologues and state functionaries from Latin America to Russia. That it was always a serious error to take East Asia as offering a 'progressive' model of any kind was very clear long before the economic cataclysm that has now engulfed that region. But even in the core capitalist countries, as several of the essays here also show, democracy is increasingly thin, the public sphere and the autonomy of the state having been drastically curtailed by market forces, and the social democratic parties having been hollowed out by the very political elites who pretend that their 'third way' is a solution to, rather than a symptom of, the crisis of the **left**.

Yet there is no easy way forward. Among the obstacles examined by the contributors to this volume are, for example, the western working classes' complex implication in globalisation through their pension funds as well as through trade union support for 'progressive competitiveness', and the readiness of some **left** intellectuals to embrace the idea of a new non-material 'cyber-economy'. Many such problems will have to be confronted and overcome before effective movements able to challenge and transcend the forces that have brought us **globalisation** will be able to emerge and develop strategies, not only for **democratising** the economy and the state, but for reconstructing a public sphere where socialist voices can once again be heard. Such movements will need to discover how to make democracy simultaneously meaningful and effective at the local, national and global levels, not least by building new linkages between these levels.

This volume thus bridges the theme of the *Socialist Register* 1998, which drew on the socialist legacy by taking as its focus 'The Communist Manifesto Now', and that of our forthcoming volume for the year 2000, on the theme of 'Necessary Utopias', in which we hope to contribute to the task of developing viable alternatives for socialist democracy in the new century. The *Socialist Register* 2000 will appear in the fall of 1999.

Among the contributors to the current volume, Hugo Radice teaches in the Division of Industrial and Labour Studies at the Leeds University Business School. Ursula Huws is a writer and researcher who is Associate Fellow at the Institute for Employment Studies in London and Director of the independent social and economic research consultancy, *Analytica*. Konstantinos Tsoukalas is Professor of Political

Science at the University of Athens, and **Wally** Seccombe teaches at the Ontario Institute for Studies in Education in Toronto. David Coates is Director of the International Centre for Labour Studies at the University of Manchester. Birgit Mahnkopf teaches at the Fachhochschule fur Wirtschaft, Berlin, and Mitchell Bernard is in the Department of Political Science at York University, Toronto. **Atilio** Boron teaches political science at the University of Buenos Aires, and Haroldo **Dilla** is a researcher and writer in Havana. Adam **Tickell** teaches Geography at the University of Southampton, England, and Joachim Hirsch teaches Sociology at Johann-Wolfgang-Goethe Universitaet in Frankfurt, Germany. Boris Kagarlitsky is an independent writer and political activist in Moscow, and Sheila Rowbotham is at the Department of Sociology at the University of Manchester.

We want to express our appreciation to all the contributors for the effort they put into this volume, while reminding readers that neither the contributors nor the editors necessarily agree with everything in it. Thanks are also due to Mike Gonzales for his translation of Haroldo **Dilla's** essay from the Spanish, and to Johanna Liddle and Mark-Oliver Johnson for their translations of the essays by Birgit Mahnkopf and Joachim Hirsch from the German. In addition to the advice and help we have received from the Register's Manchester and Toronto Collectives and our Corresponding Editors, the preparation of this volume has been immensely facilitated by the energy, commitment and editorial skills of the Register's assistant at York University, Alan Zuege. We are also **grateful** to Marsha Niemeijer of York University for her help with proofreading. Dave Timms provided us with invaluable creative **help** in promoting the Register throughout 1998, and we are especially grateful to Sheila Rowbotham and him for organising the Register's celebration of the Communist Manifesto at **Conway** Hall in London on May 9, 1998. We are proud to conclude this year's volume with 'A Tale That Never Ends' – the remarkable text that Sheila prepared for four outstanding actors to read that evening.

Above all, we want to thank Martin Eve of Merlin Press, our publisher throughout the 35 year history of the *Register*. Martin's dedication to the *Register's* project, and the skills he brings to it, were never more evident than over the past year. This volume is dedicated to him with deep affection and gratitude.