

# Transnational Capital Faces Nationalist Challenge

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Globalization has developed a transnational capitalist class. This class differs from the imperialists of the industrial age in five important areas.

1. Their accumulation is based on a global strategy with no corresponding national project. A broad-based social contract has been replaced with neo-liberal policies that abandon large sections of the home population, making greater use of huge pools of cheap global labor.
2. Financial speculation dominates the world economy, affecting investment, government spending, and production. Global capitalists are invested in currency from major financial markets throughout the world, creating common interests and necessitating a common global financial architecture.
3. There are about 4,000 transnational corporations that have built a world assembly line in production, and are rapidly engaging in corporate mergers across national lines. Some 73 million workers labor for foreign owned corporations.
4. There are global economic and political institutional structures in which decisions making power has been invested which previously were under the power of national governments. Some of these institutions are the World Trade Organization, the World Bank, the International Monetary Fund, and agreements such as NAFTA and GATT.
5. The transnational capitalist class is self-conscious and a class-for-itself. They have formed a number of important policy centers such as the International Institute of Finance, the Institute of International Bankers, the Tri-lateral Commission. The TransAtlantic Business Dialogue, and The European-American Business Council.

This global consciousness is often expressed as when George W. Ball stated: "The urgent need of modern man (is) to use the world's resources in the most efficient manner. That can be achieved only when all the factors necessary for the production and use of goods - capital, labor, raw materials, and plant facilities - are freely mobilized and deployed according to the most efficient pattern - and that in turn will be possible only when national boundaries no longer play a critical role in defining economic horizons." (1)

Another example comes from Strobe Talbott, an important figure in the Clinton administration who wrote: "All countries are basically social arrangements...No matter how permanent and even sacred they may seem at any one time, in fact they are all artificial and temporary...Within the next hundred years...nationhood as we know it will be obsolete; all states will recognize a single, global authority." (2)

One last example is from Zbigniew Brzezinski who glowingly reports that: "A global human consciousness is for the first time beginning to manifest itself...Today we are witnessing the emergence of transnational elites...composed of international businessmen, scholars, professional men, and public officials. The ties of these new elites cut across national boundaries, their perspectives are not confined by national traditions, and their interests are more functional than national." (3)

Karl Marx hoped for the development of international proletarian consciousness when he called upon workers of the world to unite. Unfortunately it appears that the capitalist class has beaten them to it.

### **Primary Contradictions**

Given the development of globalism the primary contradiction within the capitalist class is between transnational and national formations of capital. There are two types of national capital: corporations whose primary market is nationally based; and international corporations whose primary accumulation strategy is nationally based or who define themselves politically with a national identity. Not every international corporation is transnational. Transnationals have a global identity and want national governments to help build, serve and protect the new regime of accumulation.

There are complex shadings and policy differences within each camp. Liberal, conservative and centrist versions exist on both sides. So in the current presidential primary races Gore represents a liberal globalism, Bush a centrist position, and Forbes a pure conservative form of free market neo-liberalism. None question the basic outlines of the new global order. The significant shift is from the Reagan era in which the conservative version of globalism dominated. This change is the result of the Asian/ Russian/ Brazilian world crash that made an adjustment away from dogmatic neo-liberalism necessary.

The real challenge to globalism comes for Pat Buchanan and Ross Perot. Their political strategy is to build an alliance of international/national-based capital, blue-collar Reagan democrats, and social conservatives. Their major emphasis is on job loss, economic insecurity, attacks on unpatriotic globalism, and immigration. Buchanan not only brings along social conservatives based on his well deserved reputation, but also his ability to tie questions of violence, drugs and social decay to the loss of our industrial job base. The rise of national right-wing populism can also be seen in Europe with LePen in France, Jorg Haider in Austria, and the development of youth based racist movements in Germany and England.

There still exist a number of important secondary contradictions. Competitive tensions define the relationship between the globalist. But this competition isn't based on national blocs, but rather huge world alliances and cross relationships, which shift and merge. There are also policy differences over how best to build and stabilize the new world system as referred to above. But none of these is likely to lead to wars of the old imperialist type. In fact, most recent military invasions have not been about imperialist plunder and markets, but maintaining a stable world environment for accumulation.

Lastly we need to look briefly at the relationship between nationally based business' and the transnationals. Many of these small and medium size company's are closely tied to transnationals as suppliers and sub-contractors. If their survival is based on their relations with the globalists, their political allegiance will follow. Therefore splits exist within the nationally based sector of the economy. This is also true within the Third World where the contradictions between nationally based companies, transnationals, and companies tied to transnationals are a continual source of tensions. This is the field upon which progressives must develop a political strategy. In particularly we must create an anti-globalism which can unite workers in a common worldwide struggle, and is clearly different from right-wing populism and its' narrow nationalist solutions.

1. Buchanan, Pat. *The Great Betrayal*. Little, Brown and Company, Boston, New York, Toronto, London, 1998. Page 106. 2. *Ibid*. Page 106. 3. *Ibid*. Page 105.