

Red & Black Notes

Supplement Summer 1997

Globalization And Class Struggle

The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere. The bourgeoisie has through its exploitation of the world-market given a cosmopolitan character to production and consumption in every country... it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed.

---- Marx & Engels *Manifesto of the Communist Party*, 1848

Walk into any shoe shop and try to buy a running shoe that isn't made in Asia. After you realize the impossibility of the task ask the clerk "why?" Chances are the response you receive will be something to the effect that companies cannot afford not to produce in the third world at sweat shop wages. Perhaps the word "globalization" will come up in the explanation.

Yet, the current capitalist buzzword has a long history. Several centuries ago capitalist production in countries like England and France expanded beyond national boundaries. But does the current infatuation with freer trade and global capitalist production really represent a new phase in the development of capital or is it simply the Emperor's new clothes?

Globalization, its proponents argue is simply the natural evolution of the market. Attempts to regulate capital to fund social programmes will merely cause capital to flee to another, cheaper part of the globe. In a bizarre twist of logic the British right wing journal *The Economist* recently argued that attempts to protect workers in through protectionism hurt workers in the third world by denying them the benefits of international trade! It certainly takes chutzpah to argue that it is first and second world workers who are to blame for the poverty of their sisters and brothers in Asia. Are we supplying the arms to the military governments that oppress them?

It is foolish to deny the importance that international trade has for the capitalist economy, but it is also important to realize that the rhetoric does not always conform to reality. Capitalism, despite the rantings of the Terence Corcorans of this world is not yet ready to dispense with the nation state in favour of a global corporate state. Although the Kleins and the HARRISES would have us believe they are getting out of the business of government, the state remains deeply involved in the business of business, and it is government in the service of business. It is only necessary to look at the well publicized levels of corporate welfare in the United States and Canada to see the truth of this statement.

If we look at trade data we see a very different pattern to the one depicted in the pages of *Report on Business*. While the picture business paints is of a global capitalist jet set, during the period 1992-93 64% of US manufacturing sales were in the United States. For Japan the figure was even higher at 75%. While France's domestic business sales accounted for only 45% of manufacturing sales, the remainder of its sales were overwhelmingly to other European countries, to the tune of 85%. A similar pattern held true for other European countries like Germany and Italy. A survey by *Fortune* magazine revealed that of the 100 largest companies in the world, 40 do half or more of their business in foreign markets, but only 18 maintain a majority of their assets abroad and only 19 have at least half their workforce overseas. In other words international capitalism still utilizes a national

base. Rather than global free trade we are moving toward freer trade within global trading blocs.

There is a tendency to either view globalization as either an accomplished fact or an unstoppable juggernaut. After all, if national governments must bend their knee to multi-national corporations lest they shift their operations and precious jobs to other areas of the globe, what can the beaten and bloody workers' movement do to stop them?

To even attempt to answer the question is to fall into helpless passivity. To begin with globalization is not an accomplished fact. Second we are not helpless. In Alberta we have seen two important strikes succeed this summer. First against the Safeway grocery chain and second against Cargill. The first strike in this giant multi-national's history. Who would have believed such strikes could have succeeded in pro-business Alberta?

There is a global capitalist division of labour, but it is not an absolute one. The image of capital simply uprooting and moving to more "backward" zones every time a government attempts to assert some control over its economy is simply false: While it is true that capital has relocated operations, companies do not in general abandon large investments of fixed capital overnight.

Moreover as capital moves to a global production line, it also becomes vulnerable in other ways. Anyone who watches the business section of a newspaper quickly realizes that is this section is where the real news stories are contained. The panic editorials in *Report on Business* over any strike far exceed anything William Thorsell prints on the op-ed pages of *The Globe & Mail*. As in the case of a union chain being only as strong as its weakest link, so too in business. A strike at an auto parts plant in Mexico very quickly effects workers and business in the US and Canada. A recent example being the UPS strike; although UPS Canada was not on strike, their business fell dramatically and workers were laid off as a result of the US strike. By reading *their* newspapers and by watching *their* television programmes, we sometimes forget that it is *their* perspectives and propaganda we are hearing. As a

sidebar it is worth noting that some business leaders have expressed concern that information technology such as the Internet could be used for international labour solidarity against them.

Capitalism is a system unlike any previous one. Not only does it seek to reshape the world economy in its own image, but also every aspect of social and personal existence. Through the discourse of advertising and the unrelenting pressure of the propaganda system capital continually reinforces its rule. Yet the system is unstable. It is vulnerable. The defeats working people have suffered in the last two decades have not been the result of the "globalization behemoth" but more often than not a lack of basic solidarity and the foolish strategy of playing class struggle by the bosses' rules. No amount of talk of the omnipotence of globalization and capital will change these facts. Only united class struggle and the fight for a new society will do that.

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Red & Black Notes
Box 21013
665 8th Street S.W.
Calgary, AB
T2P 4H5

e-mail: fettesn@cadvision.com

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