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The Beginning and End of Globalization and US Hegemony

REVIEW BY MEL WATKINS | September 5th 2013

Let us begin with a word, and the word is “globalization.” Not chosen randomly, but because it jumped out of the mindless chatter and could not be ignored. Hardly heard before 25 years ago, it went viral in the 1990s. Radhika Desai, a political economist at the University of Manitoba, is excellent in this new book on why this happened and what it means. (Let us pause for a moment to give thanks to her university which has managed over the years to maintain space for radical scholarship.)

That renowned linguist Noam Chomsky famously said from the day he first heard the word that it was propaganda, a term of abuse and intimidation. It was Thatcher’s TINA: There Is No Alternative. It was addressed to governments and their citizens, a putdown of nation-states and economic nationalism — which is where this story gets interesting.

Desai has a fascinating take. Globalization — the pretence of “a world unified by markets alone” — took off as a term in the 1990s, embodying, in fact, the Clinton administration’s strategy for America’s global primacy. That baggage must not be ignored. But, she tells us, the word, and the strategy it implied, didn’t last long. With Bush Jr., discourse shifted from globalization to “empire.” She cites the distinguished scholar, the late Giovanni Arrighi, who asserted in 2005 that Bush rarely used the term globalization and preferred the explicit language of militarism and imperialism. My sense, as an avid reader of the business press, is that the word is indeed in decline, and unlikely to recover after the financial crisis of 2008.

It lingers on, however, particularly in the academy, and Desai chastises those of us (and I confess to an occasional transgression) who ever used the word as if it had analytic weight and scholarly merit. Both Clinton’s “globalization” and Bush’s “empire” are “cosmopolitan ideologies” and those of us at the margin, like Canada, should, I suppose, specially beware of them for they deny any progressive nationalist politics. The compelling case against “globalization” is that, by denying the possibility of progressive nationalism, it also denies progressive internationalism, which is what its propagators most fear. We buy into its discourse at our peril.

Desai cites three arguments as central to her book. The first — in contrast with “globalization” which floats in the stratosphere free of time and place — is the “materiality of nations,” including those which dominate as imperial nations. The capitalist world order has evolved through the interaction — conflicting, competing, cooperative — of multiple states. Contender states contest the imperial projects of dominant states, accelerating development, culminating in today’s extraordinary spread of capitalism into every nook and cranny including its authoritarian state variety masquerading as “communism.”

In fact, the state has not withered away. At the same time, the global spread of real economic growth in recent years, to Asia, Latin America, even Africa, and the consequent convergence of country incomes globally for the first time in the history of capitalism, is the story. With all this comes, slowly but surely, not the unipolarity of a dominant state but multipolarity.

The second of Desai’s arguments is that the world dominance of the UK — the British empire on which the sun never set — was “inevitable, as well as unrepeatable.” This is Desai’s way of making her most controversial point: contender states — the United States, Germany, Japan — not only undermined UK dominance in the late 19th century, but ensured that there could be no similar dominant world state, notwithstanding the attempt of the US to become that.

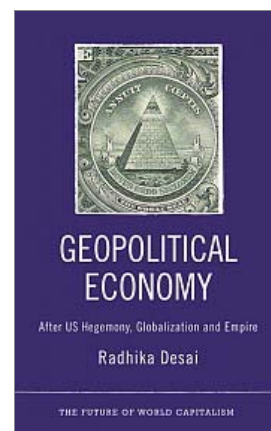
Desai concedes that the US engineered “a succession of unstable arrangements,” though her case weakens up against the reality that those “unstable arrangements” did manage to work. Still, she is insisting that the much talked-about American hegemony since the Second World War is exaggerated and that the world has, in fact, been moving towards multipolarity.

And, to the extent that multipolarity is alive and well, then so too is the nation-state and potentially progressive, popular, nationalism, albeit facing powerful constraints.

The third argument is about increasingly humongous “financialization” and the recurring crises of the American dollar and the global economy. Much of the book, like so many books today — right, left and centre — is rich in detail about this. Her verdict: the problems of the US dollar and the financial crises, notably that of 2008, have increasingly undermined whatever hegemony the US had.

Desai sees this third argument as supporting her first two arguments. The implication for today is that there is scope for regulating finance nationally, to limit the feeding of the frenzy.

While Desai’s analysis is Marxist at its core, she praises both Karl Polanyi and John Maynard Keynes — two of the great progressive intellectuals of the 20th century — the former for seeing the active role of the state as being to “protect” its citizens, and the latter for his vision of the state pursuing full employment and price stability.



**GEOPOLITICAL ECONOMY:
AFTER US HEGEMONY,
GLOBALIZATION AND
EMPIRE**

Radhika Desai

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All of which is, admittedly, music to the ears of this aging left nationalist who feared obsolescence. In the present "multipolar moment," popular, progressive forces may manifest themselves globally but are actualized nationally. There is still, apparently, scope for reformist politics.

How does Desai's book compare with the new book by Leo Panitch and Sam Gindin on the American empire, which I recently reviewed in these pages (March/April 2013)? Their book argues powerfully for American hegemony since the Second World War down to today.

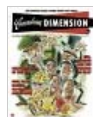
It's clear that Marxism is in good shape, at least in the academy, when it can produce two such excellent but different books. But who's right?

I suspect the Panitch-Gindin perception of American hegemony is closer to what most on the Left perceive, particularly in Canada, and there is, we are told, "the wisdom of crowds" (see the 2006 book of that name by the American columnist James Surowiecki) .

But Desai seems better on the scope for national governments to do good. Panitch and Gindin appear only to see the ability of the state to do bad by promoting "globalization." Minimally, Desai's message is that there has been and still is more political space for popular forces on the national stage than Panitch and Gindin see, though that space will vary with the particular circumstance of each country, including its political culture.

She is, in my judgment, the better guide on political activism, more open to reformist politics than I presume Panitch and Gindin to be: "A strategy of reforms forcing states to serve the interests of working people and democratizing them so they contribute to strengthening working people's power is a viable strategy for meaningful reform, and even, potentially, revolution leading beyond capitalism." So read them both and decide for yourself.

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