

A CONVERSATION WITH WALDEN BELLO,  
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WITH JERRY HARRIS

JH. One of the debates on globalization is whether or not it's a new era of capitalism. One argument is that digital technology has revolutionizing the means of production creating important changes throughout the system. Historically globalization has become to information capitalism what imperialism was to industrial capitalism. Others say that nothing has essentially changed. That to emphasize the newer aspects blinds us to the principals necessary to understand world capitalism. How do you see this debate?

WB. I think what characterizes the period of globalization is that national economies are being disarticulated by the processes of global capital and rearticulated mainly as production sites and financial nexus points for corporate capital. What's happening therefor is the protections that national economies had in the traditional international economy have broken down, and what you now have are economies that are in the process of disintegration. They are being reintegrated into the global economy as part of the production, market and service chains of global capital. So I think this disarticulation, disintegration and the reintegration is what characterizes this period of capital.

This is what people all over the world are really reacting to. The loss of place, the loss of one national economy and of having some space from the volatility of the growth. The loss of sense that the state could act as a protective mechanism vis a vis the global economy. That corporations have completely taken over. This is really what we're talking about.

JH. It seems this creates new problems for labor. How do you see the growth of global capitalism reconfiguring labor, and how do we overcome splits between labor in the Third World and the developed countries? Historically these differences often appeared as splits between reformism and more revolutionary unions. Is globalization deepening this divide, or is there the possibility of a common agenda and greater solidarity?

WB. I think definitely the possibilities for an internationalist response along class lines has increased precisely because corporations have gone all over the world relocating, taking advantage of the differences of labor costs. The possibilities for cross border union organizing at this point are very positive, very immense. But at the same time I don't think the traditional labor movement has really seen the potential that has emerged here. To some extent the reaction is still quite tentative. Although there is a lot of rhetoric about Third World workers being our brothers and sisters in arms, in fact there is no global organizing drive that makes a primacy of organizing Third World workers where contradictions in fact are sharpest. Much of the energies go into trying to get mechanisms like the social clauses in the WTO and trade agreements. These are basically defensive in character and are really meant mainly to protect the interests of northern workers, rather than advancing the interests of workers as a whole.

What we still have to see and appreciate is that this period of globalization has created tremendous opportunities for real progressive, revolutionary working class organizing. Part of the hesitation and fears and inability to understand this is much of the unions in the North, as well as their extensions in the South, are still very much caught up in the structures of the cold war. The bureaucracies were mainly geared for that period, and there has not been that reconstruction of the international trade union movement to really understand and insert itself into the conditions of the current period.

JH. A lot of the anti-global movement is firmly anti-capitalist, but not socialist. What role do you think Marxists should be playing in the anti-global movement? Do you think our vision of socialism will have to be reinterpreted and redefined for the current period?

WB. I would agree with you that this anti-global movement is anti-capitalist. But I think it is quite suspicious of socialism because it is associated with either the bureaucratic socialism of the Soviet Union, with all that entails in terms of lack of democracy; or with the social democratic variant of Western Europe which helped stabilize capitalism between 1950 and 1980, but which collapsed under the onslaught of neo-liberalism and the Washington Consensus. So this is the image that young people in the anti-globalization movement have of socialism.

But the values that inform this movement are very much the values that flow from socialism. A strong emphasis on equity and equalitarianism are very central aspects of this movement. Also a very strong emphasis on democracy, including sometimes an over emphasis on direct democratic mechanisms, which of course have very good roots in Rousseau.

Also there are values here that are not against socialism but can enrich socialism. One is the value of community and community integrity, which in the past whenever you would talk about community and community solidarity that was something associated with the right. There is a very strong emphasis on gender, and the importance of gender both in terms of equality and diversity. That was not in the old socialist movement. In many ways they paid lip service to gender and staid at the level of liberal feminism in the ways they addressed the issue of gender equality.

There is also a strong emphasis on the environment, and I think this is something new. The old socialism very much shared a trust in constant and ever increasing production, higher growth rates, and in the belief that technology would solve everything. I think this is a big difference. We now have a movement that is very distrustful of technology, and certainly sees constantly higher growth rates as part of the problem. The new movement has very strong views that we must coexist in a harmonious way with the rest of the biosphere, instead of dominating it as in classical expressions of the whole Judeo-Christian traditions, parts of which are incorporated in Marxism.

The last thing is diversity. The old socialism talked about one model whether it was the Marxist-Leninist sort or the Social-Democratic sort. People were thinking about one

model into which the rest of the world could be organized. In that sense it was very similar to the way of thinking of the IMF and World Bank - one model or structure that can be applied to everybody. I think part of this problem is the common origins of neo-liberalism and Marxism in the enlightenment. So you do have right now a movement that is post-enlightenment in this sense.

I would not minimize the differences between this new movement and the old socialist movement, because I do think there are differences. But both could learn from one another. There are certain values from the new movement that Marxists can mull about and think about and incorporate in their own work. Progressive activists who have interacted with the developments have not had a problem in terms of shifting. The problem is more with intellectuals and academics of the left whose main mode of perception of change are intellectual rather than activists. If you look at activists coming from Marxists backgrounds of the 1960s and 1970s that have remained engaged you find many of them being central to the anti-globalization movement.

I would cite the example from Thailand where many of the cadre of the old Communist Party became central to the new progressive politics. The new movements in Thailand put a lot of emphasize on environmental struggles, on the connections between the environment and farm struggles, and the struggles over resettlement that incorporate a whole series of demands. What I see here in Thailand are movements for the poor that blend the best of the old progressive traditions with the best of the new progressive traditions. So I think the key thing is participation in activists struggles. The level of activism is where you see much of this recent blending going on.

JH. Perhaps we can turn the discussion towards some of the theoretical aspects of globalization. It seems there has been a revolution in the means of production because of digital technology and this has built a global command and control system for transnationals. Also the incredible size and speed of the financial markets would be impossible without information technology. These factors have laid the foundation for a new system of production that is engendering a global bourgeoisie. This is taking formation through global mergers, complex alliances, and the vast spread of tightly interconnected financial markets. This is essentially different from Lenin's imperialism where international corporations had a single national base. How do you see these developments? I know from reading your work you see globalization as mainly a project of US hegemony. Would you like to respond to some of these ideas?

WB. My sense is the ties and interactions among capitalists groups have definitely intensified during the last three decades with neo-liberalism, globalization, and the integration of markets and economies. But the driving force of globalization when you look at it is principally US corporations. The cutting edge of the technological revolution, especially in the 1990s, were definitely American information corporations like Microsoft. In fact, if you look at the 1980s and 1990s there was real competition between Japanese corporations closely tied into the Japanese state, and US corporations who were very tied into Republican administrations.

Basically you had competition at the level of capitalists groupings between Japan and the United States. And one can say that Japan as a capitalist country dominated by the Sonys, Toyotas and karitsus basically lost that battle. At the same time European capitalists groups were moving towards a more supranational integration in the economy and state. This was precisely a reaction to both the Japanese and American challenge.

So I don't think national capital at this point has vanished. It is there and still as strong as ever. We just saw a manifestation of US capital making use of the US state. After the Asian financial crisis US capital, working closely with the US state and using the IMF, basically created American type rules for Asian capital. They also used this opportunity to buy depreciated assets from Japan to Korea to Thailand. And through mergers and acquisitions picked-up Asian capitalist assets that had been severely depreciated by the financial crisis.

So in terms of inter-capitalists competition it continues to persist as a future of globalization, and the US state continues to be very much a state of US capital. We can see this now in the IMF and World Trade Organization. The arguments with Europe, the fights with Europe, the intensifying contradictions with Europe, over issues as Boeing and Airbus, agricultural interests, on a whole range of industrial policy, the role of subsidies, GMOs, name it. Here is where European corporations and the European superstate are listening and reacting to the demands of their own civil society. While we also see the efforts of the US corporations working with the US state to push their own policies. I don't think that we can eliminate the national aspects of this struggle between Europe and the United States. So yes, globalization is making the interaction of national or regional capitalists more intense, but that interaction continues to maintain a very strong level of competition. And that states, the European superstate and European Union, and the United States, are principally responsible to their own capitalist groupings.

JH. Well lets take a look at the IMF, World Bank, the WTO, and the growth of these organization. Can we say that this is an effort, whether by capitalists groupings or a global bourgeoisie, to build a new legal, contractual, legislative and financial superstructure to house this new capitalist system? Of course there is competition within these structures, we know capitalism is a competitive system, but the basic process is that capitalists groupings in Europe, Japan and America are building these common structures and creating rules that they all share and compete within. So that in important ways this is superseding the role which national states would have played before. In fact, today in many ways what the national state is focused on is building a global structure. For example, the US Treasury Department under Ruben and Summers spent more time debating what the IMF should be doing, rather than what the Treasure Department should be doing inside the United States.

How do you analyze this formation of a global superstructure?

WB. When you talk about the WTO, IMF and World Bank I don't think you can talk about one project, but several projects. The main project within the WTO was what we can call the Anglo-American project. The rules and priorities of the free market, the role

of the state, you know comes from the Anglo-American way of capitalism. And this principally benefits US corporations because these are the sorts of rules culturally that they have lived with and achieved their dominance in the economy.

The same thing with the IMF. When we talk about the construction or reconstruction of the IMF and World Bank, when we talk about the generalization of neo-liberalism and structural adjustments, what we are really talking about is the Anglo-Americanization of capitalism. The definition of other roots of capitalism, an Asian or Japanese capitalism, or a European capitalism where the state plays a far more comprehensive role than the United States, are somehow illegitimate to capitalism. This cultural economic stamp in globalization can not be underestimated because it uproots the right of certain national cultural experiences and disadvantages certain groupings that derive from other experiences. So part of the problems that we see within the IMF and WTO are precisely conflicts over this cultural capitalist contradiction.

JH. But maybe what is happening here is a struggle to develop the best model for global capitalism. And the Anglo-American model is best because it's the most competitive, the most vicious, and most exploitive. In fact, most large European and Japanese corporations are taking to it like fish in the water. European corporations are more than willing to throw social-democrat arrangements on the garbage heap of history and exploit European workers using this model. And yes, of course there would be cultural and historic predisposition to struggle for a European, Japanese or Anglo-American model. But perhaps what is emerging here is not so much an Anglo-American model, but a world model that is the most competitive and efficient in which they all share.

In finance we've already seen this. Because in finance Japanese banks just don't have yen, Citicorp just doesn't have dollars, German banks just don't have marks. They all have international capital and trade in trillions everyday. So their money at a global level is already integrated. They accumulate and operate based on worldwide strategies, so it's not so much the yen versus the dollar versus the deutschmark, but how they develop and stabilize a world system of accumulation.

WB. Well there are several things I would respond to on that. I think if European and Japanese capital are reacting to do away with their own past social accommodationist policies a lot of this is a defensive reaction precisely to the brutal competitive capacities of US firms. At the same time despite the fact that there is a practical as well as a rhetorical acceptance of deregulation there is a great deal of resistance with continued state support for industries. The same Japanese banks that are global players are criticized by the US Treasury for having a cozy relationship with the Japanese state in protecting their financial market. The same thing when it comes to Europe. The big players, both state and financial, are accused by the United States of continuing to sustain European firms. The example of Airbus shows the Europeans have definitely made a stand. Over the last two decades this was an industry that was developed from scratch through subsidies. The Boeing and Airbus competition is just as indicative of the future as is other features, the more integrationist aspects of global capital.

So my point is one; a lot of the deregulation and neo-liberalization of Europe is a defensive reaction; two, there is a lot of rhetorical interaction with the free market, but a continuing state/corporate relationship in both Japan and Europe; and three is that in certain industries one can see national champion strategies continuing to be advanced.

JH. I know you call for the abolishment of the IMF and World Bank, as many others have, as well as many on the right. On the otherhand many anti-global activists take the position that as bad as the IMF is, at least it's on a ministerial level and has governmental membership and therefore subject to political pressure. They argue abolishing the IMF would result in markets being dominated by international financial institutions where we would have very little influence or political leverage. So what would replace the IMF and World Bank, and would that empower the huge banks and financial institutions, or would getting rid of the IMF and World Bank empower the mass movements?

WB. I have no doubt that abolishing the World Bank and IMF would create precisely the space in which national economies would be able to follow strategies of their choice. We have to understand that the IMF by its structural adjustments have decimated those economies. People who argue that you really need the IMF, if you look at the record, for what? The way the IMF has applied structural adjustments has just made stagnation, poverty and inequality part of these economies. That is the central aspect, the central role that the IMF has played. So I really do not see what benefits there would be for continuing the IMF.

If it were converted into a research institution that monitors world capital movements and exchange rate movements that would be fine as an information source. But as a policy making body that by the power of loans has the capacity to distort Third World economies I think that is what we want to remove. So if you are asking if the IMF should remain a research body, fine. But as a policy making body it ought to really be abolished.

There is this big fear that anarchy is going to replace the abolition of the WTO, IMF and WB. I think we must realize that it is only since the 1970s that there has been a tremendous expansion of the powers of these organizations. The WTO only since 1994. What existed before was the relatively flexible GATT system. Under GATT there was a level of pragmatism and recognition of special differentials of Third World countries. There was more space inside of GATT precisely for countries to achieve combinations within the world economy. It allowed them to interact with the world economy with their own development strategies. Under the WTO and the iron rules of its dispute mechanism that space is no longer there.

The possibilities of a world without the IMF showed up during the Asian financial crisis. A number of countries within the region of Asia banded together and they were going to create the Asian Monetary Fund. This meant pooling the resources of these various countries that could be deployed to save their currencies, but under very loose conditions. If the AMF had been created we would have had a very different outcome of the Asian financial crisis. You would have had stabilization. The possibilities of the AMF showed it need not be anarchy, instead there could be regional funding mechanisms

with trade agreements and other principals beside free trade. For instance, in the Association of Southeast Asian Nations there has always been a very strong tariff, it is not a free trade arrangement but rather a regional import substitution strategy.

What would be accomplished with the abolishment of the IMF and WTO is the creation of space by which countries would be able to follow strategies of their choice in terms of their relations with the outside world. The past has shown that a system without one iron uniformed set of rules is the most congenial for the weaker countries to develop. It's precisely the creation of the World Bank, IMF and WTO that eliminated these possibilities. I'm not saying we just return to the pre-WTO days. Of course we're not saying that. But we do want a global system that provides the space for maneuver of the weaker economies.

JH. Well this brings up an interesting point. I like to think of ourselves as internationalists rather than globalists, although in the press you see attacks calling the new movement isolationists. What are our alternatives? Can we develop a delinking or South to South strategy, are the national political forces in the Third World strong enough to become truly independent without revolution, can they create that space and model for independence and development without the disappearance of global imperialism?

WB. In terms of delinking I don't think the alternative we have put forward is deglobalization. We're not talking about withdrawal from the international economy, but changing its rules. Middle size countries need the space to determine the trade, industrial and developmental strategies of their choice without having to be put into one free market model. What this basically means is not withdrawing from the international economy, but reemphasizing or reconfiguring ones participation in the global economy so as to strengthen the capacity of the national economy. Rather than participating in the international economy through finance and export trade that weakens the national economy we are talking about a set of practical policies with reemphasizing production for the domestic market.

For example, a reemphasis on raising capital for development from within local markets rather than having to move into global financial markets. This would mean among other things taxing our elites. Moving to the global markets have always been a substitute for governments that have feared making the political choice of taxing Third World elites, which are very rich. This means having to undertake the agenda in many countries of income redistribution. In many countries it would mean completing land reform. Because this would create domestic markets for prosperous consumers that would be the engine of the economy. We know that the global export markets were, politically speaking, always put forward by our elites as a substitute for having to tackle the income redistribution question. The Asian export model argued you needed high growth rates so you could let some trickle down and pacify the population. But the greater part of the growth was for the elites. We want to look away from the heavy emphasis on growth to a very controlled low growth strategy that becomes possible because of the emphasis on income redistribution. If we carry out these income

redistribution measures we can talk about environmentally sensitive growth in the Third World for the first time.

I think we would be talking about a new relationship between civil society, the market and the state in which while the state would perform a fairly strong interventionist regulatory role in the private sector, both corporations and the state would be checked by a very strong civil society. We're also talking about the creation of new production and exchange complexes that would be based on private enterprise, excluding transnational corporations. An important factor here is to produce at the local level what can be made at a reasonable cost. Production in fact plays more than just production functions. Economic activity has cultural, political and other aspects. If you totaled it all up you find the net effect of keeping an industry within the community, within the country, is higher than its alleged lack of efficiency if you just deal with it in cost efficiency terms.

The last principal is saying clearly that the reduction of unit costs that is the driving force of free market capitalism should not be the ultimate value. But one that is dominated by other fundamental values that are more important, community, solidarity, equity, justice, democracy. These values should be dominant in an economic strategy. As Polanyi said, we should reinvent the economy for society rather than having the economy drive society. In this way we are reinvigorating and enhancing the capacity of the community, local and national economy.

If we would like to reintegrate our disarticulated economies in a new way, we must at the same time create international institutions that promote this objective. This is why we need to dismantle and reduce the strength of the central institutions like the WTO, and then strengthen other regional and international bodies like the ILO. So you have a multiplicity of institutions that check and balance one another, and in that check and balance countries are able to find their way and create their space for maneuver. We must begin to create these institutions that protect this space for these countries to pursue their projects of development, and protect diversity. This is really what we're talking about. I think this is very far from the notion of delinking which is impractical. We are part of an international economy. The question is do we let the global economy overwhelm us, or do we use the global economy to enhance our national economic capacities.

JH. You know we started off talking about the role of socialists in the anti-global movement, so this brings us full circle because the ideas you have been articulating on economics are linked to what a new vision of socialism needs to be. Industrial socialism had so much to do with bigness, centralization and the ideas that came out of the enlightenment. But the ideas you've articulated are really a very different vision of what socialism and a new economy should be. We've been talking about many of the same things in Chicago at Cy.Rev. The idea of moving away from the concept that the state owns and controls everything, and that the diversity and multiplicity of economic activity is really also a question of democracy.

WB. Yes, I fully agree with you about this old statist view that the state holds everything. I think that is not on the agenda anymore. I think we must defend the role of



the state in terms of regulation of private capital, even the role of the state in production, but we must also see the limitations of the state as an economic agent. A country's political economy should be precisely a factor that liberates different types of systems of production, which include the importance of community ownership, the role of civil society control, the role of cooperatives and of hybrid arrangements between cooperatives, private business and the state.

I think this bigness, this centralization of production is something very common to IBM, the Soviet state and the karitsus. Some of these Jurassic organizations might in costs efficiency terms be more efficient. But I think when you look at the total costs they impose on society there has been a tremendous damage to people and the environment.

The one thing we can not include in the Third World production system is the transnational corporation. We are now at a phase were transnationals are really obsolete organizations. Because of the tremendous damage that they poise in every way the transnationals just can not be engage in productive activity without being criminal.