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Transnational Globalism or Internationalist Nationalism?

Neoliberal Capitalism and Beyond

by
Gerardo Otero

William I. Robinson *Latin America and Global Capitalism: A Critical Globalization Perspective*. Baltimore, MD: Johns Hopkins University Press, 2008.

What is popularly known as “neoliberalism” started in the early 1980s, with the administrations of Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom. It consisted of a package of state policies meant to transcend the capitalist crisis generated by the exhaustion of the Fordist accumulation regime. Since the post–World War II years, this regime had been predicated on the “virtuous circle” of mass production and mass consumption, which had incorporated the working and middle classes of advanced capitalist countries into the cycle of capital accumulation and the realization of surplus value. A central component of this regime was higher productivity and higher wages, concomitant with working-class struggles and triumphs and the welfare state, which covered substantial portions of the “social wage” (e.g., unemployment and health insurance, increased access to education and other social programs). By the end of the 1960s, nation-state-centered Fordist capitalism had entered a prolonged crisis of profitability. Hence the neoliberal turn was implemented to dismantle or weaken organized labor, eliminate or reduce state subsidies in a number of industries, and scale back welfare-state benefits. International financial institutions such as the International Monetary Fund (IMF) and the World Bank took a central role in disseminating the new creed of market fundamentalism and neoregulation: at the level of the global economy, the point was to liberalize international trade, lower or eliminate barriers to the movement of capital across national borders, and strengthen protections for intellectual property rights and the private sector. Transnational corporations, already strong in the Fordist epoch, became the decided central economic actors.

By the end of the 1990s, a series of articles and books started to argue that the era of the nation-state had ended in favor of a globalized capitalism. With the collapse of state socialism in the Soviet block, even imperialism was supposed to have given way to a borderless “empire,” incorporating the “outside” into the “inside” (Hardt and Negri, 2000: 189). Others criticized Hardt and Negri’s view for being primarily a philosophical abstraction that had little to do with actual social processes. In particular, their view that empire could offer a new peaceful order was shattered by the attacks on U.S. soil on September 11, 2001, and the subsequent wars pursued by the United States in Iraq and Afghanistan. Any semblance of soft U.S. hegemonic power—on behalf of global capitalism or of its own ruling class—was overtaken by unilateral militaristic dominance. Still, Hardt and Negri’s view of a borderless capitalism continues to gain followers.

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In *Latin America and Global Capitalism*, William Robinson sets out to articulate a social theory of global capitalism's constituent parts, moving beyond the philosophical discourse of Hardt and Negri. His chief accomplishment is to synthesize several key literatures on the polarizing social and economic effects of the neoliberal development model in Latin America. But his main goal is nothing less than providing the political-economic analysis of how capitalism has become a global, transnational production system that has generated both a transnational capitalist class and a transnational state. Because of this new global configuration, as if capitalism had become a world nation-state, "transnational or global space is coming to supplant national spaces" (7). Resistance and counterhegemonic struggles by the "popular classes" must now be waged, he argues, on the same global terrain. Power is no longer the ability to issue commands that are to be obeyed but "the ability to shape social structures, shifts from social groups and classes with interests in national accumulation to those whose interests lie in new global circuits of accumulation" (36).

Robinson proposes to shift the analysis of development and change from a nation-centric approach to a global and transnational one without abandoning the nation-state as a crucial terrain of accumulation and struggle. On p. 37, for instance, he asserts that "the continued existence of the nation-state system is a central condition for the power of transnational capital." And he points out that a fundamental contradiction in the global capitalist system is that the transnational state is still "incipient and unable to regulate global capitalism or to ameliorate many of its crisis tendencies" (37). Given this incipency of transnational state institutions like the international financial institutions and the World Trade Organization, the U.S. state is seen not as an imperialist state but as "a state playing a leadership role on behalf of transnational capitalist interests. . . . As the most powerful component of the [transnational state], the U.S. state apparatus defends the interests of transnational investors and the overall system" (41). James Cypher (2009) begs to differ in his review of this book, arguing that the U.S. state continues to act primarily in an imperialist mode in the interest of its own ruling class. Similar critiques have been launched against Hardt and Negri's notion of empire by others (e.g., Petras, 2002; Petras and Veltmeyer, 2007; Wood, 2007; Kumbamu, 2010).

Robinson's view of the state is more nuanced, however, than Hardt and Negri's. Rather than a rollback, he asserts that state transnationalization involved a reorientation "as state services were redirected away from the popular and working classes and toward private capital, and within private capital, from national to transnational fractions" (183). Also, "by stimulating transnational capital flows, Latin American states have acted as components of the [transnational state]" (184). Significantly, Robinson does not regard the neoliberal turn as a crude external imposition on Latin American states, which might be derived from a straight dependency analysis. Instead, the process included "the participation of national state apparatuses . . . and the active involvement of local dominant groups" (35). Latin American states must nevertheless respond to the power of the global economy in the form of discipline and by becoming an instrument of transnationally oriented capitalists and technocrats. My critical review focuses on the latter logic, which I call "globalism."

Given his globalist perspective, Robinson argues that "[a] sociology of national development is no longer tenable" (43), even though his own case study of Venezuela is about promoting "endogenous development" supplemented by international solidarity networks (332–352). From his perspective, then, development should be "reconceived not as a national phenomenon, in which what develops is a nation, but in terms of developed, underdeveloped, and intermediate population groups occupying contradictory or unstable locations in a transnational environment" (46). Within this logic of development research, Robinson establishes his globalist causal priority: "If we are to properly understand the role of local and regional economies and social and class structures, they must be studied from the perspective of their point of insertion into global accumulation rather than their relationship to a particular national market

or state structure" (48). This causal priority gets Robinson into an analytical straitjacket: globalism prevents him from properly assessing resistance and contestation by subordinate groups and classes, which take place primarily at the local or national level (Otero, 2004). Suggesting that such struggles must take place in the global terrain posited by the ruling classes sets up the virtually impossible goal of constructing a transnational civil society.

Chapters 2–5 provide a fine, if at times repetitive, synthesis of the literature on the ravages of neoliberalism in Latin America. Chapter 2 is an overview of the rise of nontraditional agricultural exports and agroindustry (including the phenomenon of "supermarketization" of food distribution at the expense of local markets), the huge increase of transgenic crops like soybeans (with increased use of pesticides), especially in Argentina and Brazil, the feminization of labor, etc. All of these changes in agriculture caused, among other things, a decrease in the ratio of food to export-crop production, leading in turn to increased food imports and dependency. Ironically, rather than nontraditional agricultural exports' resulting in increased foreign-exchange revenues, their imported-inputs intensity resulted in a deepening cycle of debt (100).

Using secondary sources, some of which contradict each other, Chapter 3 shows that subcontracting, transnational services, tourism, and remittances have increased substantially. In some instances, these phenomena contribute to the expansion of the transnational capitalist class with local bourgeoisies; in others, Robinson claims, culture and social structures become transnationalized. The case for the latter point is very weak, and hardly any evidence is presented in support of it. Why, for instance, would increased tourism not serve to strengthen—rather than weaken—local cultures by increasing contact with foreigners and deepening the production of (albeit commodified) domestic folklore and handicrafts?

One of the sharp insights in Chapter 3 is that in countries like Mexico there is a "broken Fordism": wages do not count for the realization of surplus-value contained in the commodities they produce. Rather, most are exported to the United States or other advanced capitalist countries. Robinson articulates this insight in theorized form as a "historically unprecedented separation of the point of production from the point of social reproduction. The former can take place in one part of the world and generate the value—then remitted—for social reproduction of labor in another part of the world" (154).

Chapter 4, "Transnational Processes in Latin America: Class, State, and Migration," offers particularly good insights by reviewing several literatures on these processes, but there are also some theoretical equivocations. Some of the themes are quite repetitive with material from previous chapters, such as the rise of a transnational capitalist class, the proletarianization of the peasantry and artisans, the increased flexibility of work relations, and the expansion of supernumeraries and the marginalized. Yet, some important processes are described, such as the reorientation of state policies from import-substitution industrialization to global integration of local economies, the adoption of global dietary patterns, the "Wal-Martization" of circulation, increased mergers and acquisitions, the rise of "technopols" (drawing on Jorge Domínguez [1997], meaning the merger of technocrat and politician), the disciplining and instrumentalization by capitalists of the national states, racialization of migrants, and the questionable notion of "bottom-up globalization."

Bottom-up globalization would include, for instance, the case of local communities of artisans in Otavalo, Ecuador, or Oaxaca, Mexico, that tap globalization to advance their life chances. For Robinson, Otavaleño artisans who have become successful exporters "have been able to construct a cultural identity as an 'exotic Other' that can be marketed globally" (219). He therefore agrees with one of his sources that "Otavalans' handicrafts are authentically inauthentic" (220). Despite the fact that Otavaleños have become some of the main brokers of native handicrafts from Latin America, Robinson opines that such entrepreneurial success "should not be romanticized as a viable alternative to the depredations of global capitalism" (220). Although this is not an

alternative for the masses, one could acknowledge that these artisan-merchants have indeed improved their situation. Such acknowledgment would have been consistent with Robinson's larger point about the incorporation of local bourgeois fractions (indigenous in these cases) into the globalized transnational capitalist class.

Chapter 5, "The Antinomies of Global Capitalism and the Twilight of Neoliberalism," is once again repetitive about the negative impacts of neoliberalism, but it adds two crucial topics. The first is financialization (derivatives, securitization, etc.), and there is a good discussion of how finance capital has become globalized, free from regulation, and largely detached from production. This discussion contains some contradictory statements and tenuous data. The general and valid empirical point is that Latin Americans have produced increasing contributions to global capital accumulation but "have become more impoverished and exploited" (256), except, of course, for some people like Mexico's Carlos Slim, who competes yearly with Bill Gates and Warren Buffet for the first spot as wealthiest man on earth. Contradictory statements regard the degree to which finance capital has become decoupled in valuation from actual production. On p. 257, for instance, Robinson alludes to "the *appearance* of decoupling of financial from productive activity," but on the next page he asserts: "Finance has *in effect* become *decoupled* from production" (258, my emphasis). Granted, "the volume, intensity, and complexity" of global financial transactions have increased "many times over," but this is precisely why in 2008 world capitalism experienced its worst crisis since the Great Depression: bubble bursting is the way in which financial values must be brought into closer relation with production values, although speculation continues. As long as significant decoupling between these values remains, capitalist crises will become more frequent and perhaps deeper, highlighting the parasitic character of finance capital.

The second main theme in Chapter 5 is polyarchy—the best part of the book, although it also contains some conceptual stretching/distortion of Gramsci (Callinicos, 2010) and about "popular movements" in the 1970s (p. 274), which were really vanguardist movements focused on political society and the violent takeover of state power. The most troubling sections are the final ones, which document the increase in U.S. domineering and militaristic impetus. While this trend was heightened during the Bush administration, Obama's sanctioning of the 2009 Honduras coup d'état could be a significant indication of how U.S. imperialism will ultimately respond to the crisis of global capitalism.

The concept of "polyarchy" is taken from Robert Dahl, who originally proposed the term in 1956 to characterize a democratic electoral system like that in the United States. Robinson redefines the concept as "a system in which a small group actually rules, on behalf of capital, and participation in decision making by the majority is confined to choosing among competing elites in tightly controlled electoral processes. Democracy, of course, is antithetical to global capitalism, if we understand it to mean power of the people" (273). While the concept and substantive discussion are both compelling, the choice of a word to designate it is unfortunate: its Greek roots mean "rule by many" (not to mention that several of Dahl's conditions for polyarchy do not hold in Latin America). A more accurate term might have been "democracy of elites" in contradistinction to "societal democracy," Robinson's implicit ideal of radical democracy. "Oligarchy" (rule by the few) would not work, as it has been historically associated with the rule by landlords, the military, and the Catholic Church in Latin America. Still, Robinson's "polyarchy" goes a long way toward demystifying the widely touted "democratic transition" of mainstream political scientists who define "democracy" in a minimalist way, confined to elections (e.g., Drake, 2009).

With his concept of polyarchy, however, Robinson goes too far in the opposite direction in denying that the electoral transition opens up any political opportunities for subordinate groups and classes. Has this transition not made it possible for some of these groups to grow stronger organizationally and in advancing a popular-democratic

hegemonic project? Was this not a precondition, for instance, for Evo Morales's electoral triumph in Bolivia or that of Hugo Chávez in Venezuela? The trouble with Robinson's maximalism in this realm is that he departs radically from some of Antonio Gramsci's main tenets on advancing revolutionary struggle in a democratic context.

In sharp contrast with the Leninist theory of revolution, focused on the war of maneuver or frontal assault on state power, Gramsci argues that communists in the West need to focus on a political-hegemonic "war of positions" and to identify the "trenches" in civil society. These trenches and wars of positions are the ones that have to be won by and for the proletariat (or subordinate groups and classes) to become hegemonic and then start a transition toward communism or radical democracy. Robinson seems to confuse the significance of "war of maneuver" and suggests that Latin America may require a combination of the two types of war in advancing popular causes. But the war of maneuver is not simply a struggle for state control (341) but a violent, military struggle. Did we not learn enough from the failed vanguardist guerrilla movements of the 1960s and 1970s? With their top-down and centralist logic, were they not only doomed to failure but also destined to do little if anything to promote substantive, participatory democracy? For Gramsci (1971: 236–239), Trotsky is the main theorist of the frontal attack, which can only lead to defeat. In contrast, a war of positions (hegemonic struggle), when won, is definitive. Witness how Evo Morales's government has refrained from repressing Bolivia's ruling classes, despite considerable provocation. His second, 2009, election was won by a landslide, and it was said that he might be nominated for the 2010 Nobel Peace Prize.

The final chapter, "A New Cycle of Resistance: The Future of Latin America and Global Society" is quite insightful about the political economy of possible futures, if also somewhat repetitive of previous themes. It offers sharp questions and insights on state-society relations and political parties (342–344), which can be used to advance a bottom-up linkages approach (Otero, 2004). Provided that strong mechanisms for democratic accountability are guaranteed, social movements and civil society cannot adopt an autonomist stance (as did Mexico's Zapatistas after 1994 or Argentines at the turn of the twenty-first century). Instead, the "popular classes," argues Robinson, must contend with the need to build political instruments to win over political society or the state in strict sense. But to prevent political parties and the state from becoming "instruments of hierarchy, control, and oppression," state power must be won by the "popular forces and classes" and then used to transform relations of exploitation and domination "without subordinating their own autonomy and collective agency to the state" (344).

A critical insight that, given Robinson's globalism, it is unfortunate that he does not follow up is that "a confrontation with the global capitalist system beyond the nation-state . . . requires national state power" (344). I could not agree more with this formulation: rather than focusing on building a transnational civil society—the globalist implication—the main priority for subordinate groups and classes is to root their struggles locally while promoting internationalist solidarity: an internationalist nationalism.

The trouble with the final chapter is that the prospective exercise is pitched at such an abstract and "global" level that it misses the opportunity for a more nuanced and realistic analysis. Robinson makes a maximalist assumption about any future changes: whether "progressive" or "terrifying," any change would have to involve the entire "global society." There is no room for a country-by-country or region-by-region progression toward some postcapitalist future, because global capitalism and its overwhelming institutions would haunt any such attempt. In contrast to this position, James Petras has argued for "the importance of recognizing the uneven development of social movement and political processes in Latin America" (2008: 485). Robinson's maximalism pushes him to oscillate between structuralist pessimism and voluntaristic optimism. In the assertion "The future is not predetermined; we are all its collective

agents" (359), the first clause is true enough but the second is patently false. Only organized groups, classes, and/or states are actually "agents" that can affect the future, often in unintended ways. Recognizing the fact of uneven development, with advances in some countries and regions and setbacks in others, would allow for a more nuanced analysis.

But then there is also Robinson's ambivalence about "reformism." On one hand, he dismisses the "pink-tide" governments in Latin America (e.g., Lula's in Brazil, the Kirchners' in Argentina, Bachelet's in Chile) as merely moving toward a post-neoliberal development model within global capitalism (which would have to be superseded altogether if it were to count as real change toward democratic socialism) rather than engaging in redistributive measures or in a shift in "basic property and class relations" (292). Never mind that Lula ended his second term in office with over 80 percent approval and that Brazil is becoming Latin America's post-neoliberal, endogenous-development powerhouse.

On the other hand, Robinson is content to attenuate the "terrifying" prospect of "civilizational collapse and a new dark age" by invoking the economic determinist argument that "crisis opens up tremendous new possibilities for *progressive change*" (359, my emphasis). But what does "progressive" mean in this context, and what about the subjective, organizational conditions of subordinate groups and classes? Neo-Keynesianism and pink-tide leftism have been dismissed as unviable because they would be gobbled up by some post-neoliberal yet global-capitalist order, and democratic socialism requires the constitution of a new universalism, that of a transnational working class.

By simply accepting the neoliberal transnational capitalist class's terrain of struggle, transnational globalism, rather than proposing new terms of engagement focused on a reconstituted, popular-democratic nation-state, Robinson sets up nearly impossible goals for subordinate groups and classes. In my view, this globalist perspective, however critical, results from world-system-theory assumptions: from the *longue durée* perspective, "capital," in the abstract, becomes the demiurge of nearly all social processes. Only if "capital" enters into crisis can there be some kind of change: "Structures are enduring, and change at this level is imperceptible at the day-to-day level of our social existence" (2). "Moments of transition are spurred by crisis" (2-3).

Finally, I will point out some problems and contradictions arising from Robinson's excessive reliance on analyses contained in his sources. Indigenous movements are described variously as "militant" (3), "horizontalist" (300) in their forms of organization, and "new" mobilizing "subjects" (as in identity-politics analyses) in "a rapidly expanding transnational civil society" (302); as Charles Hale's (2006) "Indio Permitido" (allowed Indian) (304), subsumed under global capitalism via neoliberal multiculturalism; or, citing a U.S. National Intelligence Council report to the CIA, as "radical expressions" that could cause "a deep social fracture that could lead to armed insurgency, repressive response by counter-insurgent governments, social violence, and even political and territorial balkanization" (303 n). Thus, in just a few pages, these movements can be either a new revolutionary subject or part of the neoliberal fold partly because "local autonomy is not a viable alternative to the national and transnational political system" (307).

This is where Robinson's structuralist, transnational globalism takes hold: virtually nothing can escape its grip. His dependency on and uncritical analysis of some sources can take him in surprising directions. For instance, he first sums up Deborah Yashar's (2005) analysis of indigenous movements approvingly (301) even though it is firmly rooted in an identity-politics problematic (see Otero, 2007, for a critique), but on the next page he critiques the "postmodernist turn" for neglecting the "militant sets of social, material, and political demands that go well beyond multiculturalism and challenge the very logic of global capitalism" (302). Unfortunately, this strong materialist statement is based on the intelligence report referred to above. Taking it at

face value can be perilous for the left; it could well have been intended to frighten the ruling classes and/or legitimize repression. Then, perhaps in an attempt to make all of his arguments fit together within a functionalist whole, Robinson asserts that “multiculturalism becomes the cultural counterpart to neoliberalism in the socioeconomic sphere and polyarchy in the political” (305). And yet, he ends this social-movement case with an optimistic note, however unsupported by his analysis or specific sources: “There is no reason to assume that the ‘insurrectionary Indian’ will not be able to prevail over the ‘authorized Indian’ and push the movement beyond its impasse” (309). In other words, anything goes.

It seems as though each chapter of *Latin America and Global Capitalism*, all very long (50–60 pages each), had been previously published in one form or another and then amalgamated into this book with little or no editing. It could have been an easier book to read with careful copyediting and proofreading. I identified an average of at least one typographic mistake on every other page—sometimes several on a single page. I would not recommend this book for undergraduate courses, as it takes for granted considerable familiarity with the work of Karl Marx, which is often referred to but never specifically cited or quoted. Similarly, knowledge of Antonio Gramsci’s work—used in a similar way to Marx’s—is assumed. Given the many fine insights of this book, however, it could be used fruitfully in graduate courses on globalization and contemporary capitalism.

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