

Book Review:

The Amoral Elephant

By WILLIAM TABB

(New York, Monthly Review Press) 244 pp. \$18.00.

Reviewed by Jerry Harris

William Tabb's book is an engaging and intelligent discussion of globalization and its effects on capitalism. His articles often appear in Monthly Review and are a significant step beyond editor Ellen Meiksins Wood's position that the new economy was just so much "globaloney." Tabb's book is a serious and readable study that not only accurately describes globalization but also points our attention to important new developments. As he states in chapter two, there is a "movement from national economies to a globalized economic system based on a new constellation of leading sectors, internationalized statist institutions, to emergent class structures." (p. 37) These points which focus on information technology, the changing nature of the state and class relations go to the heart of the matter.

Tabb opens his discussion with the importance of the communications/computer revolution, historically linking its effect to the earlier capitalist epoch in which railroads helped build a new economy dominated by national monopolies. This analysis, which shows that a shift in the means of production has led to "remaking the global political economy," (p. 43) is a key point often downplayed or missed in studies that start from cultural or sociological viewpoints. Tabb on the otherhand, is grounded in political economy and so begins with a historical materialist approach firmly rooted in the Marxist tradition.

In chapter three Tabb examines the role and power of the nation state, perhaps the most hotly debated question in global studies. He points out that Keynesian policies were part of a national strategy eroded by international capital markets. But Tabb doesn't conclude that the state is fading away, rather its being redefined by the "dominant forces in policy making...the most internationalized sectors of transnational corporations and financial institutions." (p. 61) Tabb correctly sees the growing role of the IMF, World Bank and WTO as an "emergent international state apparatuses" (p. 69) under the domination of finance capital. Although he doesn't conclude that there is an emerging transnational capitalist class he does note the rise of important elements in this developing historic bloc, including globalizing corporate and financial leaders, Third World elites, and the professional and technical strata tied to transnational capital.

Overall Tabb's discussion of the Asian meltdown in chapter five is an excellent unraveling of a complicated story. But he sees the main cause of the crisis as U.S. driven free market policies undermining Asian growth models through the use of the IMF under the direction of the U.S. Treasury Department. There is some validity to this view, but I don't think it is the whole, or even the main picture of events. Transnational capital has been involved in a complex attempt to build a new model of global accumulation. Not just U.S. finance but all transnational sectors from Japan, Europe, to local Asian capital have been fully engaged. While the U.S. Treasury has played an important role in no way has this been solely a project of U.S. hegemony. Asia became

a particular focus point because of its rapid growth. But in Thailand where the crisis started the U.S. ranked as only the fifth largest international investor, tied with the Netherlands.

Over the next two chapters Tabb details the integration of global capital, manufacturing and trade, and their effects on the living conditions of everyday citizens. These pages have many excellent examples of the concrete and widespread changes brought about by globalization. But Tabb seems caught between old perceptions and new evidence of a changed world. This causes him to shift between asserting the domination of U.S. hegemony while presenting data that shows the power and influence of transnational capital.

For example, while discussing the devastating effects of unregulated financial speculation on the Third World Tabb lays blame for this activity on the “U.S. model, which serves Wall Street speculators.” (p. 145) As he states, “Europeans, Japanese and Third World countries that favored some form of international agreement on new rules of managing international financial markets have been unable to budge the United States or to successfully oppose its will.” (p 146) This argument sees the “Wall Street-Treasury-IMF complex” as a vehicle for U.S. domination. Yet speculative capital has deep roots among the bourgeoisie of every region in the world. Open capital markets didn’t develop just to serve U.S. hegemony but to facilitate a transnational hegemonic bloc that includes globalizing class sectors the world over. After the Asian crash the debate over regulation had advocates from every country, one of the strongest voices being Joseph Stiglitz from the U.S. and the World Bank’s chief economist.

Tabb’s dilemma over the nature of transnationalization becomes even clearer when he examines trade and competition. Explaining why protectionism is no longer a major policy he points to the “growing interpenetration of national economies under the dominance of transnational capital and the hegemonic status of the United States.” (p. 128)

Here we need to ask Tabb who runs the show, transnational capital or the U.S.? In fact, Tabb goes on to build evidence that points to a transnationalized system rather than a system built to serve the U.S. As he explains, “The leading states are also engaged in a strategic alliance with major competitors based in other countries and continents and see their future in terms of a closely integrated globalized system.” (p. 132) And later he says, “To think in terms of U.S. corporations versus foreign corporations, of “our” capitalist versus “their” capitalist, is anachronistic. To think in terms of a nationalism in which all Americans, owners and workers, should stand together to protect an “us” against “them” is foolishness, and should be understood as such by working-class Americans.” (p.175-76)

Tabb seems caught in a contradiction. If economic nationalism is meaningless than what is U.S. hegemony? He attempts to reduce this question of nationalism to the limited territory of U.S. corporations and the U.S. state, essentially a ruling class without a nation. Yet he correctly shows that this state and class are in “strategic alliance with major competitors.” Tabb’s analysis is stuck between the past of hegemonic U.S. imperialism and an emerging global system under the leadership of a transnational class. The contradictory evidence he uses actually points to a developing dialectic in which the old nationalism is fading as a new transnationalized system is being born. His book builds this case yet the author himself is unable to make the analytical conclusion of his own evidence. Future work by William Tabb will indeed be interesting and worthwhile to follow.