

Marx and Engels on Economic Globalization

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During the two last decades, the concept *globalization* has been touched upon widely in many books, newspapers, seminars, and conferences. The vortex of globalization embraces many nations and regions, so that views about it are controversial because of the different modes of thought and understanding throughout the world, including Vietnam. Globalization is controversial because it is a multisided process, a major tendency in the movement of contemporary world history, every day, every hour affecting all spheres of life, activities, and relations among national states and the lives of human beings everywhere on the planet. Furthermore, at the turn of the twenty-first century, the world is facing global issues that no country can solve alone without multilateral cooperation.

Science and technology are making major leaps forward. The knowledge-based economy is increasingly playing a dominant role in the development of the productive forces. Bilateral and multilateral relations among countries are being deepened and widened in the fields of economy, culture, and environmental protection, crime prevention and apprehension, and coping with natural disasters and major epidemics. Transnational corporations continue to restructure to form huge economic corporations influencing many aspects of the world economy. The North-South

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gap between rich and poor in the world as well as within a nation is getting wider and wider.

Summarizing these different aspects, we find that globalization, first and mainly, is economic globalization, a development at a high level of internationalization of the world economy, a period of qualitative enhancement of internationalization. Globalization impacts social development at all levels: nation-state, region, and world; every aspect of economy, politics, and culture; social life and ecological environment. These impacts are both positive and negative, both for the present and the future.

Economic globalization embraces a number of factors:

—Commodity, services, capital, and human resources increasingly flow freely across national boundaries, circulating worldwide.

—Global economic resources are circulated among countries through a continuing growth of economic linkages. The development of these linkages is not isolated, but is affected by other components.

—The increase of global linkages narrows the gap among countries and creates a closer interdependence, first of all in terms of production and market, thanks to the commercial dynamics of the flow of capital and technology

—The national economies in the world are becoming more open and integrated with one another. The economic development of individual countries and changes in the worldwide economy increasingly influence and restrict one another.

Globalization is substantially economic globalization; therefore economics plays the leading role. Other aspects of globalization are the result of the impact of economic globalization, or are derived from economic globalization.

Karl Marx and Frederick Engels had not yet used the term *economic globalization* in their writings. But 150 years ago, according to their thorough way of thinking, they analyzed profoundly the process of internationalization of capitalist production and its developmental tendency—economic globalization.

Internationalization is the tendency for the world economy to develop both broadly and on a high level. It is the process in which relationships among nations are institutionalized on the basis of general standards and systems accepted by the international community and implemented by treaties, agreements, and international practices. Internationalization is the initial step to “globalization” of several aspects of human society. For example, the regime of free trade is internationalized by the GATT agreement, which will be globalized in the future when practically all countries in the world participate in it.

Economic globalization—a new step of high-level economic internationalization—has a long history that originated with the development of the socialization of the forces of production in the international sphere.

In ancient societies, national states existed quite independently of one another, having little relationship with each other. But as the forces of production developed and commodity exchange increased, markets grew and gradually went beyond national boundaries. The establishment of international relationships marked the beginning of the process of internationalization.

The germ of economic globalization was formed before the capitalist period in trade among feudal countries. World trade took hold only after the geographical expansions made possible by the advances in naval technology in the fifteenth and sixteenth centuries. The tendency toward economic globalization became visible with the consequent increase in commercial exchange.

In the *Manifesto of the Communist Party*, Karl Marx and Frederick Engels wrote:

Modern industry has established the world market, for which the discovery of America paved the way. . . .

The need of a constantly expanding market for its products chases the bourgeoisie over the entire 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. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations. . . .

The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization.

Marx and Engels clearly pointed out the methodological basics of internationalization of production. First, the process of economic internationalization started very early. Initiatives in geographical expansion and transportation opened up the way to economic internationalization. The history of economic internationalization began some five hundred years ago with the European discovery of America, but this process really accelerated with the industrial revolution in Britain and the other principal capitalist countries. Second, economic internationalization is objectively indispensable as a requirement of production itself, especially for the development of the productive forces. The development of production both requires and creates favorable conditions for economic development with an international character. Third, the process of economic internationalization carries with it the production of material goods, giving rise to the subjective factors on the part of those controlling the strong economies.

Economic globalization is a natural tendency arising from the process of economic internationalization and is shaped by the objective indispensability of economic internationalization. In

reality, for some aspects of the world economy, internationalization is a basic premise for economic globalization. For example, trade and commerce are first internationalized, and then this process extends to other fields such as finance, production, and investment. A system of free trade is internationalized by signing an agreement like the GATT or the acceptance and participation of many countries in international organizations such as the World Bank and the International Monetary Fund. Such institutions and their rules will be globalized when most countries in the world participate in them. New factors accelerating the process of economic globalization are:

- Explosion of the scientific and technological revolution promoting the globalization process at great speed.
- Establishment of international production networks established with transnational cooperation playing an increasingly important role.
- International economic, financial, and commercial organizations exercising a vital role in promoting the globalization process.

In sum, as a result of the development of the productive forces and the high degree of socialization of production, globalization plays a very big role in promoting production, creating favorable conditions for exchange and expansion of cooperation among countries in many fields, especially in the economy.

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