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ABOUT THIS ISSUE

In January 2003, *Nature, Society, and Thought*, in cooperation with the Ho Chi Minh National Political Academy, sponsored a conference and study tour in Vietnam. In volume 15, no. 2, we presented a report on the study tour, including principal features of the socialist market economy in Vietnam, and a selection of papers presented at the two-day conference in Hanoi. Volume 15, no. 3 included additional papers from the conference. The current issue of the journal will complete the selection of conference papers.

Of particular interest to our readers will be the way the Vietnamese scholars present their view of globalization. On the one hand, they display full awareness of the class character of what they often refer to as *capitalist globalization*. On the other hand, they also see some benefits in it for the developing countries, and consider Vietnam's participation in the process as necessary for the socialist development of its economy.

The *Maquiladora* Centers of Northern Mexico: Transfer of the Core's Hazardous Production Processes to the Periphery

R. Scott Frey

The bourgeoisie has only one solution to its pollution problems: it moves them around.

(adapted from Frederick Engels,
cited in Harvey 1996, 366).

Some of the core's hazardous products, production processes, and wastes are transferred to the peripheral zones of the world-system by transnational corporations (TNCs).¹ Since few peripheral countries have the ability to adequately assess and manage the risks associated with such hazards, TNC export practices are increasing the health, safety, and environmental risks facing many peripheral countries.² Increasingly, many impoverished peripheral states (seeking to attract industry and foreign currency, and promote economic development) have contributed to the risk-transfer problem by establishing export processing zones (EPZs). These so-called "free zones" have few regulatory restrictions on production practices and offer many other concessions to TNCs.

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Cost-conscious TNCs have responded by moving production facilities to hundreds of EPZs located in more than sixty countries in Africa, Asia, and Latin America and the Caribbean.³ In effect, TNCs are appropriating carrying capacity for the core by transferring (“distancing”) the core’s hazards or anti-wealth to the EPZs of the periphery.

I provide a provisional mapping of the general contours of the problem by examining what is known about a specific case: the transfer of hazardous industries to the *maquiladora* centers located on the Mexican side of the Mexico-U.S. border. The *maquiladoras*⁴ (mostly foreign-owned factories using imported materials) provide an excellent case for examining the causes, consequences, and political responses associated with the transfer of core-based hazardous production processes to EPZs located in the periphery. Discussion of this specific case proceeds in five steps. A brief description of the Mexico-U.S. border area is presented in the next section. The major political and economic forces driving the transfer of hazardous industries to cities located on the Mexican side of the border are then charted. The extent to which the location of hazardous industries has increased health, safety, and environmental risks and contributed to other problems in Northern Mexico is examined next. An effort is then made to critically evaluate the increasingly privileged neoliberal contention⁵ (and its more sophisticated counterpart, ecological modernization theory) that the transfer of the core’s hazardous production processes to the periphery is beneficial to both the core and the periphery. Emerging political responses to the problem are briefly and critically examined in the final section.

The Mexico-U.S. border region

The U.S. and Mexico share a border that stretches nearly 2,100 miles from the Pacific Coast to the Gulf of Mexico.⁶ The border cuts across four U.S. states (California, Arizona, New Mexico, and Texas) and six Mexican states (Baja California, Sonora, Chihuahua, Coahuila, Nuevo Leon, and Tamaulipas). The border region, defined as including 60 miles of territory on either side of the border, consists of approximately 250,000 square miles of land.

More than 12 million people were estimated to reside in the border area in 2000: 7 million on the U.S. side and over 5 million on the Mexican side (ITESM and InfoMexus 2002; Peach and Williams 1999). Over 70 percent of the population resides in 14 twin cities; the largest being San Diego-Tijuana, with a population of over 4.5 million. The population of the region has more than doubled since 1980, creating severe pressure on the existing physical infrastructure and the environment. This has taken several forms, including inadequate drinking water, poor sewage services, insufficient housing, improper garbage disposal, and air and water pollution. *Colonias* (unincorporated poor settlements) with inadequate infrastructure and squalid conditions are growing along the border at the rate of 10 percent per year and contain a population estimated to be over 1.5 million (Borderlines 1998a; ITESM and InfoMexus 2002). Economic and other disparities between the two sides of the border are great; the average per capita income on the U.S. side is more than ten times that of Mexico (ITESM and InfoMexus 2002). The border is one of the "hottest growth zones" in North America and one of the busiest in the world; the average number of legal northbound crossings is estimated to be over 200 million per year.⁷

Most of the border region consists of high altitude desert. The region includes three major desert systems (the Sonora, Mojave, and Chihuahua), separated by three mountain ranges (the Sierra de Juaven, the Sierra Madre Occidental, and the Sierra Madre Oriental). Irrigation and rapid population growth in this semi-arid region have placed high demands on the limited water supplies. Surface water is the major source of water for most border cities.⁸

The political economy of the transfer of hazardous industries to the maquiladora centers

Political and economic forces operating at the intranational, international, and supranational levels promote the transfer of core-based hazardous industries to the periphery.⁹ In an effort to expand markets and curb production costs, many core-based TNCs have moved hazardous production facilities to sites located in Northern Mexico and elsewhere in the periphery. The Mexican

state, like the states of many other peripheral countries, has pursued export-oriented industrial policies to attract industry. In turn, various international organizations such as the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO) multilateral trading system have enacted policies promoting and supporting TNC practices and the export-oriented industrial policies of the Mexican and other peripheral states.

In the core

Scientific and public concern with the health, safety, and environmental risks of industrial production emerged as an important issue during the 1970s and has continued in the core countries (Andrews 1999, chapter 12; Hays 2000; O'Neill 2000). This concern gave rise to a host of regulations. Early U.S. efforts included the National Environmental Policy Act (NEPA) of 1969, the Occupational Health and Safety Act (OSHA) of 1970, the Federal Water Pollution Control Act of 1972, the 1976 Toxic Substances Control Act, and the Resource Conservation and Recovery Act (RCRA) of 1976. Subsequent legislation such as the 1980 Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, commonly known as Superfund), the 1984 amendment to RCRA, and the 1986 Superfund Amendments and Reauthorization Act (SARA) curtailed the haphazard disposal of hazardous wastes into the air and water and increased the amount of wastes earmarked for specialized disposal (Fiorino 1995, 22–99). These regulations increased industrial production costs, pushing hazardous industries to the periphery as TNCs attempted to reduce production costs.¹⁰

The effect of such regulations on the dispersion of hazardous industries to the periphery has been the subject of considerable debate.¹¹ Several researchers report that the impact of core regulation on the dispersal of hazardous industries has either been exaggerated or is ambiguous.¹² Leonard (1988), for instance, reports that there is little evidence to support the claim that increased regulation has led to the large-scale transfer of hazardous industries (“industrial flight”) to so-called “pollution havens” located in the periphery; rather, only certain aging and economically marginal

production processes have been exported: benzidine-based dye production, arsenic production, asbestos processing, lead refining, battery manufacturing, and pesticide production. A subsequent U.S. Chamber of Commerce survey of U.S. firms operating in Mexico indicated that firms were not relocating to Mexico to avoid pollution abatement costs (cited in Molina 1993, 226). Eskland and Harrison (1997) in an empirical study of Mexico (and three additional countries, including Cote d'Ivoire, Morocco, and Venezuela) report that pollution abatement costs had little effect on industrial country investment in Mexico and little evidence that foreign investment is in "dirty" industries. Grossman and Krueger (1993, 38–42), in an important study based on data from the mid-1980s, report that the effects of pollution abatement costs in the U.S. had little effect on *maquiladora* activity in Mexico.

Molina (1993), in a follow-up study to the Grossman and Krueger (1993) study, reports that during the 1980s as U.S. pollution abatement costs increased, U.S. *maquiladora* investment increased dramatically. A 1991 U.S. Government Accounting Office study found that several Los Angeles furniture manufacturers relocated to Mexico after the establishment of stringent air-pollution restrictions in California (Sanchez 1990; U.S. General Accounting Office 1991). It is also interesting to note that many of the U.S. corporations lobbying for the North American Free Trade Agreement (NAFTA) were major polluting industries (Anderson, Cavanagh, and Gross 1993). Or consider the case of General Telephone and Electronics (GTE) Corporation:

In the mid-1980s more than 200 workers from GTE's Albuquerque, New Mexico plant, many of them suffering from several forms of cancer they claimed were brought on by exposure to workplace solvents, sued the company. During the resolution of the lawsuit, GTE moved the most hazardous section of the plant just across the border to Juarez, Mexico. (Karlner 1997, 155)

And, more recently, Clapp (2001, chapter 5; 2002a) and Rothman (1998) have argued that much of the work reporting little relationship between environmental regulation and industrial relocation is deeply flawed because it is based on old data and fails

to take into account all environmental costs.

Factors other than health and environmental regulations have certainly contributed to the movement of industries (hazardous and otherwise) to Northern Mexico and other peripheral countries (Dicken 2003; Rauscher 1997; Wheeler and Mody 1992). These include international economic conditions such as exchange rates and comparative resource endowments; tax avoidance; labor, energy, and transport costs; domestic markets; and overall business investment conditions. The spatial dispersion of hazardous industries also reflects a much larger economic globalization process in which spatial and temporal constraints have been dramatically reduced through advances in transport and communication technologies, as well as supranational organizational and institutional innovations that TNCs played a part in establishing (Ciccantell and Bunker 1998; Dicken 2003; Marshall 1999; Millen, Lyon, and Irwin 2000, 233–41). This, in turn, is energized by a resource and energy system that is increasingly global in nature (Clark 1998).

Whatever the relative importance of these interrelated forces, the point is that core-based TNCs have found it economically advantageous and increasingly possible to transfer hazardous industrial activities to the border cities of Northern Mexico and export processing zones located elsewhere in the world. Production costs are relatively low in Mexico because of low wages, cheap resources and energy; low taxes and other subsidies; and limited state control of the environment and the health, safety, and well-being of its citizens. Reduced costs in Mexico enhance the competitiveness of TNCs and promote capital accumulation. In other words, capital flows to peripheral countries like Mexico having what Daly (1996, 153) calls an “absolute advantage” in industrial production.

In the periphery

Faced with poverty and the resulting political pressures, debt and structural adjustment pressure from the International Monetary Fund and the World Bank, low agricultural and mineral commodity prices, and a world-system marginalizing them economically and politically, many peripheral states have pursued

export-oriented policies in an effort to attract industry from the core (see Dicken 2003).¹³ In fact, many peripheral countries are so anxious to industrialize that they are willing to accept almost any industry offered: hazardous or otherwise. Nowhere is this pattern more pervasive than in Mexico.

The history of economic ties between the U.S. and Mexico is complicated and conflicted (Hart 2002). During World War II, for instance, a large number of Mexican workers replaced U.S. workers serving in the armed services. The Bracero Program of 1942 legalized this migration, allowing Mexican workers to migrate to the U.S. to perform temporary agricultural work and railroad construction. The U.S. government canceled the program in 1964. Several hundred thousand workers returned to Mexico, increasing unemployment and overcrowding in the border cities (Sklair 1993).

The Mexican state established the Border Industrialization Program (BIP) in 1965 to cope with the economic problems along the border (Schwartz 1987). The purpose of the program was to promote industrialization, employment, and new technology imports and management practices. *Maquiladoras* were allowed to import equipment, components, and raw materials duty free for assembly and export to the U.S. and other countries.¹⁴ Cheap labor, lax regulation, generous tax incentives, and close proximity to the U.S. consumer market drew many TNCs, initially from the U.S. and later from Canada, Taiwan, Japan, Mexico, South Korea, and fifteen other countries, including Germany, France, Holland, Italy, Sweden, Spain, Australia, Singapore, Ireland, Finland, England, Malaysia, Columbia, Belgium, and Argentina. The program was expanded to the non-border areas (except for three cities: Mexico City, Guadalajara, and Monterrey) after 1972 (Gabriel 1990; Sklair 1993, chapter 3).

The number of *maquiladoras* grew steadily during the 1960s and 1970s. Growth expanded dramatically in the mid-1980s when the Mexican state liberalized trade and enacted other measures in an effort to deal with serious economic problems.¹⁵ Mexico entered the General Agreement on Tariffs and Trade (GATT) in 1986, liberalizing trade restrictions and opening the country to the global economy. The state abandoned many policies that

restricted TNC activities, reduced protectionist tariffs, curbed labor unions, limited minimum wage increases, and promoted the *maquila* industry in diverse ways (Wilson 1992, 40 ff). Labor costs were reduced significantly (making Mexican wages some of the lowest in the world) when the peso was devalued repeatedly during the 1980s and the early to mid-1990s as the Mexican state attempted to meet its debt obligations under IMF-sponsored structural adjustment (George 1992, 24–28; Wilson 1992).

The number of *maquiladoras* grew dramatically in the 1990s, increasing from 1,818 in 1990 to 3,486 in early 2000. More than eighty percent of all *maquiladoras* are located in the northern border area of Mexico. Employment doubled during the 1990s; it stood at more than 1,200,000 in 2000 but it has declined somewhat due to the downturn in the U.S. economy starting in early 2000 and the movement of some jobs to China and elsewhere (Greider 2001; Hanson 2002). (See Table 1.) *Maquiladoras*—a major source of foreign exchange and employing twenty-five percent of the manufacturing labor force in the country—have not only changed in number and importance since the 1960s, but they have changed qualitatively by moving from simple assembly to manufacturing (Gereffi 1996; Hanson 2002). The present breakdown of employment by industry type is as follows: textiles (24%), electric and electronic materials and accessories (30%), wood and metallic furniture and parts (5.6%), services (22%), electric and electronic equipment and machinery (4.6%), chemical products (10.6%), food processing (2.3%), and other manufacturing (1.3%) (ITESM and InfoMexus 2002, 85). Despite the increasing sophistication of production processes in many of the newer *maquiladoras*, labor-management practices of the core country factories have not been fully transferred (Hanson 2002; Kenney et al. 1998).

Plant owners represent a virtual “Who’s Who” of international capital: Alcoa, BMW, Chrysler, IBM, RCA,¹⁶ General Motors, ITT, DuPont, Hughes Aircraft, Eastman Kodak, Canon, Wal-Mart, JVC, Sara Lee, Zenith, Xerox, Sony, Motorola, General Electric, Toshiba, Ford, United Technologies, Mattel Toys, Matsushita, Hitachi, and other lesser known U.S., Canadian, European, Japanese, South Korean, and other TNCs. (See Table 2 for a listing of the 50 largest companies and the nature of production

Table 1. Number of *Maquiladora* Plants and Employees in Mexico by Year

Year	Number of Plants	Number of Employees
1967	72	4,000
1970	160	20,000
1975	454	62,200
1980	620	119,600
1985	760	212,000
1990	1,818	441,000
1995	2,138	497,000
1998	3,107	1,056,783
1999	3,436	1,196,678
2000	3,486	1,216,819

SOURCE: Adapted from Sklair (1993:54, 63, 68, 241) and <http://www.nafta-mexico.org/export.htm>.

processes.) Various consumer products are produced for export, including furniture for several U.S. companies, auto parts for Chrysler, high-tech electronic components and computer disks for Sony, Ford automobiles, Foster Grant sunglasses, hospital gowns for Kimberly Clark, and garage door openers for Sears. *Maquila* plants also produce hazardous wastes and other substances that are not managed effectively and contaminate the air, water, and soil, as well as put workers and others at risk of death, disease, and injury (e.g., Clapp 2002a; Liverman et al. 1999; Mumme 1999), but more on this below. Some of the TNCs have introduced health, safety, and environmental standards that are equivalent to those of the developed countries, but many TNCs have not introduced such standards (Castleman 1995, 1999; see also Garcia-Johnson 2000, chapter 5).

The North American Free Trade Agreement (NAFTA), an executive agreement reached in August 1992 and enacted on January 1, 1994, has set the stage for the removal of most remaining tariff barriers in Mexico over the next decade (Cameron and Tomlin 2002). *Maquila* activity has grown rapidly under NAFTA

Table 2. Mexico's Fifty Largest *Maquiladora* Companies, 2002

	Company	Employees	No. of Plants in Mexico	Country of Origin	Industrial Sector
1	Delphi Automotive Systems	39478	28	USA	Automotive
2	Yazaki Corporation	14572	12	Japan	Automotive
3	Offshore International	11615	1	Mexico	Shelter Services
4	Thomson Consumer Electronics (RCA)	10874	6	USA	Electronics
5	Ford Motor Company	10024	7	USA	Automotive
6	Sony Corporation of America	9679	4	Japan	Electronics
7	Kemet Corporation	9200	8	USA	Electronics
8	Lear Corporation	8569	8	USA	Automotive
9	Alcoa Fujikura LTD	7650	8	Japan	Automotive
10	TYCO International LTD	6785	4	USA	Electronics Medical
11	A.O. Smith Corporation	6598	8	USA	Electrical
12	Carolina Coupon Clearing Inc.	6542	5	USA	Services
13	Sanmina-Sci	6300	7	USA	Electronics
14	General Electric Company	5965	7	USA	Electrical
15	Sanyo North America Group	5879	2	Japan	Electronics
16	Samsung Tijuana Park	5789	3	Korea	Electronics
17	Breed Technologies, INC	5687	9	USA	Automotive
18	Emerson Electric Co.	5678	7	USA	Electrical
19	American Industries	5332	22	Mexico	Shelter Services
20	Matsushita Electric Corp. of America	4986	4	Japan	Electronics
21	Sumitomo Wiring Electric Systems	4879	6	Japan	Electrical
22	Daewoo Industrial Co., LTD	4856	3	Korea	Electronics
23	General Instruments Corporation	4589	3	USA	Electronics
24	Seagate Technology Inc.	4582	4	USA	Electronics
25	Johnson and Johnson Company	4569	5	USA	Medical

	Company	Employees	No. of Plants in Mexico	Country of Origin	Industrial Sector
26	TRW Incorporation	4554	5	USA	Automotive
27	Philips Electronics	4387	8	Netherlands	Electronics
28	Allegiance Corporation	4289	5	USA	Medical
29	Collectron of Arizona, Inc.	4256	3	USA	Services
30	Attel Dell Norte S.A De C.V	4128	1	USA	Electronics
31	ITT Industries	3845	4	USA	Automotive
32	Hitachi Home Electronics	3700	3	Japan	Electronics
33	Johnson Controls, Inc	3589	7	USA	Automotive
34	Leviton Manufacturing Co.	3256	4	USA	Electrical
35	Quirk Wire Co	3120	2	USA	Electronics
36	Scientific-Atlanta Inc.	2996	1	USA	Electronics
37	Strattec Security Corporation	2879	1	USA	Automotive
38	Avery Dennison	2830	2	USA	Office Products
39	International Business Machines (IBM)	2689	1	USA	Electronics
40	Intermex Manufactura	2600	9	Mexico	Services
41	Levi Strauss & Co.	2598	2	USA	Apparel
42	Nova Link	2591	2	USA	Textile
43	Allied Signal Co.	2591	4	USA	Automotive
44	AVX Corporation	2587	2	USA	Electronics
45	Mattel Inc	2578	1	USA	Toys
46	Honeywell Incorporation	2489	3	USA	Electronics
47	Optek-Danulat Inc.	2488	2	Germany	Medical
48	Advance Transformer Co.	2387	3	Netherlands	Electronics
49	Hamilton Proctor-Silex Inc.	2331	3	USA	Appliances
50	Yale De Mexico S.A. De C.V.	2169	1	USA	Apparel

SOURCE: www.maquilaportal.com

and it is expected to continue, though there has been a slowdown recently as noted above (Hanson 2002). More TNCs will likely locate production facilities in the interior of Mexico to take advantage of lower production costs, but plant growth will continue along the border region.

Adverse consequences

Hazardous industrial production can damage the environment and adversely affect human health through occupational exposure and environmental dispersion of hazardous wastes and substances in the soil, water, and air or large-scale failures such as explosions and fires. Numerous undesirable social and economic consequences are also associated with hazardous industries, including staggering economic costs and an inequitable distribution of costs and benefits.¹⁷

Peripheral countries like Mexico are particularly vulnerable to the risks posed by hazardous industries because of a young, poorly trained, uninformed, undernourished, and unhealthy workforce (Kourous 1998; Lanrigan and Garg 2002; Ostrosky-Wegman and Gonsebatt 1996). Other problems exist, including limited public awareness of the risks associated with hazards, weak and tightly controlled labor unions, politically unresponsive state agencies, and inadequate risk assessment and management capabilities (Meredith and Brown 1995; Pena 1997, 28ff; Sanchez 2002). In addition, organized environmental activism is limited because potential participants have little time for such activity since they work six days a week and there are few channels through the courts or legislature for effective public participation (Barkin 1991; Mumme 1998). Structural adjustment reforms and trade liberalization as well as the general processes of globalization have compounded the problem by increasing some of the problems mentioned above and reducing the state's right/ability (or "infrastructural power" (according to Tilly [1995, 14]) to regulate the domestic market, the environment, and the health and safety of workers (Casanova 1996; Millen and Holtz 2000). The problem is compounded by the fact that hazardous industries are located in rapidly growing cities or "boom towns" faced with many health, safety, and environmental risks and inadequate infrastructure and

services in terms of health care, housing, water, electricity, sewage and drainage, and garbage collection and disposal (Brenner et al. 2000; Liverman et al. 1999; World Resources Institute 1996, 1–56). In other words, “throughput”¹⁸ is greater than the regeneration and absorptive capacities of the Mexican border cities.

Environmental risks

Emissions of toxic substances, the improper disposal of hazardous wastes and materials, and the rapid population growth and increased human activity associated with the growth of *maquiladoras* contribute to the risk of environmental damage. Environmental damage takes numerous forms: soil contamination, soil erosion, groundwater pollution and depletion, biodiversity loss, contamination of rivers and coastal regions, air pollution, threats to plant and animal health and survival, and changes and variability in climate.¹⁹ Since reliable data do not exist on the full scope and nature of the problem in Northern Mexico, it is not possible to estimate the full extent of the environmental damage (ITESM and InfoMexus 2002; Liverman et al. 1999; Pena 1997, 283–96). Such damage is a potentially important problem because it can deplete important natural resources, disrupt the stability of larger ecosystems, and threaten human health (Brenner et al. 2000; Simon 1997). Effects are not only local, but global because *maquila* activities are embedded in global commodity chains stretching across time and space. Pena (1997, 295) describes the situation in the following fashion:

A global ecological perspective on the maquilas leads to the inescapable conclusion that these industries are contributing to the ravages of natural resource extraction in many parts of Mexico and the rest of the world. The sources of inputs for maquila production are dispersed throughout the globe. For example, the aluminum, copper, tin, steel, ceramics, and plastics contained in maquila assembly components come from mining, milling, and fabrication in North America, Indonesia and other parts of Southeast Asia, Africa, and South America.

Consider what is actually known about environmental risks

(see, e.g., Liverman et al. 1999). Water shortages have resulted from rapid population growth and increased industrial activity in the *maquila* centers (Kelly and Solis 2001). The *maquilas* have also contributed to water pollution on both sides of the border; industrial waste water is seldom treated before it is discharged into rivers, arroyos, the Gulf of Mexico, the Rio Grande, and the Pacific Ocean (ITESM and InfoMexus 2002; Pena 1997, 283–96; Simon 1997, chapter 8). Air pollution is also a serious problem, for ozone, sulfur dioxide, carbon monoxide, and nitrogen dioxide are high on both sides of the border (ITESM and InfoMexus 2002; Liverman et al. 1999; Sanchez 1990, 1991). *Maquiladoras* generate a substantial amount of hazardous waste (including solvents such as trichloroethylene, acids, heavy metals like lead and nickel, paints, oils, resins, and plastics) that goes untreated and is unaccounted for, despite fairly stringent laws in the U.S. and Mexico.²⁰ Despite the existence of a binational agreement (the La Paz Agreement) requiring U.S. companies to return wastes associated with the use of toxic materials, only 25% of such wastes were returned and 65% of such wastes were unaccounted for in either the U.S. or Mexico in the 1990s (Perry, Sanchez, and Glaze 1998). The situation is worse now because as of January 1, 2001 NAFTA no longer requires TNCs to return waste to the U.S. U.S. hazardous wastes have also been transported to *maquiladoras* and recycling plants for storage and abandoned or dumped illegally in the desert and other locations (Clapp 2002a; Reed 1998; Simon 1997, 208ff). The most recent estimates are that the waste flow from the U.S. to Mexico (230,417 tons in 1996 and 254,500 tons in 1999) was 20 to 30 times more than waste shipped to the U.S. from Mexico (Jacott, Reed, and Winfield 2001; Reed 1998).²¹

Human health risks

Occupational and environmental exposure to the hazards posed by industry and the attendant health consequences are not fully known (Brenner et al. 2000; Carter et al. 1996; ITESM and InfoMexus 2002; Liverman et al. 1999). Given the experiences of the core countries and reports from many peripheral countries, hazardous industries pose a serious threat.²² Those exposed are at a high risk of death, disease, and injury because of their increased

susceptibility to various site-specific cancers, skin irritation, respiratory problems, neurobehavioral problems, reproductive risks such as birth defects and miscarriages, genetic changes and damage to the immune system, and acute and chronic damage to specific body organs. In addition, those living near hazardous facilities are at increased risk of death and injury from fires and explosions (Levy 1995).

Since reliable data do not exist on the occupational and environmental exposure to the routine, fugitive, and accidental emissions of hazardous substances from *maquiladoras*, it is not possible to estimate the actual number of deaths or cases of disease and injury that can be attributed to them. It is quite clear, given what we know about the environmental risks discussed above, that health problems linked to the *maquila* plants are pervasive. Air pollution and groundwater and surface water contamination have been documented at many points along the border. Hazardous waste management is also a severe problem, for many plants dump and store hazardous wastes in a haphazard fashion. Industrial accidents and the adverse health and safety conditions facing *maquila* workers and the inhabitants of *colonias* surrounding the plants are serious.²³ Current research indicates that the rate of nonfatal occupational injuries and illnesses among *maquiladora* workers is substantially higher than that of U.S. workers (Brenner et al. 2000, 274–75). Adverse health effects (including low birth weight infants, stress, fatigue, headaches, cumulative trauma disorders, and the like among *maquila* workers) have been reported by several researchers.²⁴ Noncommunicable diseases are also a problem, for mortality rates for general cancer and several site-specific cancers (including trachea, bronchitis, and lung) as well as congenital anomalies are higher along the Mexican border than for the country as a whole (Brenner et al. 2000, 285). Numerous incidents have been reported, but none more dramatic than the cluster of 50 anencephalic babies born in the Brownsville, Texas-Matamoros, Mexico area (19 in Brownsville and 31 in Matamoros) in the early 1990s (Suro 1992).

Infant mortality and age-adjusted general mortality rates on the Mexican side of the border are not only higher than rates on the U.S. side but higher than rates for Mexico as a whole

(Brenner et al. 2000, 280–87). Differences are even greater for rates of mortality and/or morbidity for infectious diseases such as tuberculosis, hepatitis A, typhoid fever, dengue, and so on. In fact, “. . . Mexico’s border states account for only one-sixth of that country’s population but, according to recent data from the Secretary of Health, produced 61 percent of the TB cases reported in Mexico during the first ten weeks of 1998” (Borderlines 1998b, 1). Such disparities can be attributed to the rapid population growth and limited infrastructure development and unmet service needs in the border cities along the Mexican side of the border (Brenner et al. 2000).

The health problems posed by the *maquila* plants (and the rapid population growth and related factors associated with increased *maquila* activity) are so serious that the Council on Scientific Affairs (1990, 3320) of the American Medical Association concluded that “environmental monitoring and disease incidence data...point out that the public and environmental health . . . is rapidly deteriorating and seriously affecting the health and future vitality on both sides of the border.” John Cavanagh (1992, 8), an analyst at the Washington DC–based Institute of Policy Studies, notes “. . . exposure of workers to dangerous toxic substances, and contamination of drinking water with industrial pollutants have turned the Mexican side of the border into an environmental wasteland and industrial slum.” The National Toxics Campaign has described the border as “. . . a two-thousand mile long Love Canal” (cited in Cavanagh 1992, 8). And things have not improved since the implementation of NAFTA (Gallagher 2002; Sanchez 2002).

Economic costs

The costs associated with the cleanup of contaminated sites and improperly disposed wastes in Mexico are high. The treatment and compensation of the victims of hazardous exposures are potentially very costly. Destruction of marine life, biodiversity, soil, water and air quality, and other natural resources is also likely to be costly. This is a particularly important issue because water is such a scarce commodity in this semi-arid region. Reductions in human health are costly, and they can impede future economic

growth (Bloom and Canning 2000; Price-Smith 2001). These and other tangible and intangible economic costs associated with the transfer of hazardous industries appear to be substantial.²⁵

Social costs

Contrary to Beck's (1992, 1999) "risk-society" hypothesis, the bulk of the costs or risks associated with the transfer of hazardous production facilities to Mexico (and other peripheral countries for that matter) are distributed in an uneven fashion (Brenner et al. 2000), representing a pattern of "risk discrimination" (Kasperson and Kasperson 2001). Most benefits go to the core-based TNCs who control production and marketing of products and the profits of their sale, while Mexico bears most of the costs (Cooney 2001; Pena 1997; Sklair 1993).²⁶ Losses within Mexico are distributed in an unequal fashion: some groups (especially the state and local capital) are able to capture the benefits and other groups (especially those marginalized by gender, age, class, race/ethnicity, and geographic location, including *maquiladora* workers, *colonia* dwellers, and other poor residents) bear the costs (e.g., Brenner et al. 2000; Pena 1997; Simon 1997, chapter 8). Wages are low, averaging twelve dollars a day. Young women employed in the *maquiladoras*, who represent slightly more than 50 percent of the work force currently, have borne many of the health and safety risks associated with hazardous industrial production, but they have enjoyed few, if any, of the economic benefits.²⁷ Women employed in the electronics industry, for instance, are routinely exposed to solvents that can cause menstrual and fertility problems, as well as cancer and liver and kidney problems. Women working in the *maquiladoras* also experience a variety of other adverse consequences, including discrimination in terms of hiring, wages, and promotion; routine pregnancy tests and systematic firing if found to be pregnant; sexual harassment and abuse on the job; and risk of rape and death in the early mornings when traveling to and from work.²⁸

Hazardous residues may move across national borders through the air, water, and food. As noted above, wastes created in the *maquiladoras* are regularly dispersed into the air and water

and often end up in the U.S. (Varady et al. 1995). Weak regulatory standards in Mexico also give TNCs leverage in their efforts to reduce labor and other costs in the core countries. And, most importantly, future generations will bear costs and enjoy few of the benefits generated by hazardous industry.²⁹

Evaluating the costs and benefits

Are the costs associated with the transfer of core-based hazardous industries to the periphery offset by the economic and other benefits as proponents of neoliberalism (Grossman and Kruger 1993) and ecological modernization theorists (Mol 2001) suggest? This is a vexing question because it is difficult to identify, estimate, and value the costs and benefits associated with hazards in monetary terms (Dietz, Frey, and Rosa 2001). Despite suggestions and efforts to the contrary (e.g., Logan 1991), there is no widely accepted factual or methodological basis for identifying, estimating, and valuing the costs and benefits associated with the flow of core hazards to the periphery. Even if the consequences of hazardous exports could be meaningfully identified and estimated, there remains the question of valuing them in monetary terms. The usual strategy is to look to the marketplace for such a valuation, but adverse health, safety, environmental, and social consequences are not traded in the marketplace. Efforts have been made to deal with this problem by using either expert judgment or public preferences (Manning, Lawson, and Frymier 1999; Mitchell and Carson 1989), but these techniques are deeply flawed (Dietz et al. 2001; Foster 2002a).

Comments contained in an often quoted 1991 memo by former World Bank Chief Economist Lawrence Summers (*The Economist* 1992)³⁰ are worth quoting at length because they illustrate some of the difficulties and contradictory outcomes of applying traditional economic reasoning to the transfer of hazardous industries to the periphery:

Just between you and me, shouldn't the World Bank be encouraging more migration of the dirty industries to the LDCs? I can think of three reasons:

- (1) The measurement of the costs of health-impairing

pollution depends on the forgone earnings from increased morbidity and mortality. From this point of view a given amount of health-impairing pollution should be done in the country with the lowest cost, which will be the country with the lowest wages.

(2) The costs of pollution are likely to be non-linear as the initial increments of pollution probably have been very low cost. I've always thought that under-polluted countries in Africa are vastly under-polluted; their air quality is probably . . . low compared to Los Angeles or Mexico City. . . .

(3) The demand for a clean environment for aesthetic and health reasons is likely to have very high income-elasticity. The concern over an agent that causes a one-in-a-million chance in the odds of prostate cancer is obviously going to be much higher in a country where people survive to get prostate cancer than in a country where under-5 mortality is 200 per thousand. Also, much of the concern over industrial atmosphere discharge is about visibility of particulates. These discharges may have little direct health impact. Clearly trade in goods that embody aesthetic pollution concerns could be welfare enhancing. While production is mobile the consumption of pretty air is a non-tradable.

Such reasoning undervalues nature and is based on the assumption that human life in the periphery is worth much less than in the core because of wage differentials (Foster 2002b; Swaney 1994). Although most costs are borne by the periphery and most benefits are captured by the core-based TNCs and by elites located in the periphery, the costs to the periphery are deemed minimal and acceptable because life is defined as worth so little.³¹ Or, as Herman Daly (1993, 57) has noted: "By separating the costs and benefits of environmental exploitation, international trade makes them harder to compare."

Even if the economic costs and benefits associated with the transfer of hazardous industries could be estimated and valued in a meaningful fashion, it is doubtful that the benefits accruing to Mexico would cover the costs. Consider, for instance, Sklair's (1993, 240–66) important assessment of the *maquiladora*

program. Using six development criteria (backward and forward linkage creation, foreign currency earnings, personnel upgrading, technology transfer, work conditions, and environmental conditions), Sklair concludes that the mix of costs and benefits of the *maquiladora* program is highly uncertain. He notes:

The end of the maquila industry as we know it would be extremely painful for the frontera norte and for the border communities of the U.S., but in the long-term unless the Mexican government and the TNCs can work out ways of transforming it into a more potent instrument for the development of Mexico and the advancement of its people, Mexico is better off without it. (Sklair 1993, 238)

He argues that the situation is unlikely to improve under NAFTA (Sklair 1993, 240–63). Other analysts (e.g., Cooney 2001; Cravey 1998; Kopinak 1996; Pena 1997, chapter 9) have drawn conclusions similar to those of Sklair (1993) or concluded that the Mexican situation is worse after NAFTA (Anderson and Cavanagh 1996; Brenner et al. 2000; Clapp 2002; Gallagher 2002). Gallagher (2002, 119), for instance, indicates that “industrial air pollution is outstripping trade-led economic growth in Mexico.”

Stoddard (1991) has qualified such views by noting that *maquiladoras* vary considerably in their developmental consequences and many *maquiladoras* are far better than many domestic facilities in the formal and informal sectors. And ecological modernization theorist Arthur Mol (2001, 127–30) suggests the environmental provisions and side agreements of NAFTA provide the institutional basis for improvements in the future. But a crucial fact remains: the *maquiladora* industry has had little impact on Mexico’s economic development beyond the creation of jobs (many of which are unskilled, though this has begun to change somewhat) and increased revenues from exports.

Complicating the situation is Cooney’s (2001, 14) observation about the fragility of *maquila* jobs:

Mexico is not in control of the wealth generated within the country. The question remains, therefore, as to whether

maquiladora development can be counted on to provide growth in the long run. Consider a scenario where *maquiladora* workers demand higher wages (perhaps something closer to 1/4th instead of 1/12th of their US counterparts) or insist that health and safety standards be the same as in the US, or request that working overtime be optional. It is probable that the capital accumulated by many of these TNCs may continue their circuit elsewhere. In other words, although the surplus is generated in Mexico, it can be relocated at the time of re-investment, if the conditions do not remain sufficiently propitious for capital.

Greider (2001) and Smith (2002) have commented on the emergence of such a pattern in late 2001, noting that a number of “foot-loose” TNCs have been moving their production facilities from Mexico to China, Vietnam, and elsewhere.

Princeton economists Grossman and Krueger (1993) tell another story; they examined the developmental consequences of *maquiladoras* in environmental terms. They present findings of cross-national research³² suggesting the existence of a curvilinear relationship between national economic development and several measures of urban environmental degradation. They report that as economic development increases, environmental degradation per unit of economic development decreases; this is the so-called inverted U-curve or environmental Kuznets curve hypothesis (EKC) named after economist Simon Kuznets’s (1955) work on economic growth and income inequality. They argue that Mexico is on the verge of such a threshold: future economic growth (especially under NAFTA) will improve environmental management and reduce environmental problems (Grossman and Krueger 1993).³³ For proponents of neo-liberalism, and their ecological modernization counterparts (Mol 2001), the benefits will outweigh the costs in the future.

The problem with Grossman and Krueger’s argument is that they assume that the cross-national relationship between aggregate economic output and environmental degradation is a result of intra-country changes in consumption, values, regulation, and technology resulting from affluence. But as Rosa and Dietz (1998, 436) note:

A less optimistic explanation is that the new international division of labor has shifted the most environmentally disruptive activities to the least affluent nations, leaving relatively clean service industries in the most affluent nations. Reduced environmental impact from industries in the affluent nations is thus an artifact occurring for other reasons; the impacts are still taking place, but have been shifted to politically less powerful locations.

Roberts and Grimes (1997; 1999, 67) also dismiss the modernization implications of the environmental Kuznets curve; they assert that the curve is not a historical trend but a temporary pattern confined to the 1980s (Roberts and Grimes 1999, 67). Arrow et al. (1995, 520) make similar arguments and note that the existence of the inverted-U curve (which they correctly note does not exist for resource stocks) “. . . does not constitute evidence that it will happen in all cases or that it will happen in time to avert the important and irreversible global consequences of growth.”³⁴ Stern (1998), in an extensive review of the existing literature, raises a host of important questions about the validity of the environmental Kuznets curve. More recently, York, Rosa, and Dietz (2003) present compelling cross-national evidence that affluence (GDP/capita) has a positive and monotonic effect on a measure of environmental impact (the ecological footprint measure developed by Wackernagel and Rees [1996]) that takes into account a country’s domestic and international impact. Others (see, e.g., Nordstrom and Vaughan 1999; Rothman 1998) have drawn similar conclusions. In sum, the costs of the transfer of hazardous production processes to the periphery appear to outweigh the benefits.

“Counter-hegemonic globalization”: Resistance through transnational networks?

Efforts to curb the adverse consequences associated with the *maquiladora* industries in Northern Mexico and hazardous industries in EPZs located elsewhere in the periphery have taken several distinct forms: various national regulatory efforts; bilateral and multilateral environmental agreements; trade treaties such as NAFTA and attendant side agreements, including the North

American Agreement on Environmental Cooperation (NAAEC) and the North American Agreement on Labor Cooperation (NAALC); various market-based initiatives centering on the modernization of industrial production; industry-led initiatives such as the International Organization for Standardization's ISO 14000 environmental management standards and the International Chamber of Commerce's Business Charter for Sustainable Development; and calls for various supranational bodies such as a "World Environment Organization."³⁵ These efforts to globalize responsibility or "fill in the space between laws" (Michalowski and Kramer's 1987) are problematic because of noncompliance and weak implementation and enforcement capacity at the national and supranational levels, resulting from fragmentation of efforts, limited resources, increased capital mobility, and the neoliberal project that frames regulation as a trade barrier.³⁶

Several analysts have called for more stringent measures, including what some call "the renationalization of capital" (Cobb 1995; Daly 1996, 145–62) or the dismantling of what Gould et al. (1996) call the "transnational treadmill of production." Implementation of these proposals appears unrealistic given the structural constraints posed by the current world-system.

What is being done to challenge the world-system? Several organizational and political changes are currently underway. Non-governmental organizations (NGOs)³⁷ have pressured the Mexican state to develop and enforce higher standards, train public health and *maquila* workers, and open the policy discourse to the public about the prevalence and use of toxic materials.³⁸ NGOs such as the Coalition for Justice in the Maquiladoras, the Maquila Solidarity Network, the Maquiladora Health and Safety Network, and the Southwest Network for Economic and Environmental Justice have begun to monitor and study actual conditions in and around the *maquiladoras*, as well as pressure TNCs to change operating procedures. These and other NGOs have been successful in their efforts (Bacon 2001; Keck and Sikkink 1998; Roberts 1998). Williams (1999, 150–52), for instance, presents compelling evidence that the Coalition for Justice in the Maquiladoras³⁹ cross-border collaboration campaigns were successful in achieving goals.⁴⁰ And, more

recently, a coalition of Canadian, U.S., and Mexican NGOs was successful in expanding right-to-know legislation in Mexico, including the establishment of a Pollutant Release and Transfer Register that is similar to those in Canada and the U.S. (Nauman 2003).

Economic globalization and the attendant adverse consequences have clearly fostered counter-hegemonic forces or anti-systemic movements in the form of transnational networks of NGOs. The extent to which NGOs will actually curb the adverse consequences of economic globalization in Mexico and elsewhere is the subject of debate (see, e.g., Moghadam 1999; Mol 2001; Sanchez 2002, Wallerstein 2002; Wilkin 2000). Peter Evans's (2000, 240)⁴¹ comment of several years ago is particularly apt:

Is it possible that a ragtag set of activists who have managed to turn fax machines, Internet hook-ups, and some unlikely long-distance personal ties into a machinery for harassing transnational corporations and repressive local politicians might foreshadow a political process that could reconfigure the rules of the global political economy so as to foster equity, well-being, and dignity? It may be utopian to contemplate such a possibility, but it is certainly foolish not to take the elements of counter-hegemonic globalization that are already in place and push them as far as they can go.

Counter-hegemonic globalization in the form of transnational networks of NGOs may seem even more utopian in the context of 2003, but it remains one of the most viable means for curbing the adverse consequences associated with hazardous facilities in the EPZs of the periphery. Stopping the core's appropriation of carrying capacity is another matter, for appropriation is embedded in the very structure of the current world-system.

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NOTES

1. For a sampling of the literature, see Adeola (2001), Castleman (1985a, 1995, 1999), Castleman and Navarro (1987), Clapp (1998a, 2001, 2002a, 2002b), French (2000, 71–86), Frey (1995, 1997, 1998a, 1998b, 2001, 2002), Millen and Holtz (2000). Concern has also centered on the dispersal of pollutants between the core and periphery through the air, soil, water, and other media, as well as the pollution of the global commons by the core countries (see, e.g., Bergesen and Parisi 1999; Dietz and Rosa 1997; Huq 1994; Moomaw and Tullis 1994; Redclift and Sage 1998; Roberts and Grimes 1997; Rosa and Dietz 1998).

2. See, e.g., Brenner, Ross, Simmons, and Zaidt (2000), Brown (2002), Covello and Frey (1990), Kasperson and Kasperson (2001), LaDou (1998), and Millen and Holtz (2000).

3. EPZs are special geographic zones providing favorable investment and trade concessions to capital. Concessions include tax holidays, exemptions from labor and environmental regulations, provision of infrastructure, duty-free export and import and the free repatriation of profits. The United Nations Industrial Development Organization (1980, 6) defines an EPZ as:

a relatively small, geographically separated area within a country, the purpose of which is to attract export-oriented industries, by offering them especially favourable investment and trade conditions as compared with the remainder of the host country. In particular, the EPZs provide for the importation of goods to be used in the production of exports on a bonded duty free basis.

For a further discussion, see Chen's (1995) useful account of the evolution of EPZs and other types of free economic zones, as well as Abbott (1997), Dicken (2003), Jauch (2002), and the International Labour Organization (1998).

4. The term is derived from the Mexican colonial word *maquila* or the fee charged by millers to grind corn into meal (but see Brenner et al. 2000, 478, note 1).

5. Neoliberalism is typically defined as "the package of structural adjustments, privatizations and 'free trade' that the first world has been imposing on the third world for the past fifteen years" (Wilson 1997, 30) or as "the hegemonic ideology of core nation-states and of the transnational elite, the means by which the subordinated are consensually dominated. The neo-liberal agenda seeks to achieve the total mobility of capital by advocating the elimination of state intervention in the economy and regulation by individual nation-states of the activity of capital in their territories" (Marshall 1999, 257). See also Casanova (1996), Chomsky (1998, 1999), Chossudovsky (1997), McMichael (2000), Otero (1996), and Polanyi (2001/1944).

6. See Lorey (1990) and ITESM and InfoMexico (2002) for good overviews of the border region.

7. For excellent discussions of life on the Mexican side of the border, see Berry and Sims (1994), Bowden (1998), Rotella (1998), Simon (1997, chapter 8), and Urrea (1993).

8. For further discussion of the border region, see Brenner et al. (2000),

Frumkin, Hernandez-Avila and Torres (1995), ITESM and InfoMexus (2002), and Liverman, Varady, Chavez and Sanchez (1999).

9. Similar processes underlie the distribution of hazards within the core countries and elsewhere (see, e.g., Boone and Modarres 1999; Bryant 1995; Bullard 2000; Camacho 1998; Cohen 1997; Collin 1994; Heiman 1996; Mohai and Bryant 1992; Szasz and Meuser 1997).

10. See, e.g., Castleman (1985a, 1999), Castleman and Navarro (1987), Clapp (1998a; 2001, chapter 5), Jayadevappa and Chhatre (2000), Leonard (1988), and Rock (1996).

11. See, for example, Castleman (1985a, 1985b), Clapp (1998a; 2001, chapter 5), Eskeland and Harrison (1997), Grossman and Krueger (1993, 36ff), Jaffe et al. (1995), Leonard (1988), Levenstein and Eller (1985), Low and Yeats (1992), Mol (2001, 157–65), Molina (1997, 6–4), Nordstrom and Vaughan (1999), Pearson (1987), Rauscher (1997), Roberts (1998), Rock (1996), and Tobey (1990).

12. See Jaffe et al. (1995, 143–50), Jayadevappa and Chhatre (2000), Leonard (1988), and Tobey (1990). Chua (1999, 408–10) and Rauscher (1997) provide good summaries of much of this work, and Clapp (2001, chapter 5) provides a critical assessment of the research.

13. These include deregulation and privatization of the economy, removal of trade restrictions, wage compression, and liberalization of controls on capital movement.

14. A 1962 U.S. customs regulation, Item 807.00 of the Tariff Schedule of the United States, allowed U.S. companies to export U.S. materials to other countries for assembly and reimport the product and pay only duty on value added to the product.

15. See Pastor and Wise (1994) for a good discussion of why liberalization was undertaken.

16. The story of RCA's involvement in Northern Mexico provides a fascinating tale of one company's effort to reduce production costs (see Cowie 1999, chapters 4–7).

17. Covelto and Frey (1990), LaDou (1998), Liverman et al. (1999), McCally (2002), Pearce et al. (1994), and World Resources Institute (1998, 51–72) provide a good overview of the issues.

18. Daly's (1996, 28) term for "the flow beginning with raw material inputs, followed by their conversion into commodities, and finally into waste outputs."

19. Human impact on the environment in the border region has a long history. See Melville (1994) for a fascinating account of the adverse environmental consequences associated with the introduction of European grazing animals in 16th Century Mexico.

20. See Barry (1994), Davis and Perez (1989), Mumme (1999), Reed (1998), Sanchez (1990, 1991), and Varady, Lankao, and Hankins (2001) for a useful overview of the issues.

21. The problem is so serious that the Sierra Club estimated in 1993 that it would cost over 20 billion dollars to clean up hazardous wastes along the border (cited in Cobb 1995, 88). The current clean-up cost would be substantially higher.

22. See, e.g., Abbott (1997), Barry and Sims (1994), Barten et al. (1996), Brown (2002), Castleman (1985a), Frey (1998b), LaDou (1992), Levy (1995, 1998), National Research Council (1991), and Pearce et al. (1994).

23. Barry and Sims (1994), Borderlines (1998), Brenner et al. (2000), Gallagher (2002), Kochan (1989), Kourous (1998), Moure-Eraso et al. (1994; 1997, 591, 596), Multinational Monitor (1995), Pena (1997, 296–303), Sanchez (1991), Reed (1998), Simon (1997, chapter 8), and Warner (1990) provide a good review of the situation.

24. Eskenazi et al. (1993), Meservy et al. (1997), and Moure-Eraso et al. (1997), but see Guendelman and Silberg (1993) and Guendelman et al. (1998).

25. See Daly's (1996, chapters 10 and 11) discussion of the costs of free trade.

26. One is reminded of a comment by Chomsky (1998, 357) regarding the nature of economic development experiments under colonialism and the current neoliberal project:

“... the designers seem to come out quite well, though the experimental subjects, who rarely sign consent forms, quite often take a beating.”

27. See, e.g., Abbott (1997), Cravey (1998), Kopinak (1996), Kourous (1998), LaBotz (1994), Park (1993), Tiano (1987, 1994), and Wright (1999).

28. Cevallos (2003), Fernandez-Kelly (1989), Human Rights Watch (1999), Kenney et al. (1998), Moure-Eraso et al. (1997), Parikh (1998), and Pena (1997) provide good summaries of what is known. For an excellent discussion of the life histories of women working in the *maquiladoras* of Tijuana, see Prieto (1997).

29. As several analysts have noted: “... the present generation is only a caretaker of the human genome of future generations” (cited by Ostrosky-Wegman and Gonsebatt 1996, 601).

30. He is currently President of Harvard University, former Chief Economist of the World Bank, former U.S. Treasury Secretary under Clinton, and nephew of Paul Samuelson and former son-in-law of Kenneth Arrow, both winners of the Nobel Prize in economics.

31. For further discussion of these and related issues, see Foster (1995, 2002b) and Harvey (1996, 366–69). Harvey's (1996, 368) provocative comments are worth repeating at length:

Though the “impeccable economic logic” advanced by Summers is not hard to deconstruct as the characteristic discourse of a particular kind of political-economic power and its discriminatory practices, it unfortunately approximates as a description of what usually happens. The market mechanism “naturally” works that way. Property values are lower close to noxious facilities and that is where the poor and the disadvantaged are by and large forced by their impoverished circumstances to live. The insertion of a noxious facility causes less disturbance to property values in low income areas so that an “... optimal” lowest cost location strategy for any noxious facility points to where poor people live. Furthermore, a small transfer payment to cover negative effects may be significant to and therefore more eagerly accepted by the poor, but largely irrelevant to the rich, leading to what I long ago referred

to . . . as the “intriguing paradox” in which “the rich are unlikely to give up an amenity at any price whereas the poor who are least able to sustain the loss are likely to sacrifice it for a trifling sum.” If, as is usually the case, areas where low-income, disempowered, and marginalized “others” live are also zones of more political organization, and weak political resistance, then the symbolic, political, and economic logic for the location of noxious facilities works in exactly the way that Summers’ memo envisages.

32. Others have also presented such findings, including Dietz and Rosa (1997), Roberts and Grimes (1997), and the World Bank (1992).

33. Grossman and Krueger (1993, 48) also claim that trade liberalization under NAFTA “may well increase Mexican specialization in sectors that create less than average amounts of environmental damage.” Like many other free traders (and those embracing an ecological modernization perspective [e.g., Mol 2001; Stoddard 1991]), they argue that the older and often inefficient domestic factories (that arose under the Import Substitution Industrialization program of the past) will be replaced by more efficient and cleaner industries. This, of course, remains an open question, for Molina (1993) has presented convincing evidence that dirty industries located in the U.S. have moved to Northern Mexico.

34. Arrow et al. (1995, 521) go on to note:

Economic growth is not a panacea for environmental quality; indeed, it is not even the main issue. What matters is the content of growth—the composition of inputs (including environmental resources) and outputs (including waste products). This content is determined by, among other things, the economic institutions within which human activities are conducted. These institutions need to be designed so that they provide the right incentives for protecting the resilience of ecological systems. Such measures will not only promote greater efficiency in the allocation of environmental resources at all income levels, but they would also assume a sustainable scale of economic activity within the ecological life-support system. Protecting the capacity of ecological systems to sustain welfare is of as much importance to poor countries as it is to those that are rich.

See Mol (2001, chapter 7, especially pp. 163–64), who draws a different conclusion from the existing research.

35. These and other recommendations are discussed in Caldwell (2002), Carter et al. (1996), Castleman (1995), Clapp (2001, chapter 6), French (2002), Gallagher (2002), Garcia-Johnson (2000, chapter 5), LaDou (1998, 1720–22), Liverman et al. (1999, 621–37), Lofstedt and Sjostedt (2001), Millen and Holtz (2000, 213–19); Mol (2001, chapters 5 and 7); Moure-Eraso et al. (1997, 598–99), Permanent Peoples’ Tribunal on Industrial Hazards and Human Rights (1996), Roberts (1996, 1998), Roht-Arriaza (1995), Sanchez (2002), and Varady and Suk (1996).

36. See, e.g., Chomsky (1999), Chossudovsky (1997), Clapp (1998a, 103–4;

2001, chapters 6 and 7), Gould et al. (1996, chapter 5), McMichael (2000), Sanchez (2002, 1382, 1385–89), and Tilly (1995).

37. A special type of what Arrighi, Hopkins, and Wallerstein (1987) and Wallerstein (2002) refer to as anti-systemic movements.

38. Hogenboom (1996), Pena (1997, 304ff), and Williams (1999), among others, discuss environmental NGO activity on both sides of the border. NGOs have become important actors on the world stage (Boli and Thomas 1997; Keck and Sikkink 1998; Simmons 1998; Smith et al. 1997; Williams 1999). In fact, Boli and Thomas (1997, 187) argue that international NGOs form an emerging global proto-state. And several pundits in the post-Seattle period have referred to “NGO swarms” attacking TNCs (*The Economist* 1999).

39. This is a coalition of groups and individuals from Canada, Mexico, and the United States that has pursued *maquiladora* industries engaged in illegal and “errant” labor and environmental practices. The coalition consists of unions, human rights activists, environmentalists, religious groups, and public health interests. They have used a variety of tactics, including lobbying and testifying before various legislative and administrative bodies, letter writing, picketing and demonstrations, and organizing stockholders of companies operating in Northern Mexico (see, e.g., Bacon 2001; Williams 1999). See also Dreiling (1998).

40. As Keck and Sikkink (1998, 200) note:

Transnational value-based advocacy networks are particularly useful where one state is relatively immune to direct local pressure and linked activists elsewhere have better access to their own governments or to international organizations. Linking local activists with media and activists abroad can then create a characteristic “boomerang” effect, which curves around local state indifference and repression to put foreign pressure on local policy elites. Activists may shop the entire global scene for the best venues to present their issues, and seek points of leverage at which to apply pressure. Thus international contacts amplify voices to which domestic governments are deaf, while the local work of large country activists legitimizes efforts of activists abroad.

41. Evans is calling for what Karliner (1997) has dubbed “grassroots globalization.” Sklair (1998, 298–305) refers to this as “disrupting” the global capitalist system at the local level (by “disrupting the TNCs,” “disrupting the transnational capitalist class,” and “disrupting consumption”), but coordinating such disruptions globally. Others use terms such as the development of “civil society” (Lofstedt and Sjostedt 2001) or “global civil society” (Carruthers 1996; Lipschutz 1992), “post-national communities” (Beck 1999, 16), and “globalization from below” (Brecher, Costello, and Smith 2001).

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Globalization in the Transition from Capitalism to Socialism

Nguyen Ngoc Long

Globalization and capitalism

We cannot thoroughly understand socialism if we do not understand modern capitalism in a correct way. That is the approach of Marx and Engels to communism. They wrote: “Communism is for us not a *state of affairs* which is to be established, an *ideal* to which reality [will] have to adjust itself. We call communism the *real* movement which abolishes the present state of things. The conditions of this movement result from the now existing premise” (1976, 49). Those preconditions have been created by capitalism itself. Lenin pointed out that “Marx treated the question of communism in the same way as a naturalist would treat the question of the development of, say, a new biological variety,” seeing that the “future development of future communism . . . *has its origin* in capitalism, that it develops historically from capitalism” (Lenin 1964b, 463). Therefore, the understanding of modern capitalism in the globalization process is one of the major bases for considering the impact of globalization on socialism.

Moreover, if the current globalization process is the highest development stage—“the peak” of capitalism—this stage will show the impact of globalization on socialism.

No one denies that globalization is an objective trend of social development in the current world, because of the great pervasive force of development of society's productive forces under the conditions of the scientific and technological revolution. As in any other social process, however, globalization has objective features, even though it is implemented by human beings and with different and opposite consequences that flow from the struggles among the productive forces. Among these productive forces is one that plays a central role, shaping the political-economic features of the process. In fact, at the present time, globalization is proceeding under the domination and control of capitalism.

First of all, the world economy is controlled by huge transnational capitalist corporations—some five hundred of them, as many studies show—where economic globalization is the central content and basis for the entire process of globalization. Second, relying on its economic strength, capitalism is trying to force its rule by any means on all aspects of social life throughout the world.

Hence, we can consider the current globalization process the highest stage of development, “the peak” of capitalism to which Lenin already pointed, but without imagining its scale. If we call the imperialist period a “small age” in the “big age” of capitalism, we can call the current period of capitalism “capitalist globalization.”

This explains why, although having objective features, globalization has given rise to reactions from masses of people from various layers of social class in the world, resulting in a worldwide campaign of struggle for social progress.

It would be undialectical to view capitalism in the globalization process as only taking advantage of the achievements of the scientific and technological revolution in order to prolong its existence. The objective dialectic is that while developing most completely its potentials, capitalism in the globalization period has created full preconditions for its inevitable end, for the replacement of capitalism by socialism. This happens without the wish of the bourgeoisie, because it is the objective trend of development.

In the nineteenth century, Marx had seen “the capitalist stock companies . . . as transitional forms from the capitalist mode of production to the associated one” (1998, 438), as the “abolition of capital as private property within the framework of the capitalist

mode of production itself“ (434). That direction of transition has been reinforced today, under the conditions of a revolution in science and technology, because of the impact of socialism, especially in the period when the two opposite sociopolitical systems existed concurrently, prior to the collapse of socialism in the USSR and Eastern Europe.

This is also Lenin’s dialectical point of view when he asserts that “socialism is now gazing at us from all the windows of modern capitalism; socialism is outlined directly, *practically*, by every important measure that constitutes a forward step on the basis of this modern capitalism” (1964b, 363).

“The transitional forms from the capitalist mode of production to the associated one” as mentioned above, together with the strengthening of the role of the state’s management, have led to a new stage of development of capitalist production in connection with the revolution in science and technology. This has given rise to the illusion of a “new capitalism,” “a capitalism of the working people,” a capitalism that has overcome the previous cyclical crises and that has achieved the social targets that “real, existing socialism” set forth, but was not able to reach. But when what Marx called “capitalist society” reached its peak with the ascendancy of the transnational corporations in the current globalization process, the limitations of capitalism have been exposed more and more clearly. This has been borne out by new crises since the beginning of the 1970s and especially at the end of the twentieth century. Some economists have maintained that the monetary crisis began with the collapse of the Breton Woods system, when, in the unstable economic and monetary situation, incompatibility arose between the monetary system and the actual economic system. Financial capital suffered terrible inflation, and speculative activities increased, causing crisis and recession in the world economy akin to the 1930s. They conclude that this was the most serious crisis since the bursting of the Japanese “bubble economy” at the beginning of the nineties, a crisis emerging from basic contradictions of capitalism on a world scale (Scientific Information Institute 1999, 9).

These facts prove that the contradictions of capitalism cannot be solved within the framework of capitalism itself; they cannot

disappear, but are transformed under a new mode.

First are the contradictions between the bourgeoisie and the proletariat. Changes in capitalist production have led to changes in social class structures and eased the class contradiction between workers and capitalists in the developed capitalist countries. On the global scale, on the other hand, the contradictions between labor and capital have widened.

Second, the former contradictions between the colonized nations and imperialism have developed into a struggle by the former colonies for national sovereignty and against imperialism's "invasion" of their cultures and economies.

Third, contradictions between new and old capitalism still exist, and seem to be deeper, due to the bellicose policies of the United States, which wants to exert hegemony over the world. The globalization process has caused new contradictions between "the center" and "the periphery" of capitalism, meaning the contradictions between "developed capitalism" and "nondeveloped capitalism."

Fourth, an alternate form of these former contradictions is expressed by the contradiction between the rich countries and the poor countries, sometimes referred to as the "North-South contradiction."

The new mode of capitalism's contradictions is due to their original basis—the contradiction between the high level of socialization of the productive forces and private ownership in the relations of production—that is, the basic contradiction of the capitalist mode of production, which cannot be resolved within the framework of capitalism.

Socialism in the globalization process

Together with the development of capitalism in the period of capitalist globalization, globalization has had a negative impact on socialism. We can agree with the conclusions of many who have found three types of negative effects. First, globalization has led some people to view capitalism as vastly superior to socialism, deprecating the latter. Second, it has enhanced the acceptance of the West's value system to the detriment of support

for that of socialism. Third, it has led some people to abandon their traditional culture and absorb Western lifestyles. We cannot ignore the heavy impact of a capitalist-based economic globalization on socialism.

Nevertheless, we should acknowledge the positive impact on the future of socialism as well. While reinforcing the international character of capitalism, globalization also makes clear the urgency of an alliance of international Communist forces. East-West separation during the Cold War and isolation after the collapse of the USSR harmed the socialist movement. On the other hand, by actively integrating itself into the world economy, socialism can learn and get experience from the economic models representing “transitional forms from the capitalist mode of production to the associated one” in order to solve the difficult problems of the socialist model. For example, how can we combine social ownership with private ownership of the means of production in a socialist regime? How can we plan without falling into the mechanism of bureaucratic central management? The attempt to solve such matters without having historical experience was one reason for the collapse of socialism in the USSR and Eastern Europe.

Pressure and challenges have objective features, but opportunities can be grasped only through subjective efforts. This requires that a realistic socialism actively integrate itself into the globalization process in order to make use of all opportunities, meet the challenges, and successfully bring about a renewal of socialism. At the same time, we have to be fully aware that this process is a combination of cooperation and struggle; cooperating is also struggling, as without struggling there will be no just cooperation for the developing countries.

This is also a new reflection of the contradiction between socialism and capitalism, a contradiction that is the most basic, typical contradiction in the transitional period from capitalism to socialism, a struggle between socialism and capitalism in the new mode and new conditions. In this struggle, socialism is actively integrating itself into the world economy, gaining new strength, while imperialism, which has the leading role in the current globalization process, is trying to abolish realistic socialism.

The new mode of the struggle is reflected not only in the transition from direct opposition between the two sides to a combination of cooperation and struggle, but also through some new features.

First, the ideological struggle becomes more complicated. Having greater economic and military strength, imperialism is paying more attention to ideological attack, considering it a factor to ensure complete victory over socialism. However, economic cooperation tends to reduce the role of ideological struggle. From this reality, some people speak about “the dissolution of the ideological system.” This requires Communists to maintain a consistent Marxist point of view. But in order to do so, they must have a creative mind so they can both overcome out-of-date concepts and theories about socialism and struggle to find methods relevant to the new situation.

Second, a close connection exists between the struggle for socialism and movements working for peace, protecting sovereignty, implementing justice and equality in relations among countries, fighting for social progress. These struggles were already interconnected during the Cold War (is this not why many called it the Third World War?), but now they are connected under the impact of the most basic and major contradiction in the transitional period to socialism on a world scale—the contradiction between socialism and capitalism. The world socialist system has been fulfilling its historical task, as we have noted. Today, the struggle for socialism must be joined with the progressive and revolutionary movements, including the movement against globalization, a struggle that attracts many diversified social and political forces with different objectives, but able to find a common denominator for their mutual benefit.

Third, the defeats suffered by socialism and the ascendancy of capitalism have caused divisions within the international workers’ and Communist movements. Perhaps it is too early to say that this most difficult period has passed. In the current difficult situation, Communists are increasingly participating in international cooperation. The international gatherings in France, Germany, Austria, China, the United States, and especially in Greece in recent years

are evidence of this. The process of gathering forces cannot be completed in a brief time. Great subjective effort is required, but this will create a new advantage for the future of socialism.

We can agree with German Marxist scholar Peter Bergmann, who stated that the failure of the Russian Revolution to assist revolutions in the developed countries was one of the reasons for the decline of the USSR. It is necessary to add that there was a lack of cooperation, even a split in the Communist movements into two blocs—the socialist countries and the developed countries. It happened when the world's socialist system was just established in the “suburb” of capitalism. In fact, revolutions used to win victories in the “suburb,” from whence they extended the process to the “center.” It was the rule; therefore Lenin's discovery about the victory of the proletarian revolution in a few countries, even in a single country, the weakest point of the capitalist system, is still true. It does not mean that we deny Marx, because Marx's conclusion on the victory of socialism in the developed capitalist countries is still of value.

The achievements of socialist reform and renewal will not only bring a new strength to realistic socialism, but will also have a positive effect on the international workers and Communist movements. The future prospect of socialism depends on many factors, but the success of reform and renewal in the socialist countries, the renewal of the workers and Communist movements in the developed capitalist countries, and the development of close cooperation will have a decisive role for the victory of socialism.

Considering the capitalist globalization period as the final stage of the capitalist era does not contradict the assertion that the current period is one of transition to socialism, which began in the wake of the victory of the Russian October Socialist Revolution. The transition from capitalism to socialism on a world scale is a prolonged historical period, “a great age” which includes “small ages” (words that were used by Lenin).

As is the case for any other system, the coming into being of the world's socialist system had to pass through a process of formation, during which the side opposing capitalism did not yet become dominant; the dominant side remained the capitalist

one. The existence of the world capitalist system remains the main factor determining developments in society. At the end of the 1950s, we did not think so. Now, the facts have shown that the early stage of the transition from capitalism to socialism on a world scale (“small ages” in “a great age”) has not ended.

The development of the socialist movement, which helps make socialism a factor deciding the basic developmental tendency of human society, the ending of the capitalist era, is still a long process. However, the appearance of the most bellicose imperialist power—the United States—reflects the decline of capitalism, because the typical face representing capitalism displays a fascist policy not only to the world’s working class and to humanity as a whole, but even to part of the capitalist forces.

On the other hand, the reform and renewal of realistic socialism, especially in China and Vietnam, have scored great achievements, their first steps having a very important impact. Simultaneously, the process of gathering forces in the international workers and Communist movements in the developed capitalist bloc is moving forward.

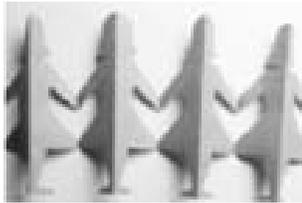
Hence, the hope for a new developmental stage of socialism, moving forward to a significant change in the period of transition from capitalism to socialism on a world scale in the twenty-first century, has a basis in fact. Forecasting social development in the twenty-first century, the Communist Party of Vietnam believes that “the world’s socialism, from lessons and experience of success and defeat, as well as from the ambition and awareness of nations, has conditions, advantages, and capacities to create a new development step. According to the law of evolution of history, humanity will definitely attain socialism” (Vietnam Communist Party 2001, 14).

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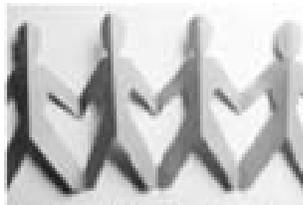
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The Dialectical Significance of Globalization

David S. Pena

Marx and Engels were undoubtedly aware of the globalization of capitalism. In the *Manifesto of the Communist Party* they wrote: “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 connexions everywhere” (1976, 487). Writing to Engels in 1858, Marx said: “The proper task of bourgeois society is the creation of the world market, at least in outline, and of the production based on that market. Since the world is round, the colonisation of California and Australia and the opening up of China and Japan would seem to have completed this process” (1983, 347). In the same letter, Marx expressed the fear that capitalism would overrun the world and crush the socialist revolution that he believed was imminent in Europe. Clearly, what would have surprised him is not that globalization was occurring, but that it would continue into the twenty-first century.

For contemporary Marxist-Leninists, globalization raises the following questions: What should our attitude be toward the global economy, and how should we respond to those who say that it makes Marxism-Leninism irrelevant? Will globalization affect national economies and state power in ways that help or hinder the world socialist movement? These questions are urgent, because we are all aware that Marxism-Leninism seeks to build its own global society—albeit with socialist rather than capitalist

characteristics—and that it looks forward to the obsolescence of capitalism, the withering away of the state, and the transition to world communism.

Contemporary globalization is imperialism adapted to post-Cold War conditions; it is a necessary stage in the evolution of capitalism and the bourgeois state, and it should be seen as one of many trials that humanity must endure on the way to communism. Lenin observed, “The great centralised state is a tremendous historical step forward from medieval disunity to the future socialist unity of the whole world, and only *via* such a state (*inseparably* connected with capitalism), can there be any road to socialism” (1964a, 46). The view that the bourgeois state and global capitalism are merely temporary stages in the development of civilization is one of the most valuable insights that Marxist-Leninists can contribute to the globalization debate. It serves as an antidote to the belief by many that global capitalism—for good or ill—represents the end of history. Every Marxist-Leninist should understand that capitalism is the initial form that globalization must take. Our task is to ensure that the forces unleashed by this process are used to unite the international working class for the task of building socialist and communist society. We should neither repudiate globalization altogether nor surrender to the globalization process as it is. The first reaction fails to recognize that globalization presents many opportunities to renew the socialist movement. The second hands victory to those who say that the world socialist movement has been irreversibly defeated, that the revolutionary program of Marxism-Leninism is defunct, that globalization can only be capitalist in nature, and that it will necessarily result in an everlasting capitalist world order.

The continuing development of the global capitalist economy and the temporary preeminence of the advanced capitalist nation-states should be seen neither as a refutation of Leninism nor as sufficient reason for abandoning the Leninist revolutionary project. Indeed, globalization can be accounted for by Marxism-Leninism as a stage of late monopoly capitalism that has “emerged as the development and direct continuation of the fundamental attributes of capitalism in general” (Lenin 1964b, 265). Lenin said, “Developing capitalism knows two historical tendencies”:

The first is the awakening of national life and national movements, the struggle against all national oppression, and the creation of national states. The second is the development and growing frequency of international intercourse in every form, the break-down of national barriers, the creation of the international unity of capital, of economic life in general, of politics, science, etc.

Both tendencies are a universal law of capitalism. The former predominates in the beginning of its development, the latter characterises a mature capitalism that is moving towards its transformation into socialist society. (1964a, 27)

Lenin knew that global monopoly capitalism is a step in the direction of socialist and communist society, that global capitalism is actually marching toward socialism. Obviously, the proliferation of capitalism is bound up with the financial and military power of the major bourgeois nation-states. If, therefore, Lenin is correct that global capitalism ultimately leads to socialism, then globalization should eventually destroy bourgeois state power, and globalization will prove to be a Pyrrhic victory for the bourgeoisie.

Why will this happen? What is it about globalization that will lead to socialism, despite the fact that capitalism has imposed itself on much of the world and has even forced some socialist countries to restore capitalism? We must remember that the past century was an era of competition between socialism and capitalism. Throughout this era, socialist islands rapidly emerged from the capitalist sea, so to speak, and capitalist states used all of their might to end this proliferation. The international bourgeoisie now assumes that globalization has brought it final victory, not understanding that the nature of capitalism precludes such a victory. Globalization means free trade, and this amounts to freedom for the major capitalist powers to extend the global market to its culmination and to consolidate their dominance by imposing market discipline upon the nations of the world. This does not mean that poor states cannot make money and receive access to credit and advanced technology by accepting globalization; they can and have done so. What it means is that they will be forced to intensify

exploitation of their workers, and this will exacerbate the class struggle in countries that join the global economy. Precapitalist societies will be required to convert their populations to capitalism, with all that this entails in terms of human suffering; welfare states with mixed economies will be pressured into privatizing key industries and eliminating their social safety nets; and socialist states will be forced back to capitalism. Admission to the world market is contingent upon “dancing to the capitalists’ tune,” on moving away from socialism and renouncing all forms of protection for the working class. Thus any national state that seeks admission to the global market will come under intense pressure to renounce policies that limit the power of the transnational corporations. This is why the globalization of capitalism will prove to be a Pyrrhic victory: it will arouse in the peoples of the world the desire to move beyond capitalism.

Ever since England destroyed the Indian fabric industry in the nineteenth century by flooding the world market with cheap cloth, and then turned India into a producer of inexpensive raw materials for English textile mills, leftists have said that the goal of free trade is to secure worldwide markets for goods manufactured in the major capitalist countries and to turn the other nations of the world into suppliers of cheap raw materials. This is true as far as it goes, but it no longer suffices. The bourgeoisie in every major capitalist country is now using free trade not only to move goods, but also to move its own industries overseas, in effect abandoning its own country. This has happened because in the developed countries, the influence of the Left caused wages, business regulations, environmental regulations, health benefits, unemployment benefits, and other protections for the working class to grow too burdensome for the capitalists’ liking, so they have responded by deindustrializing their own countries and moving enterprises to countries where these expenses can be avoided. Particularly in the United States, vast regions have been deindustrialized and millions of workers have been forced into low-paying, insecure jobs in an ever-growing service sector that caters to the needs of the financial and managerial bourgeoisie. The old globalization sought access to raw materials and markets for products. The new globalization seeks access to a worldwide labor market with low

living standards, seeking to use all humankind as its reserve army of the unemployed.

So there are reasons for workers in both the developed and developing worlds to want to change the nature of globalization. Marxist-Leninist dialectics tells us that globalization cannot continue without giving rise to class struggle, without inspiring the international working class to unite in order to defend its interests. What Marx said in 1848 about free trade is still relevant: “The Free Trade system works destructively. It breaks up old nationalities and carries antagonism of proletariat and bourgeoisie to the uttermost point. In a word, the Free Trade system hastens the Social Revolution. In this revolutionary sense alone, . . . I am in favor of Free Trade” (1976, 465). The bourgeoisie is mistaken in thinking that globalization means the death of socialism. The antiglobalization protests that have swept the world are evidence of the continuation of class struggle and an opportunity to revitalize the world socialist movement.

How does this affect the future of the state? To assert that globalization has made nation-states irrelevant, as many do, is an error. Only when the globalization of capitalism has led to global socialism, only when the workers of the world unite in a global association of producers, will nation-states become irrelevant; capitalist globalization by itself can never make the state superfluous. This error stems from the failure to distinguish properly between states and nations. Lenin called the state a special coercive force consisting of “special bodies of armed men having prisons, etc., at their command” (1964c, 394). Under capitalism, an exploiting minority uses the state to rule an exploited majority that constitutes the bulk of the nation. The bourgeoisie places the state over the nation and uses it to keep the nation in servitude to capital. Certainly global capitalism is weakening the power of nations, which is to say the power of the world’s peoples to determine their own destinies; but, in order to retain control, the bourgeoisie needs a more powerful state than ever. Capitalism needs the state in order to impose itself on parts of the globe that are not under its sway and to maintain its hegemony in regions where it is already powerful. What better way for this to happen than for the international bourgeoisie to take a nation’s indigenous bourgeoisie under

its wing while pressuring it with all kinds of economic incentives to use the state in the service of transnational capital? Global capitalism puts international capitalists over local capitalists, thereby placing the international bourgeoisie in control of the state by proxy. It limits the autonomy of the state, but not its power as a repressive force. Only if we fail to understand the difference between nations and states will we believe that just because global capitalism weakens the power of nations, it also weakens state power. Today, states that stand at the forefront of globalization are stronger relative to the rest of the world than they have ever been, but their peoples are growing weaker politically and more insecure economically.

What Marxist-Leninists want is the decline of the bourgeois state in the face of an expanding socialist movement, of growing peoples' power, which should rise in response to the increasing brazenness of the world bourgeoisie. People's power is evident in the world antiglobalization movement, but this is not yet a Marxist-Leninist movement. This movement can become a means of transforming global capitalism into international socialism when exploited workers throughout the world, guided by Marxist-Leninist principles, unite on a world scale to engage in class struggle for socialist transformation. Such a movement can lead to the replacement of bourgeois states by workers' states, to the end of class society, the end of national hostilities, the end of exploitation of weak states by strong states, and to replacement of the hierarchical, repressive, and forced fusion of the world's peoples by global capitalism with a higher democratic unity of nations through global socialism. It is up to present and future generations of Marxist-Leninists to see that the communist potential of capitalist globalization is made known and fully realized throughout the world.

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The Current Role of the Nation-State

Tran Ngoc Linh

The term *globalization* may include a variety of definitions depending on its applicable purposes. In this writing, *globalization* is interpreted as a set of phenomena that have not yet gained a global nature, but are in the process of becoming global. Globalization is a developmental stage having recently arisen in the era of an explosive scientific-technological revolution, particularly the information revolution in the last thirty years. Things and phenomena that had been associated with a single state or region are now moving across borders to be globe-embracing phenomena. These global phenomena will, in turn, affect each single state or region.

Economic globalization is the principal segment marking out the content and characteristics of other segments and other elements of the process of globalization: political globalization, cultural globalization, social globalization, etc. In other words, globalization will take place first in economics, thereby affecting other aspects of global social life. It may be said that globalization is a process within which occur interactions of the fields of economics, politics, culture, and society. Economic shifts, therefore, are the definitive and primary cause of all changes in other fields. Meanwhile, shifts in the fields of politics, culture, society, etc., exert reverse effects to the tempo, contents, and other characteristics of the process of economic globalization.

It is common knowledge that in the contemporary world five

tightly connected elements constitute the first principal keys for the process of globalization. They are:

—Global information village. In this information network, states are connected by a system of “communication lines of supremely high speed.”

—Global cultural bazaar, including means of spreading cultures, global images and “dreams,” films, photos, television, music, journals, games, toys, Disneyland parks.

—Global shopping mall. This system provides all kinds of comforts for a nation’s daily life: food, clothes, dwellings, and recreational activities. This is an instrument used by transnational corporations to globalize their products.

—Global workplace: a system of plants, workshops, legal offices, hospitals, dining rooms, and various kinds of workplaces for producing commodities and providing information and services. Under this system of global workplaces, the use of intelligence is globalized under the control of transnational corporations.

—Global financial network. Through this network, which works twenty-four hours a day, thousands of dollars are transported to the world’s currency exchanges in seconds. This network, therefore, will continually alter the world’s financial circulation and even affect the structure of the world’s economy.

In general overview, the operation of these five principal keys has comprehensively changed the world’s economy, from production and management methods to distribution and consumption methods. At the same time, economic globalization will lead to changes in all aspects of human social life on a global scale. The effect of globalization on all aspects of human social life, however, is always full of contradictions.

One of the most important fields of human social life that is affected by economic globalization and tends to be global is politics. The effect of economic globalization on politics is clearly two-sided. It both enhances and weakens the political authority of the nation-state.

The principal aspect of politics is the relationship among classes and nations, the implementation of state authority and state management, the leadership of classes and the struggle

between parties. Politics embodies in concentrated form the interests of social classes; in other words, all the primary interests of classes and the mutual relationship between classes are expressed in politics.

This essay examines only the effect of globalization on some aspects of politics that concern the effect of globalization on the position and role of the nation-state. It does not attempt to examine fully all aspects of the relationship between economic globalization and politics.

Examination of politics in the perspective of international relationships and the relationships between independent states reveals that globalization increases interdependence, acts as a major instrument for enhancing international relations and preventing conflicts, and increases confidence and cooperation in the common interest of the formation of a new order of economics and politics.

Above all, we can see that the effects of economic globalization on politics are demonstrated in the shaping of international political organizations, the largest of which is the United Nations. The United Nations and its suborganizations like UNDP, UNFPA, UNESCO, UNICEF, UNCTAP, and FAO are operating in almost all countries of the world, and they coordinate on a global scale all activities in the fields of production, culture, society, medicine, and education.

We also note that the effect of economic globalization on global politics is expressed in the following points:

—Formation of the WTO, one of the first multilateral organizations having competence to force states to keep to the pledged provisions of trade agreements.

—Growth of the international network of nongovernmental organizations and the growing significance of the rapid increase in blocks of political groupings such as the European Union and ASEAN.

—Growing numbers of collaborating blocs like G7, G10, G22, G77, and OECD.

International political organizations formed in the process of globalization issue laws and conventions of international

significance to regulate activities of states on the global scale—for example, maritime law and the world declaration on human rights. The role of Interpol has been enhanced and a system of international criminal courts is taking shape.

The positive political effect of economic globalization is that the adopted laws and regulations ensure their uniformity of implementation by all states regardless of differences in ideology and political system, thereby contributing to world safety, stability, and human happiness.

We can also note, however, the negative effect of economic globalization on politics. Economic globalization endangers every aspect of society and human life—the economy, finance, culture, public safety, environment, and politics. The safety of each individual and each family, and above all the political safety of each state are threatened.

The reason is that the present globalization is based on the practices of the capitalist market. Meanwhile, the development of the information revolution and the formation of an Internet network with high-speed information channels make states more interdependent, more interconnected in all aspects. The poor and underdeveloped states, however, are left behind in a dependent and passive role.

Globalization under the control of transnational corporations negatively affects the powers of each state. This means that globalization restricts the authority of the states, putting relative limits on the sovereignty of the nation-states. Their governments increasingly lose their absolute independence in making policies for their people. Moreover, because the socioeconomic development of independent developing countries is still at a low level, and their sovereignty and economic autonomy are weakened, their scope of action at international forums is debased. These forums issue important decisions that formerly belonged to the authority of a state. As was pointed by President Fidel Castro, we can observe today intrigue by some people to eliminate principles of international law as prescribed in the UN Charter. The existence of medium and small states is also threatened. It is even claimed that these states should “cease to breathe,” so that transnational

corporations and the few powerful states can make all decisions.

All of the preceding argument puts forward one extremely sensitive political question that has arisen in the globalization process: the question of state sovereignty, especially the sovereignty of developing and underdeveloped countries. These countries have emerged from colonial and semicolonial status from the 1940s through second half of the twentieth century. Now, in face of the fierce attacks of globalization, and owing to weak scientific-technological foundations, weak management, and a low level of public education, these countries risk becoming again subject countries of the developed countries in the style of neocolonialism and economic colonialism. This type of neocolonialism still reflects the ambitions of imperialism and capitalism, just as before, but is now equipped with the dangerous invasive means of science and high technology. At the same time, the imperialist countries are ready to use their vast store of military weapons to conduct war if their interests are in danger.

Clearly, present-day globalization under the control of monopolistic finance capital is a great danger and threat to the development and sovereignty of independent but still poor underdeveloped countries. That is why the defense of state sovereignty must be the first goal in the present political struggle.

In essence, the main political contradiction of the world is between hegemonic aggressive imperialism and the forces struggling against it for state sovereignty and national independence. Globalization could generally bring the prospects of comprehensive development to the nation-state if it could solve this contradiction and eliminate hegemonic imperialism.

In regard to implementation of state authority, management, and rule—the domain of national government—globalization has two apparently contrary trends. On the one hand, as has been previously argued, globalization imposes relative restrictions on state sovereignty. Due to strong development of the informatics revolution and information technology, the world has become “a global village,” and national borders have become fragile and transparent. Financial and information currents, like flood currents, can easily submerge these borders. The nation-states may

become powerless, falling victim to foreign financial control for the single goal of profits.

In reality, with the strong development and increased expansion of transnational corporations and their nongovernmental organizations, the authority of national governments has been noticeably decreased. The boundary between the internal and external of a state will gradually disappear. More and more matters will escape governmental control, however strong that nation is. Decisions of national scope will increasingly be made at international conferences, where decisions on global issues will strongly affect each state.

Arising here is a contradiction in regard to the role of the nation-state: the contradiction between political institutions and the market. While the market becomes more global, the political institutions aiding the global market remain national ones.

On the other hand, actual events have shown that some aspects of globalization do not restrict the authority and decrease the functions of nation-states. Consider the role of governments in the economic unions. The increased economic activity stimulated by economic globalization leads to increased tax revenue for dealing with social problems and eases the way for policies to enhance labor productivity and social benefits. However, the poorer states participating in such unions face difficulty in revenue collection for dealing with social problems. They risk having political and social problems undermine public confidence in the government, possibly leading to political crisis.

A more comprehensive examination will show that globalization has raised new challenges and imposes greater demands on state management.

Under economic globalization, the nation-state will lose some functions like production planning and social reform, delegating them to nongovernmental organizations and transnational corporations. The role of the state will be larger in other functions, like redistribution, issue of regulations, and intermediary conciliation to develop special strategies of economic growth. In other words, globalization requires that governments of nation-states adapt to the new objective circumstances of economic globalization,

manage the state more efficiently, increase productivity of social production, and enhance the material and cultural life of the people. Thus, it can be said that economic globalization both raises the status of the nation-state in the capacity of state management apparatus and puts many challenges and demands before the same state.

The question is whether the nation-state can change in a timely fashion and adapt to globalization. In the world political context, only some nation-states can solve this problem and lead their countries to effective engagement in the world that is emerging.

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Global Intervention: The Case of Iraq

Michael Parenti

A global military empire

If U.S. policy is respectful of other nations' sovereignty and other peoples' needs, then we might wonder why U.S. leaders engage in a relentless push for global military domination. The United States presides over an armed planetary force of a magnitude never before seen in human history. It includes about half a million troops stationed at over 395 major bases and hundreds of minor installations in thirty-five foreign countries; more than 8,000 strategic nuclear weapons and 22,000 tactical ones; a naval strike force greater in total tonnage and firepower than all the other navies of the world combined, consisting of missile cruisers, nuclear submarines, nuclear aircraft carriers, and destroyers that sail every ocean and make port at every continent. With only five percent of the earth's population, the United States expends more military funds than all the other major powers combined.

U.S. bomber squadrons and long-range missiles can reach any target, delivering enough explosive force to destroy the infrastructures of entire countries—as demonstrated against Iraq in 1990–91 and Yugoslavia in 1999. U.S. rapid-deployment forces have firepower in conventional weaponry vastly superior to that of any other nation. U.S. satellites and spy planes survey the entire planet. In addition, today the United States is developing a capacity to conduct war from outer space.

Worldwide arms sales by the United States to cooperative capitalist nations rose to \$36.9 billion in 2000, up from \$34 billion in 1999. In addition, the U.S. government has given since World War II some \$240 billion in military aid to train, equip, and subsidize some 2.3 million troops and internal-security forces in more than eighty countries, not to defend these nations from outside invasion but to protect ruling oligarchs and multinational corporate investors from the dangers of domestic anticapitalist insurgency.

How can we determine the purpose of this military aid? By observing that (a) with few exceptions, no evidence suggests that these various regimes have ever been threatened by attack from neighboring countries; (b) just about all these “friendly” regimes have supported economic systems that are subserviently integrated into a global system of transnational corporate domination, open to foreign penetration on terms that are singularly favorable to transnational investors; and (c) there is clear evidence that the U.S.-supported military and security forces and death squads in these various countries have been used repeatedly to destroy popular reformist movements and insurgencies that advocate some kind of egalitarian redistributive politics within their own countries.¹

For decades, we were told that a huge U.S. military establishment was necessary to contain an expansionist world Communist movement with its headquarters in Moscow (or sometimes Beijing). But after the overthrow of the Soviet Union and other Eastern European Communist nations, Washington made no move to dismantle its costly and dangerous global military apparatus. All Cold War weapons programs continued in full force, with new ones being added all the time, including plans to militarize outer space. Immediately the White House and Pentagon began issuing jeremiads about a whole host of new enemies—for unexplained reasons previously overlooked—that menace the United States, including “dangerous rogue states”—actually small and weak states such as Libya, Yugoslavia, North Korea, and most recently Iraq.

Pretexts for war

President Bush and other members of his administration gave varied and unpersuasive reasons to justify a “war”—actually a one-sided massacre—against Iraq. They claimed it was necessary to insure the safety and security of the Middle East and of the United States itself, for Iraq was developing weapons of mass destruction, including nuclear missiles. But UN inspection teams have determined that Iraq has no such nuclear capability and actually has complied with yearly disarmament inspections.

As for the fact that Iraq once had factories that produced chemical and bacteriological weapons, whose fault was that? It was the United States that supplied such things to Saddam. This is one of several key facts about past U.S.-Iraq relations that the corporate media have consistently suppressed. In any case, according to UN inspection reports, Iraq has dismantled its chemical and biological warfare capability. Still the Bush administration kept talking about Iraq’s dangerous “potential.” As reported by the Associated Press (2 November 2002), Undersecretary of State John Bolton claimed, “Iraq would be able to develop a nuclear weapon within a year if it gets the right technology.” If it gets the right technology? What does that say about anything? The truistic nature of this assertion has gone unnoticed. Djibouti, Qatar, and New Jersey would be able to develop nuclear weapons if they got “the right technology.”

Through September and October of 2002, the White House made it clear that Iraq would be attacked if it had weapons of mass destruction. Then in November 2002, Bush announced he would attack if Saddam *denied* he had weapons of mass destruction. So if the Iraqis admitted having such weapons, they would be bombed; and if they denied having them, they still would be bombed—whether they had them or not.

The Bush administration also charged Iraq with allowing Al Qaeda terrorists to operate within its territory. But U.S. intelligence sources themselves let it be known that the Iraqi government was not connected to Islamic terrorist organizations. In closed sessions with a House committee, when administration

officials were repeatedly asked whether they had information of an imminent threat from Saddam against U.S. citizens, they stated unequivocally that they had no such evidence (*San Francisco Chronicle*, 20 September 2002). Truth be told, the Bush family has closer ties to the bin Laden family than does Saddam Hussein. No mention is made of how U.S. leaders themselves have allowed terrorists to train and operate within our own territory, including a mass murderer like Orlando Bosch. Convicted of blowing up a Cuban airliner, Bosch walks free in Miami.

Bush and company seized upon yet another pretext for war: Saddam committed war crimes and acts of aggression, including the war against Iran and the massacre of Kurds. But the Pentagon's own study found that the gassing of Kurds at Malahja was committed by the Iranians, not the Iraqis. Another seldom-mentioned fact: U.S. leaders gave Iraq encouragement and military support in its war against Iran. And if war crimes and aggression are the issue, there are the U.S. invasions of Grenada and Panama to consider, and the U.S.-sponsored wars of attrition against civilian targets in Mozambique, Angola, Nicaragua, El Salvador, Guatemala, Yugoslavia, and scores of other places, leaving hundreds of thousands dead. There is no Communist state or "rogue nation" that has such a horrific record of military aggression against other countries over the last two decades.

With all the various pretexts for war ringing hollow, the White House resorted to the final indictment: Saddam was a dictator. The United States stands for democracy and human rights. It follows that U.S. leaders were obliged to use force and violence to effect regime change in Iraq. Again, we might raise questions. There is no denying that Saddam is a dictator, but how did he and his crew ever come to power? Saddam's conservative wing of the Ba'ath party was backed by the CIA. They were enlisted to destroy the Iraqi popular revolution and slaughter every democratic, left-progressive individual they could, which indeed they did—another fact that U.S. media have let slide down the memory hole. Saddam was Washington's poster boy until the end of the Cold War.

So why has George II, like his father, targeted Iraq? When individuals keep providing new and different explanations to justify a particular action, they most likely are lying. So with

political leaders and policymakers. Having seen that the pretexts given by the White House to justify war are palpably false, some people conclude that the administration is befuddled or even “crazy.” But just because they are trying to mislead and confuse the public does not perforce mean they themselves are misled and confused. Rather it might be that they have reasons which they prefer not to see publicized and debated, for then it would become evident that U.S. policies of the kind leveled against Iraq advance the interests of the rich and powerful at much cost to the American people and every other people on the face of the earth. Here I offer what I believe are the real reasons for the U.S. aggression against Iraq.

Global political-economic supremacy

A central U.S. goal, as enunciated by the little Dr. Strangeloves who inhabit the upper echelons of policymaking in the Bush administration, is to perpetuate U.S. global supremacy. The objective is not just power for its own sake but power to insure plutocratic control of the planet, power to privatize and deregulate the economies of every nation in the world, to hoist upon the backs of peoples everywhere—including the people of North America—the blessings of an untrammelled “free market” corporate capitalism. The struggle is between those who believe that the land, labor, capital, technology, and markets of the world should be dedicated to maximizing capital accumulation for the few, and those who believe that these things should be used for the communal benefit and socioeconomic development of the many.

The goal is to insure not merely the supremacy of global capitalism as such, but the supremacy of *U.S.* global capitalism by preventing the emergence of any other potentially competing superpower or, for that matter, any potentially competing *regional* power. Iraq is a case in point. Some nations in the Middle East have oil but no water; others have water but no oil. Iraq is the only one with plenty of both, along with a good agricultural base—although its fertile lands are now much contaminated by the depleted uranium dropped upon it during the 1991 Gulf War bombings.

In earlier times, Iraq’s oil was completely owned by U.S.,

British, and other Western companies. In 1958, there was a popular revolution in Iraq. Ten years later, the right wing of the Ba'ath party took power, with Saddam Hussein serving as point man for the CIA. His assignment was to undo the bourgeois-democratic revolution. But instead of acting as a comprador collaborator to Western investors in the style of Nicaragua's Somoza, Chile's Pinochet, Peru's Fujimora, and numerous others, Saddam and his cohorts nationalized the Iraqi oil industry in 1972, ejected the Western profiteers, and pursued policies of public development and economic nationalism. By 1990, Iraq had the highest standard of living in the Middle East, and it was evident that the United States had failed to roll back the gains of the 1958 revolution. But the awful destruction delivered upon Iraq both by the Gulf War and the subsequent decade of economic sanctions did achieve a kind of counterrevolutionary rollback from afar.

Soon after the collapse of the Soviet Union, U.S. leaders decided that development in the third world need no longer be tolerated. Just as Yugoslavia served as a "bad" example in Europe, so Iraq served as a bad example to other nations in the Middle East. The last thing the plutocrats in Washington want in that region is independent, self-defining developing nations that wish to control their own land, labor, and natural resources.

U.S. economic and military power has been repeatedly used to suppress competing systems. Self-defining countries like Cuba, Iraq, and Yugoslavia are targeted. Consider Yugoslavia. It showed no desire to become part of the European Union and no interest in joining NATO. It had an economy that was relatively prosperous, with some 80 percent of it still publicly owned. The wars of secession and attrition waged against Yugoslavia—all in the name of human rights and democracy—destroyed that country's economic infrastructure and fractured it into a cluster of poor, powerless, right-wing minirepublics, whose economies are being privatized, deregulated, and opened to Western corporate penetration on terms that are completely favorable to the investors.

The same thing is in store for Iraq. Judging from what has been happening in Panama, Grenada, Bosnia, Macedonia, Serbia, and elsewhere, we can anticipate what U.S. occupation will bring.

An Iraqi puppet government will be put in place, headed by someone every bit as subservient to the White House as Tony Blair. The Iraqi state-owned media will become “free and independent” by being handed over to rich conservative private corporations. Anything even remotely critical of U.S. foreign policy and free-market capitalism will be deprived of an effective platform. Conservative political parties, heavily financed by U.S. sources, will outspend any leftist groupings that might have survived. On this steeply unlevelled playing field, U.S. advisors will conduct U.S.-style “democratic elections,” perhaps replicating the admirable results produced in Florida and elsewhere. Just about everything in the Iraqi economy will be privatized at garage-sale prices. Poverty and underemployment, already high, will skyrocket. So will the Iraqi national debt, as international loans are floated that “help” the Iraqis pay for their own victimization. Public services will dwindle to nothing, and Iraq will suffer even more misery than it does today. We are being asked to believe that the Iraqi people were willing to endure another massive bombing campaign in order to reach this free-market paradise.

Natural-resource grab

Another reason for targeting Iraq can be summed up in one word: oil. Along with maintaining the overall global system of expropriation, U.S. leaders are interested in more immediate old-time colonial plunder. The present White House leadership is composed of oilmen who are both sorely tempted and threatened by Iraq’s oil reserve, one of the largest in the world. With 113 billion barrels at \$25 a barrel, Iraq’s supply comes to over \$2.8 trillion dollars. Not a drop of it belongs to the U.S. oil cartel, however; it is all state owned. Baghdad has offered exploratory concessions to France, China, Russia, Brazil, Italy, and Malaysia. But with a U.S. takeover of Iraq and a new puppet regime in place, all these agreements may be subject to cancellation. We may soon witness the biggest oil grab in the history of colonialism by U.S. oil companies aided and abetted by the U.S. government.

One thing that U.S. leaders have been interested in doing with Iraqi oil—given the glut and slumping price of crude over the past decade—is keeping it off the market for awhile longer.

As the London *Financial Times* (24 February 1998) reported, oil prices fell sharply because of the agreement between the United Nations and Iraq that would allow Baghdad to sell oil on the world market. The agreement “could lead to much larger volumes of Iraqi crude oil competing for market shares.” The San Francisco *Chronicle* (22 February 1998) headlined its story “Iraq’s oil poses threat to the West.” In fact, Iraqi crude poses no threat to “the West,” only to Western oil investors. If Iraq were able to reenter the international oil market, the *Chronicle* reported, “it would devalue British North Sea oil, undermine American oil production and—much more important—it would destroy the huge profits which the United States [read, U.S. oil companies] stands to gain from its massive investment in Caucasian oil production, especially in Azerbaijan.” We might conclude that direct control and ownership of Iraqi oil constitute the surest way to keep it off the world market and the surest way to profit from its future sale when the price is right.

Domestic political gains

War and violence have been good to George W. Bush. As of 10 September 2001, his approval ratings were sagging woefully. Then came the attacks on the World Trade Center and the Pentagon, swiftly followed by the newly trumpeted war against terrorism and the massive bombing and invasion of Afghanistan. Bush’s approval ratings skyrocketed. But soon came the corporate scandals of 2002: Enron, WorldCom, and even more perilously Harkin and Halliburton. By July, both the president and vice-president were implicated in fraudulent corporate accounting practices, making false claims of profit to pump up stock values, followed by heavy insider selling just before the stock was revealed to be nearly worthless and collapsed in price. By September, the impending war against Iraq blew this whole issue off the front pages and out of the evening news. The elder Bush did the same thing in 1990, sending the savings and loan scandal into media limbo by waging war against that very same country.

By October 2002, the Republican Party, reeling from the scandals and pegged as the party of corporate favoritism and corruption, reemerged as the party of patriotism, national defense,

and strong military leadership to win control of both houses of congress, winning elections it should never have won. Many Americans rallied around the flag, draped as it was around the president. Some Americans, who are cynical and suspicious about politicians in everyday affairs, display an almost childlike unlimited trust and faith when these same politicians trumpet a need to defend our national security against some alien threat, real or imagined.

War also distracts the people from their economic problems, the need for decent housing, schools, and jobs, and a recession that shows no sign of easing. Since George II took office, the stock market has dropped 34 percent, unemployment has climbed 35 percent, the federal surplus of \$281 billion is now a deficit of \$157 billion, and an additional 1.5 million people are without health insurance, bringing the total to 41 million. War has been good for the conservative agenda in general, providing record military spending, greater profits for the defense industry, and a deficit-spending spree that in turn is used to justify more cuts in domestic human services.

The Bush administration is bent on pursuing a policy of perpetual war against weaker nations that dare to chart an independent course. This policy must be exposed in all its aggrandizing globalistic dimensions. Many decent warriors have been defeated because of their inability to comprehend fully the utter depravity of their enemies. The more we know what we are up against, the better we can oppose it.

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Berkeley, California

Michael Parenti's latest books are *The Assassination of Julius Caesar: A People's History of Ancient Rome* (New Press); *The Terrorism Trap: September 11 and Beyond* (City Lights); *To Kill a Nation: The Attack on Yugoslavia* (Verso); and the seventh edition of *Democracy for the Few* (Wadsworth). A new work, *The Assassination of Julius Caesar: A People's History of Ancient Rome*, is forthcoming from The New Press.

NOTES

1. For evidence in support of this, see Michael Parenti, *Against Empire* (San Francisco: City Lights, 1995); Michael Parenti, *Inventing Reality*, 2d edition (New York: St. Martin's, 1993); William Blum, *Killing Hope: U.S. Military and CIA Interventions since World War II* (New York: Black Rose Books, 1998); and the writings of James Petras, Morris Morely, and Edward Herman. Petras's latest treatment of imperialism and capitalism is an unpublished monograph, "Neo Mercantilist Empire in Latin America: Bush, ALCA and Plan Colombia" (2001).

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Tran Xuan Sam

Globalization exerts its influence on the economic, political, cultural, social, and environmental fields in every country. Its impact, however, differs from country to country, and from field to field.

Globalization is also a historical event. Material production constitutes the foundation of historical development, first and foremost in the development of the labor force.

Over 150 years ago, in the *Manifesto of the Communist Party*, Karl Marx and Friedrich Engels wrote, “Modern industry has established the world market” (1976, 486).

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. The cheap prices of commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians’ intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilisation into their midst, i.e.,

to become bourgeois themselves. In one word, it creates a world after its own image. (488)

This is an important world outlook and methodology when examining the issue of globalization. However, the ideas of Marx and Engels were presented in the *Manifesto of the Communist Party* over 150 years ago, when the content, shape, scale, skill of the labor force, and world economic relations were much different from those of the present-day world. However, the nature of capitalism remains the same despite the development of the labor force in the wake of the scientific-technological revolution and the changes of capitalist production relations.

The modern scientific-technological revolution constitutes a significant driving force and the foundation of modern capitalism. This revolution itself objectively gives rise to globalization, manipulating the developments and changes of the present world. This trend does not depend on the will of any nation, nor, broadly speaking, does it depend on the will of humankind at large.

As such, globalization should be viewed as a new phenomenon in the history of humanity. It is neither spontaneous nor temporary. Instead, it is an inevitable trend of historical development, resulting from the development of the labor force under the capitalist mode of production.

Globalization is, first of all, the socialization of the labor force within each country and in the world, thus accelerating the far-reaching international division of labor. At the same time, it expedites international trade and investment in both scope and scale. It is common knowledge that thanks to the achievements of the modern scientific-technological revolution, in which information technology, biotechnology, new-materials technology, and energy technology are the core, the present labor force is marked by a higher level of socialization in the setting of a knowledge-based economy.

Science today has really become a direct labor force, far beyond Marx's forecast. Saying that does not mean that science is involved only in the process of creating technologies or methods of developing the labor force, raising productivity,

and boosting the efficiency and quality of production. Science can also directly churn out products—a great leap forward in bringing the labor force to a new height in the modern mode of capitalist production.

In the context of the knowledge-based economy, growth does not refer only to material wealth (capital, natural resources, or manual labor). It also means the intellectual work of people. Information constitutes the decisive factor for development in the knowledge-based economy. The labor force, with human beings and their intellectual work as the nucleus, plays a significant role in producing values. The development of the labor force boosts the growth of the market economy, division of international labor, increase of capitalist exports, transformation of technology, and expansion of such services as exchange of goods, capital, investment, and so on. These activities are not bound within the borders of each country, but have spread out and are interspersed among countries on the global scale.

The 1999 World Bank Report states: “As to the pioneer countries in the global economy, the balance between knowledge and natural resources has been tipped in favour of the former to such an extent that it has become a factor more important than land, labour tools or labourers. At present, the most advanced economies are totally based on knowledge.”

Knowledge has increasingly become the decisive element in the development of production and the economy. Investment in knowledge is of great significance for sustainable and long-term economic growth. With regard to developing countries, intangible investments (education, training, science, technology, culture, human development) increase faster than tangible ones (infrastructure and technical construction). The development of science brings about substantial changes in the labor force, moving society from an industrial society to an information society, with a knowledge-based economy thus forming a global computer network. In this situation, boundaries between countries have, to certain extent, a relative meaning. Thanks to digital technology and the Internet, space and time between continents have been reduced, pushing them closer and closer to each other. This is a reality.

Given their pursuit of super benefits based on scientific-technological achievements, transnational corporations are considered the midwives for the birth of the globalization of the world economy. (Phan Doan Nam 1998).

The development of transnational corporations—the force that manipulates globalization—forms another factor for speeding up globalization. Transnational corporations are the result of the process of concentration of production and capital accumulation.

In the current context, Western Europe, North America, Japan, and the Republic of Korea are witnessing a large wave of mergers among big corporations. In 1998 alone, there were 7,700 mergers worth \$2,400 billion. During the 1990s, this figure amounted to \$20,000 billion.

It can be said that at present the transnational corporations are manipulating the world economy. According to the U.S. International Research Center, there were 7,000 transnational corporations in the 1960s. Today, this figure has climbed up to 57,000, with a total turnover of over \$5,800 billion—the total value of world trade in 1992. Those companies and their 500,000 affiliates are controlling 80 percent of new technology, 40 percent of world imports, 60 percent of world exports, 90 percent of foreign investments, and so forth. They have expanded their scope to the fields of commerce, finance, investment credit, and technology transfer on a global scale. They form many affiliates worldwide, thus pulling countries into their net, and turning them into parts of their production process (*Globalization 2001*, 108–9).

The worldwide financial network is another factor for boosting globalization. “This network has continually changed the global financial circulation and structure of the world economy. Twenty-four hours a day, trillions of dollars are circulated globally through the exchange markets at a speed calculated in seconds” (*Cong San* 1998, vol. 15).

Currently, such financial commercial organizations as the World Bank, the International Monetary Fund, General Agreement on Tariffs and Trade, and the World Trade Organization play

significant roles in the process of globalization.

These organizations were established to meet the objective requirements of globalization, and they have become the driving forces of the process of globalization, especially economic globalization. For example, the IMF and the World Bank, organizations of large capitalist groups headed by the United States, used their regulations on credit, finance, and monetarism to directly interfere in the internal affairs of Indonesia, Thailand, the Republic of Korea, Argentina, and other countries. They are the effective tools of modern capitalism and the process of capitalist globalization.

Characteristics of globalization in the context of the knowledge-based economy

Contradiction between the highly developed labor force and capitalist production relations in the process of globalization

It is obvious that the process of globalization takes place in the setting of the knowledge-based economy with a highly developed labor force thanks to scientific-technological achievements, where the characteristics of socialization of the labor force is in sharp contradiction with the regime of private capitalist ownership.

The socialization of the labor force has the following characteristics:

(a) The global information network

Digitalization, “informatization,” and “networkatization” are spreading globally thanks to information technology. They allow the connection of various personal computers via local area networks and the Internet to the information superhighway, narrowing the distance of space and time between nations in the world. For each individual and each country in the world, the information network facilitates obtaining and processing information quickly and widely, exchange of views, and cooperation in scientific research or business. At the same time, it also creates conditions for dealing quickly with matters that are unprofitable for individuals or entire nations. With this information network, people can share and enrich their own

knowledge, creating conditions for the development of the social labor force. This is the process of negation of the negation of knowledge in the context of social development in general and labor-force development in particular.

(b) The network of mega-supermarkets worldwide

This is a tool of the transnational corporations for globalizing their products. The worldwide network of mega-supermarkets helps firms of any size distribute their products throughout the world. Thanks to this network, the exchange of goods becomes faster and more convenient, especially with the emergence of a new form of trading—E-commerce—which has been rapidly increasing the volume of trade. For example, in 1997, the total value of E-commerce was \$17 billion. In 1999 it amounted to \$70 billion and was estimated to be \$100 billion in 2002.

This new mode of transaction facilitates the quick consumption of goods in increasing quantity. It stimulates production, development, and price competition in the world market—an achievement of the new knowledge technology.

(c) The global labor network

This is a network of factories, firms, companies, workshops, lawyers' offices, hospitals, canteens, and so on, that handle and supply goods produced on the basis of processed information with a view to improving the quality of service. It can be said that in the present-day world almost all products, small or large, are produced from materials provided from many different countries. These products are assembled in a production line and in the shortest time, of best quality and lowest cost. The character of these products is highly social, as they are contributed by different establishments, factories, and companies from various countries. This process results in a vast labor market. In the context of the knowledge-based economy, the utilization of brain matter has been globalized. It helps transnational firms produce goods cheaply and sell them in any country when profitable. Therefore, these firms can further cooperate with each other and incorporate more firms into their alliance, or wipe out their competitors if possible. Sixty percent of U.S. goods is no longer manufactured in the United States. At the same time, many manufacturing

firms in the United States are foreign owned.

(d) The global financial network

This financial network has changed financial circulation, restructuring the global economy. Total volume of foreign direct investment worldwide amounts to nearly \$3 trillion, excluding the even higher indirect investment.

The ratio of world foreign exchange and trade turnover saw a rapid increase from 10:1 in 1983 to 60:1 in 1995, the daily world financial transactions totaling \$3,500 billion.

The characteristics of socialization and the high level of development of the labor force in the context of the knowledge-based economy are in sharp contradiction with private capitalist ownership. As mentioned earlier, the leading transnational corporations alone have assets of \$30,155 billion, pay import duties of \$10,245 billion, and have profits of \$282 billion, 87 percent of them going to the G7 countries.

Quite evident is the paradox that over the last twenty years, the total value of world production has increased six-fold, but the number of poor people increased by twenty percent.

The assets of the three richest individuals are greater than the total GDP of the forty-eight poorest countries with a total population of 600 million. The assets of the two hundred richest people are greater than the total income of 41 percent of the world's population.

A paradox that cannot be resolved in the capitalist mode of production is that with the increase in value of the world's goods produced by the labor force, the wealth thereby created falls into the hands of a few people due to private capitalist ownership. This paradox can be resolved only by the elimination of the regime of private capitalist ownership.

The process of globalization takes place amid the unbalanced development of different countries in the knowledge-based economy

According to *Development of Knowledge-Based Economy: Reducing the Process of Industrialization and Modernization* (2001), the knowledge-based economy has the following fundamental features:

(a) The knowledge-based economy as the most decisive factor in production

Knowledge is the most important resource that gives rise to economic growth. Unlike other resources, knowledge and information can be shared and in fact increase in the course of utilization.

(b) Rapid restructuring

The knowledge-based economy shifts a backward agricultural-based economy with low production, quality, and productivity to one of high industrial quality. Therefore, the economy can achieve a high growth rate, with rapid restructuring. It can be risky, however, as there are always new developments and changes. This economy is based on a flexible mode of goods production (according to customers' requirements). The process of goods production is highly automated. Therefore, the number of people directly involved in production is sharply reduced, while the number of white-collar workers processing customers' orders at the management center increases.

An economy can be considered to be knowledge-based when its turnover is largely based on the latest achievements of science and technology, with over 70 percent of its economic growth and services being based on knowledge. Production of technology then becomes the most important form of production.

(c) Information technology and telecommunications widely applied in all aspects of socioeconomic life

In a knowledge-based economy, information technology is widely applied in many fields. The information network covers the entire country and connects with almost all organizations, facilitating the choice of products by every household; the public services learn the rights and obligations of citizens, and meet their cultural and educational needs.

(d) A learning society in which the education system is changing into a lifelong education experience

All people must study, acquire knowledge, and assimilate it into their own knowledge. Each person must transform knowledge into skills if knowledge is to be used as a commodity.

Investment in science and technology constitutes a high proportion of all investments. In general, intangible investment accounts for a larger share compared with tangible investment. Human development must become the central task of society.

Human capital is the most decisive factor for knowledge-based enterprises.

The new form of education, in which the Internet plays a significant role, reveals unprecedented capabilities and continues to develop.

e. Knowledge-based economy as the global economy

The emergence of the knowledge-based economy on the background of the information revolution is characterized by its increasing internationalization.

The market economy of each country is subjected to the impact of developed economies in the region and the world.

At present, the Internet connects 186 countries. The Internet boom has led to fiercer multifaceted competition among nations on the one hand, and greater cooperation among them on the other.

Competition on a global scale involves not only transnational corporations, but also small- and middle-scale firms that are directly or indirectly related to the world market through the big corporations.

Under the impact of the global information network, the traditional market has been undergoing profound changes, and is gradually adjusting itself to new developments of the knowledge-based economy:

In the knowledge-based economy, the prosperous development of each organization or country also means prosperity and development of the whole system. The searching opportunities in the knowledge-based economy also brings about a fierce competitive environment. How each country or enterprise grasps the opportunities it finds and transforms them into strength is conditioned by its own internal strength and developmental strategy.

Markets and products in the knowledge-based economy bear global characteristics. A product manufactured anywhere can be available quickly worldwide. Fewer and fewer products are

being entirely manufactured in a single country. They are products of cooperation among different countries, or online companies.

The process of globalization is also the process of shifting into a knowledge-based economy. In turn, the knowledge-based economy further boosts and stimulates globalization. They are twins of the modern scientific-technological revolution.

Globalization facilitates the rapid development of knowledge-based economy in each country. It also poses many challenges as well as risks.

(f) Creativity for survival and competition

The salient feature of the knowledge-based economy is economic creativity. New technologies and new knowledge always play a decisive role in determining the competitive edge of products and exports. The process from new knowledge to new products, and hence the process of economic creativity, is further shortened in the knowledge-based economy.

The content of economic creativity includes (1) launching a new kind of product or highlighting a new quality of a product; (2) applying a new production method; (3) opening a new market; (4) creating a new kind of material or a new kind of by-product; (5) forming a new mode of organization of enterprises.

Remaining in the knowledge-based economy are such paradoxes as (1) wealth created by people chiefly depends on the unknown—a dependence on the already known risks reduction in value; (2) information and network development form the environment for discovering the unknown—networking becomes the decisive factor in the economy; (3) uncovering the unknown (more valuable than the already known) leads to getting rid of the already known; (4) constant renewal to create more and more new things.

In regard to the criteria of the knowledge-based economy enumerated here, the law of unbalanced development in the history of human society results in the emergence of highly developed countries, developing countries, and underdeveloped countries. Some countries will have abundant

wealth, but many (especially those in Africa) are on the edge of poverty. In theory, globalization will bring about equality among nations, but in reality, inequalities in accessing opportunities arise as a result of the law of unbalanced development.

According to UN documents, the richest 20 percent of the people in the world hold 68 percent of foreign investment against 1 percent held by the poorest 20 percent. Twenty percent of the population in rich countries account for 86 percent of world GDP and 93 percent of those having access to the Internet. Meanwhile, 20 percent of world population in the poor countries control just 1 percent of world GDP and they constitute 0.2 percent of those having access to the Internet.

Globalization in the knowledge-based economy influences the social life of every country in the world. The scope, scale, speed, and characteristics of globalization differ from country to country. Those with a higher level of development (marked by a high level of development of the labor force) have more opportunities and conditions favorable for development amid globalization. In contrast, those with a lower level of development are subjected to an indirect and one-way impact from globalization, being victimized by the intrigues and tricks of the developed countries. The level of impact also depends on a country's internal strength, national characteristics, and political system.

The process of globalization takes place in the presence of societies with antagonistic contradictions among different classes—class struggle becomes sophisticated, yet no less fierce in the context of a knowledge-based economy

Globalization is an objective trend of development in the history of modern society. If only the development of the labor force is taken into account, it would be a process promoting social development. A comprehensive approach, however, needs to be taken in view of the fact that globalization is taking place in a world with antagonistic struggles among different classes. Therefore, class struggle is inevitable. Globalization also reflects the nature of relations among various classes in

the fields of economics, politics, and society. It should be noted that the class struggle has become much more sophisticated and fiercer in comparison with the class struggles in agriculturally based or industrial civilizations. We should avoid a naive and unrealistic interpretation that views globalization as a process that brings nations into a common roadmap of mutual exchange and transformation without contradictions in the economic and sociopolitical fields. Globalization incorporates contradictions in regard to its benefits through fierce and sophisticated class struggle between the ruling and the ruled classes, the exploiting and exploited on the global scale. At present, the ruling classes in developed countries coordinate their activities with one other and with the ruling classes in less-developed countries with similar political regimes. This coordination includes use of the resources of development as a tool for domination and oppression of different countries in the world. Therefore globalization itself incorporates progress as well as antiprogress and injustice on the global scale.

Thanks to the achievements of the scientific-technological revolution, especially those in information technology, the gap in labor-force development among different countries has been reduced. But the scientific-technological revolution can also be a factor for widening the gap between the rich and the poor countries in regard to the benefits derived from its progress if its achievements are turned into tools of oppression and domination by the ruling class over the ruled class in every country.

In reality, the capitalist class in the developed countries puts scientific and technological achievements in the service of its policies of domination and pursuit of benefits for itself. A 1999 report by the UN Development Program pointed out “at present, the global inequality in income and living standard has reached a formidably widening ratio. The gap in income per capita (GNP) between the richest one-fifth and the poorest one-fifth has widened from 30:1 in 1960 to 60:1 in 1990 and 74:1 in 1995. The victims of this inequality have been on the rise, including countries, regions, religious groups, ethnicities, classes, and economic sectors. Sixty countries have become poorer and poorer.” Globalization is leading to “human and political waste, and is the cause of

disappointment and disasters;” “extremes of injustice have penetrated into and poisoned the globalization process.”

Some capitalist politicians and scholars recognize that globalization is likely to cause inequality among countries as long as capitalism exists and possibly lead to revolution. For example, Jan Puhl wrote in the *Die Woche* magazine in January 2000, “Over the last twenty years, poverty and abundance have always gone hand in hand, resulting in an increasingly widening gap that can trigger democracy on a global scale,” and “the process of globalization has united proletariats in the world in the global struggle.”

The president of the Rome Club wrote, “Poverty is a serious problem not only for those directly suffering from its impact. When impoverishment persists, it can lead to a revolution that can affect rich countries. With the widening gap between rich and poor countries, one day there will appear another K. Marx or V. Lenin with the slogan ‘Workers of all countries, unite!’”

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Hegemonists, Globalizers, and Nationalists

Mark Solomon

Since the 1980s, class fractions representing transnational capital have gained control of state apparatuses worldwide. That process was driven by a major restructuring of production through the utilization by advanced capitalist states of major scientific and technological developments coupled with relentless campaigns to reduce the power of labor. In the political and strategic sphere, the collapse of the Soviet Union and associated states in 1990–91 swept away all significant obstacles to the neoliberal model. For the first time in history, one system—capitalism—dominated the entire global landscape, with the power to impose its property relations and market nexus on the whole world (Robinson 1996, 12–14; Solomon 2002; Sweezy 1997).¹

After the dissolution of the bipolar East-West conflict, the path was cleared for intensified North-South conflict as the North set about to bend that vast segment of humanity to the requirements of capitalist globalization. A leading U.S. sociologist describes this process as “war of the global rich and powerful minority against the global poor”—imposing open markets upon the most fragile economies; pressuring for and exploiting low wages, poor environmental standards, and low taxes; underselling and disrupting domestic markets; forcing submission to unanticipated capital withdrawals; using international financial institutions to constrict public spending under threat of economic strangulation; and obliging developing countries to adopt low-yield export economies, leading to weak internal development.

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The results have been catastrophic: 1.3 billion in the Global South living in absolute poverty, 50 million deaths every year from malnutrition and disease, a widening gap between rich and poor, the rending of centuries-old social and cultural fabrics with large uprooting and displacements of populations (Robinson 1996, 12–13). It is now widely claimed that the global integration of capitalism has brought about the diminution of the national state. Without a doubt, capital now moves inexorably and with relative impunity across national borders. Today capital formation often takes place not within the originating national states of transnational corporations, but outside those boundaries through acquisition, merger, subcontracting, etc.—all of which have lessened the role of national states in facilitating capital formation and export.

Capital-starved developing states of the Global South in particular have been largely impotent in the face of rapid movements of capital and goods movement in search of maximum profits. The recent successful opposition of the developing countries within the WTO to the North's discriminatory trade policies portends new levels of resistance.) Capital infusion shorn of constraints, or, on the other hand, sudden removal of capital, has taken place with little or no state intervention. The unprecedented concentration of capital has in many ways overwhelmed the traditional powers and prerogatives of nearly all national states and has dwarfed the wealth and stability of many such states.² Global integration driven by neoliberalism hardly means, however, that the national state will soon wither away or that it has relinquished a meaningful role in today's shrinking world.

Indeed, the national state (here we focus primarily on the technologically advanced states of the North) has largely become the neoliberal state. It fulfills a number of functions critical to capitalist globalization: adopting fiscal and monetary policies that seek to assure macroeconomic stability amidst the frenzy of global "free trade"; accelerating currency exchanges and speculation in paper; supplying infrastructure for global economic activity such as institutions to establish the modalities and rules of international competition—the International Monetary Fund (IMF), World Bank, World Trade Organization (WTO), North American Free Trade Agreement (Nafta), Free Trade Area of the Americas (FTAA), etc.; and providing social controls, stability,

and order over increasingly restive populations. This social control is pursued through political means (with a preference for “parliamentary democracies” designed to create stable institutions to protect global capital interests), subversion (largely utilizing “private” funding agencies to undermine “uncooperative” regimes), and leveraging military power as a threat or for actual use in enforcing capitalist globalization. Thus the powers inherent in the national state remain critical as global integration continues to evolve (Robinson 1997, 18–20).

Tactical differences between national governments of core states over how to advance and sustain globalization emerge and from time to time may erupt into serious conflict. Such tactical differences originate in specific national and regional histories, circumstances, and political and cultural traditions. They may appear to be fundamental contradictions, but they are actually internal to global capitalism—even though, in order to maintain public support, neoliberal states adorn them with the rhetoric of “national interests,” or the alleged need to challenge “foreign competition.”

Along with the aggressive, socially destructive elements of globalization enumerated here, is the need to temper the worst consequences of the global order in order to defend it from growing and potentially transforming resistance. Thus some states of the North make efforts to balance partially the rapacious elements that undergird the “global free market” with various reforms and concessions aimed at softening the impact of capitalist globalism and securing a degree of consent from restive populations.³ The combined force of progressive mass movements and the self-interested action of some transnational fractions of capital, especially European fractions with significant social-democratic traditions, have pressed partially ameliorative international agreements: the Kyoto accord on climate change, the Protocol on Involvement of Children in Armed Conflict, the Convention on Discrimination Against Women, a ban on land mines, conventions to curb chemical and biological weapons, the International Criminal Court, family planning, and other programs and agreements. The Bush administration has rejected every one of these treaties. It has also abrogated the U.S.-Russian Antiballistic Missile Treaty, defying a near-universal consensus on this agreement as the cornerstone of global nuclear security.

The Bush team has made it clear in authoritative documents and public statements that traditional Cold War balance-of-power considerations and international strategic cooperation have given way to a stark unilateralism with no room for global agreements aimed at cushioning the impact of neoliberalism. Vice President Richard Cheney (former Secretary of Defense) has said that the United States will ask for cooperation from other states in pursuing its vision of global integration, but will not hesitate to go-it-alone if necessary. The Bush policy was paraphrased recently by the *Boston Globe*: “We Americans with our smart bombs and our \$400 billion defense budget and our high tech economy have no need to heed the interests and counsel of even our closest foreign allies.”⁴

What accounts for this seeming break with the political and strategic modalities of capitalist globalization? Some have attributed it to the ascendancy of one of three competing trends within the administration: first, a dominant vision of a global system of unsurpassed military power led by the United States. This “hegemonism” is led by Bush himself and his closest longtime advisors and business confederates, including Cheney and Defense Secretary Donald Rumsfeld.

A second “globalizer” trend pleads for a more nuanced, diplomatic, and economically centered neoliberalism with relatively less stress on military force. This view has been identified with Secretary of State Colin Powell and former President Bill Clinton. A third “nationalist” trend is stridently neoisolationist, anti-immigrant, racist, and protectionist, and is rooted in the vastly influential extreme right wing of the Republican Party.

No clear dividing line separates these trends, each of which exists independently within the Bush administration. Indeed, despite their seemingly contradictory nature, Bush and his advisors have embraced all three trends to varying degrees—and in that process have maintained a primary commitment to capitalist globalization. The dominant “hegemonist” current reflects the distinct economic, cultural, and ideological influences that have shaped the Bush presidency: a mail-fisted, cutthroat conception of a global order that would brook no serious challenges to neoliberalism either from the Global South or from other

transnational fractions willing to seek concessions to secure the stability of capitalist globalization. (The Bush outlook is paralleled domestically by an assault on regulatory controls over corporate activity, undermining labor's rights, stripping environmental protection, and gutting social welfare—echoing and extending the “free market” thrust of globalization.)

The Bush group's compulsion to shape the modalities of the global order is the underpinning for a conceptual shift in U.S. global policy from the Cold War balance-of-power doctrine to an integrated world order under the aegis of a “sole superpower” willing and able to withstand all challenges to its hegemony. The 11 September 2001 terrorist attack on U.S. soil provided a virtually ideal pretext for accelerating that doctrine in the name of leading a “war on terrorism.” Lest one conclude that the push for U.S. national state hegemony constitutes an assault of sorts on the basic precepts of globalization, it should be noted that the most crucial aspects of neoliberalism have been pursued with exceptional vigor by the Bush administration. While Bush has shown no inclination to acknowledge the concerns of protesters against the global system (President Clinton was particularly adept at noting the negative consequences of globalization—while doing nothing about them) or to soften various political and strategic aspects of the global system, his administration has been single-minded and relentless in abetting unrestrained capital mobility and in advancing unregulated global markets, thus embracing the principal agenda of the globalizers.

At a world conference on poverty at Monterey, Mexico, Bush held hostage aid to impoverished populations by demanding even more unfettered capital mobility and unprotected “free” markets. His administration has been especially vigorous in consolidating Nafta, in promoting the FTAA, in insisting on “fast track” authority to make trade agreements with no congressional alteration, and in promoting the IMF and the WTO with their strangling strictures.

The realization that U.S. national state hegemony coexists with the basic requisites of globalization has been underscored and synthesized by Richard Haass, Bush's director of policy

planning at the State Department (reputedly a “moderate” like Powell). Noting that “containment” was the principal strategic doctrine of the Cold War, Haass points out that it has now been replaced by “integration,” whereby “the goal of U.S. foreign policy should be to persuade the other major powers to sign on to certain key ideas as to how the world should operate: opposition to terrorism and weapons of mass destruction, support for free trade, democracy, markets. Integration is about locking them into these policies and then building institutions that lock them in even more” (Lemann 2002). Bush’s national security advisor, Condoleezza Rice, suggests that the power of national states can be lessened by subsuming their interests under the direction of the “sole remaining superpower.” With the United States at the pinnacle of globalism, Rice suggests that in this epoch there will be no great powers to challenge Washington’s hegemony. Instead, “there’s at least a predilection this time to move to productive and cooperative relations with the United States rather than to try to balance the United States” (Lemann 2002).

That alleged tendency for virtually all national states to accept willingly U.S. stewardship provides a quasiconstitutional framework for Washington’s role as orchestrator and bodyguard of global corporate power (Lemann 2002). With the Bush presidency so firmly committed to capitalist globalization, how can its reactionary nationalism be explained? Why has it pressed unilateral measures blatantly counter to free trade like high tariffs on steel imports and generous subsidies to U.S. farm products? The answer to these questions lies in the distinctive character of the economic and social forces within U.S. life that form Bush’s political base. His power is heavily dependent on a cluster of relatively new energy, communications, and real estate interests—most of which are deeply implicated in recent corporate scandals that have shaken the faith of even staunch partisans of capitalism. The Bush administration is honeycombed with officials with direct ties to Enron and other exemplars of corporate corruption.

That corruption rests on a political base consisting largely of the Republican right wing—Christian fundamentalists, economic nationalists, military contractors, and right-wing Zionists. These plunderers view the state as a source of personal enrichment and

are unmoved by traditional notions of mission to rule in the interests of the capitalist class as a whole. With a compulsion to ignore the broader interests of the ruling class when their own corruption must be served, these Bush forces also do not hesitate to aggrandize their own political base to assure political survival. Without hesitation, they push the most reactionary outer margins of globalization while also serving right-wing nationalism.

The events of 11 September 2001 marked a new phase of the U.S. drive to consolidate transnational global dominance. Within hours of the attacks on the World Trade Center and the Pentagon, Bush declared a “war on terrorism.” Without constitutional sanction, he turned the search for apprehending criminals into a qualitative increase in the military dimension of neoliberalism. The mission to eliminate terrorism conflated “terrorists” with “those who harbor terrorists” and “those who refuse to join the fight against terrorism.” Washington’s drive to eliminate “rogue states” has become the militarized fulcrum of globalization, while heightened military activity in Central Asia, the Middle East, and the Caspian Sea region aims to trap remaining oil reserves for core states and for U.S. leverage over the policies of other fractions of transnational capital.⁵

While tactical differences between the United States and other core states of the neoliberal order remain for the moment internal to global capitalism, their antagonistic nature nevertheless can mature into serious fissures within the transnational elite. At the same time, the international grassroots movement against capitalist globalization, temporarily thrown off stride by terrorist attacks on U.S. soil, will inevitably regain its focus. Growing internal contradictions among transnational fractions and resurging global resistance from below can generate new forms of struggle, new alliances, and the promise of a profoundly progressive alternative to capitalist globalization. That prospect lies before us and its challenge must be met.

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NOTES

1. For a survey of the vast literature on globalization, see Malcolm Waters, *Globalization* (London: Routledge, 1995).

2. The literature declaring the demise of the national state is immense. The most conflated example of this claim is *Empire* by Michael Hardt and Antonio Negri (2000).

3. A graphic example of diverging approaches to pressure to respond to the ravages of capitalist globalization is provided by the Earth Summit for Sustainable Development, convened at Johannesburg, South Africa, in the late summer of 2002. While George W. Bush refused to attend, the leaders of France and Great Britain made some relatively concrete commitments to deal with escalating impoverishment and ecological crisis in the Global South (Earth Summit World Leaders See Darkening Future for Planet. *Agence France Presse*, 2 September, 2002).

4. Cheney, when Secretary of Defense in the administration of the senior Bush, displayed his hegemonist doctrine (Defense Strategy for the 1990s: The Regional Defense Strategy [January 1993]. *Boston Globe*, 4 September 2002).

5. U.S. efforts to extend and consolidate its control over the oil deposits in the Caspian Sea region and the Middle east was reported extensively in the *New York Times* (15 December 2001).

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Impact of Regionalization on Developing Countries

Vu Van Phuc

I. The positive impacts of globalization and regionalization on developing countries

Enhancing the comparative advantage of developing countries for growth

Obvious and favorable opportunities to move forward are created for developing countries by globalization and regionalization. One of those favorable opportunities is that the developing countries will make full use of their comparative advantage when taking part in all fields of international economic cooperation, provided that they actively integrate into the world in a flexible and creative way. In the process of globalization and regionalization, developing countries tend to be divided into groups with corresponding comparative advantages that can supplement one another in the course of cooperation and development. Comparative advantage is changeable and depends on each country's development level. The least-developed countries have the lowest level of comparative advantage. Developing countries only have low-level comparative advantages such as a cheap labor force, natural resources, and markets. This is a great challenge that developing countries face.

Nevertheless, globalization creates great and new opportunities

for developing countries so long as they creatively apply and carry out a guided form of development. They can, for example, make use of their existing advantage in natural resources, labor, markets, light-manufacturing industries, tourism, and service industries. They can take part in the lower and medium levels of the global economic structure. In that economic structure, some industries demand great amounts of labor and raw material, but a lesser amount of investment, but medium-level and advanced technologies to produce indispensable commodities and services in the global market. As the result, developing countries have the opportunity to acquire international capital, new techniques and technologies, and advanced management models. Every developing country has this opportunity, but only countries that know how to seize it can benefit. The ability to do so depends on the subjective factor, the internal forces in each country.

Optimizing developing countries' comparative advantage in the process of globalization and regionalization targets the use of trade liberalization and attraction of investment for the sake of economic growth and social development. The proportion of trade in the gross domestic product of developing countries has been increasing steadily (23 percent in 1985 and 30 percent in 1997). Developing countries have increasingly carried out policies of diversification and multilateralization in their international economic cooperation. The proportion of manufactured commodities in the exports of developing countries has also increased (47 percent in 1985 and 70 percent in 1998) and accounts for 25 percent of world commodity exports.

Attracting foreign capital

The flow of world capital is enhanced in a globalized and regionalized economy. This is an opportunity for developing countries to attract outside capital for the sake of domestic growth, as long as each such country implements an appropriate investment policy. Rationalizing economic structures, especially the domestic investment structure, attracts foreign investment. Foreign investors deciding whether to invest are seeking preferential treatment in a country's investment environment. In addition to mobilizing domestic capital, developing countries have attracted

a large amount of foreign capital. According to a report by United Nations Conference on Trade and Development (UNCTAD) on investment in the world, developing countries attracted \$129 billion in 1966 through foreign direct investment (FDI) channels; in 1999, this figure increased to \$198 billion, in which \$97 billion was in Latin American countries (\$31 billion for Brazil) and \$91 billion in Asian countries (\$40 billion for China).

Globalization and regionalization help increase both the quality and quantity of capital flow into developing countries, despite the many difficulties in mobilizing capital for development. For example, investment in developing countries rose rather quickly from \$30 billion in 1980, to \$60 billion in 1990, and to almost \$200 billion in 1996. In 1997, developing countries attracted up to 37 percent of total FDI capital in the world. Investment from the private-sector accounts for an increasing proportion of the total investment in developing countries.

Improving the level of technology

Faced with globalization and regionalization, each developing country, with its distinct historical conditions and its own level of development, has its own method for guiding the direction of development. Two methods are possible: first, importing intermediate technology from advanced countries for the purpose of building their own industries as an integral part of the advanced industrial layer of the global industrial system; second, buying licenses to use patented processes of production in order to establish a modern industrial structure. Capital capacity and intellectual resources must be taken into account when a developing country chooses one or both of these forms of development. Globalization and regionalization have paved the way for developing countries to gain various kinds of advanced technology from developed countries in order to improve their technical and technological levels. It is up to each country to choose its own strategy

Developing countries now have access to advanced technique and technology so that they can upgrade their technological level of production and improve their managerial skills and their economy's competitiveness. Globalization and regionalization are extraordinary instruments for technological improvements.

Making positive changes in economic structures

Globalization and regionalization are forcing national economies, including those of the developing countries, to reorganize their structures rationally. The world's economy is changing from the industrial manufacturing stage to the knowledge stage. The industries in the advanced countries that require high levels of intellectual and technological achievement have large amounts of capital. The developing countries only have industries requiring a large labor force and high material consumption, with a low-level of technology and less capital. If developing countries take the initiative to seize the opportunity to guide the direction of investment in an appropriate way, they can also advance to a knowledge-based economy. Much effort is required. Globalization and regionalization cause the world economy to move at high speed. In order to flourish, therefore, each country's economy must necessarily catch up with and "fly" in the common orbit of the world economy. Any economy that can catch up with this orbit can develop, otherwise it will be vulnerable and unstable. Every developing country should find his own appropriate way of moving its economic structure in a direction that will shorten the road to development. Almost all developing countries are adopting or planning to adopt a model of open-market economy to integrate into the global economy in order to export manufactured industrial products. This is a positive economic model. However, in implementing the open-market economy and integrating into the global economy, the governments of developing countries have to take several factors into account. They need to take a judicious view of and wisely deal with the relation between liberalization and necessary protection, paying attention at the same time to the international economic rules and the mechanisms of global and regional economic institutions. They also have to reform their own economic institutions, properly combine internal and external resources, changing external resources into internal forces for development. Stabilization of the open-market and integrated economy before global economic changes take place needs strong local economic structures, diversified export structures, and flexible and adjustable economic institutions. Therefore, develop-

ing countries are forced to seek suitable ways to shorten their road to industrialization. Many select the model of export-oriented industrialization coupled with the development of their manufacturing industry. The development of this industry will facilitate the shift of agricultural economies in developing countries to industrial ones and, gradually, to knowledge-based ones. This shift also depends on the ability to make proper use of modern technology, capital, and exploitation of markets. Whatever the level of this shift, developing countries attach importance to increasing the proportion of processing industries and services in the GDP, while focusing on the development of highly competitive industries. As a result, the economic structures of many developing countries have witnessed positive changes, such as reduction of proportion of agriculture in the GDP and an increase in the proportion of industrial production and services. The structure of exports has also been undergoing change. In Vietnam, the quality of exports has been uplifted to meet international standards and the proportion of industrial exports have increased from 5.65% in 1980 to 77.7% in 1994.

Globalization and regionalization are creating many opportunities and challenges for countries restructuring their economies. The global economy is changing very quickly. Thus, in order to develop, the economies of developing countries have no choice but to evolve in the orbit of global economy. Developing countries have to take into account and make use of the changes in the huge flow of capital, technologies, goods and services. The unpredictability of this flow and the vulnerability it may cause are on the rise, particularly in regard to the economies of developing countries.

Broadening external economic relations

Thanks to globalization and regionalization, the scientific and technological revolution, and the development of the forces of production, the internationalization of economic life has become inevitable. The rapidity of globalization and regionalization requires the broadening of external economic relations of every economy, especially those of developing countries. Only by widening external economic relations can developing countries efficiently exploit external resources. In addition, the more global-

ization, regionalization, and internationalization of economic life develop, the more challenges and opportunities they create. Only by coordinating and broadening their external economic relations with other countries can developing countries make full use of opportunities and surmount challenges. No country can develop today without establishing economic relations with others. All countries, including developing ones, must extend their external economic relations.

In the present world situation, external economic relations have turned into indispensable factors for expanding production in every country, especially the developing ones.

Upgrading infrastructures

Globalization and regionalization create opportunities for developing countries to upgrade their infrastructures in transportation, postal and telecommunication services, electric power, water supply, and so forth. In developing countries, per capita income is just enough to satisfy daily demands of the people; thus, accumulation of capital is impossible. These countries have a crucial need, however, for large amounts of capital to build up infrastructures and necessary installations for economic development. A vast difference exists between the need for investment and the funds available. In order to upgrade infrastructure, developing countries must create an environment that attracts foreign investment. Only through external economic relations can developing countries improve, renovate, and upgrade their technology in the manufacturing sector, improve and modernize traditional technologies, and develop modern technologies—in short, build material and technical foundations and infrastructure for their economies.

Learning advanced management skills

Developed countries often possess advanced methods of economic management and modern economic management instruments. Developing countries can gain experience in modern and advanced management from developed ones by engaging in international economic cooperation, joining investment projects, managing joint ventures and manufacturing enterprises, and nego-

tiating economic contracts.

II. The negative impacts of globalization and regionalization on developing countries

Unsustainable economic growth dependent on exports

The economies of developing countries are being restructured in the direction of open markets and international integration. Growth rates in many developing countries depend mainly on exports, yet exports depend on the stability of prices in the world market, on the interests of importers, and on the openness of developing countries' markets. Thus many unstable and unpredictable factors exist.

In recent decades, economic growth rates and per capita income in many developing countries have gone down. Early in the 1990s, the annual economic growth rate in Africa was 5 percent; it has now dropped to 2.6 percent. During the past ten years, per capita income in more than one hundred developing countries has fallen off. In over sixty of them, the average per capita consumption has diminished by 1 percent a year.

Weakening advantages of developing countries

The world's economy is strongly shifting from an industrial economy to a knowledge-based one. For this reason, what once were the advantages of developing countries, such as diversified natural resources, abundant labor force, and low labor cost, are now becoming less important. Meanwhile, such advantages as high technology, products with high intellectual content, and large amounts of capital are the main advantages of the developed countries. The three global flows—technology, information, and capital—are becoming driving forces for globalization and regionalization. In this circumstance, a country's competitive advantage is changing fundamentally. In the global sphere, developed countries enjoy better positions than developing countries. And the less developed a country is, the more risks and losses it suffers as its competitive advantages decrease. This is a challenge for countries going through the process of industrialization.

While enhancing the role of industrial branches and services,

especially those requiring high technology and skilled labor, globalization and regionalization reduce the importance of semi-processed goods and unskilled labor. Revolutions in biotechnology, informatics, and microelectronics make preprocessed goods less significant. Consequently, developing countries once considered rich and favored in terms of natural resources are now poor countries. Progress in science and technology not only restructures economies, but also changes the competitive advantages between developed and developing countries. Modern industries utilize fewer and fewer natural resources, making natural resources no longer a big advantage and important competitive factor. In a modern economy, only knowledge-based technology and sophisticated skill are considered as highly competitive advantages. As a result, developing countries that export goods preliminarily processed with unskilled labor are driven into disadvantaged positions.

In addition, globalization forces developing countries to comply with the principles of the global market, limiting the efficiency of their national development policies. In the current global economy, the importance of raw material and unskilled labor is decreasing while skilled labor and knowledge are becoming more and more important. Developed countries are increasingly in a better position than developing ones in international competition.

Rising debts of developing countries

Many developing countries are shouldering accumulated debts after a period of participating in the global market. The huge debt of over \$2,200 billion is pulling down the economic growth rates of these countries. According to a World Bank report on global finance, the foreign debt of Brazil was 24 percent of its GNP in 1999, Mexico 38 percent, Indonesia 65 percent, the Philippines 53 percent, Thailand 63 percent, and Malaysia 51 percent. Such mammoth debts bind the economies of some developing countries to the economies of the lender states, primarily the developed capitalist countries. New loans are not enough to pay the interest on previous loans, plunging the economies of some developing countries into stagnation and bankruptcy. Globalization is like a

gigantic machine, crushing the economies of insolvent countries.

Declining competitiveness of weak economies

Globalization and regionalization increase the fierceness of global competition. The starting points of development and economic strength of each country are different; thus there is inequality in opportunities and risks. The economies of developing countries are more easily damaged than those of developed countries in this unequal competition. The more developing countries eliminate their protective barriers, the more challenges they face. Weaknesses in technology and economic managerial skill and the shortage of capital increasingly differentiate the levels of development of developing and developed countries. Allegedly “fair” competition between economies at different levels of development is actually unfair. Strong economies and powerful corporations will certainly win in an “even” contest over the less-developed economies and small companies. This unfairness in international competition results in damage and losses for developing countries.

Increased area and population of developing countries

Before the collapse of the former Soviet Union and socialist countries in Eastern Europe, the number of developing countries was 163 against the total number of 191 countries and territories in the world. Today, since the former Soviet Union and 8 socialist countries in Eastern Europe disintegrated into 28 countries, it is 180 against 210. Now the population of the developing countries is supplemented by 400 million, and their area is increased by 25 million square kilometers.

Greater rich-poor gap between developed and developing countries

Globalization and regionalization widen the rich-poor gap between developed and developing countries. At present, the former possess three-fourths of the global production and three-fourths of the global trade volume. The former serve as both the departure and destination of the majority of total FDI. In 1999, of

the \$827 billion total FDI in the world, the developed countries received \$609 billion—\$300 billion from the EU \$200 billion from the United States. The headquarters of the biggest transnational corporations are located mainly in developed countries. These countries also have the most modern technology, invention, discovery, know-how, and other intellectual products. They also unceasingly carry out a “brain drain” from all over the world. In addition, such international economic, financial, monetary, and trade institutions as WTO, IMF, and the World Bank are controlled by the developed countries, especially the United States. Owing to their great economic powers, the developed countries dominate the global economy. The economies of the developing countries are not strong enough to resist the spiral of fierce competition in the global economy.

These factors explain why the underdeveloped countries are becoming poorer in comparison with the rapid increase in wealth of the developed world. In 1998, 24 developed countries accounted for about 17 percent of the world’s population, yet 79 percent of the world’s GNP. Meanwhile, developing countries accounted for 83 percent of the world’s population, yet 21 percent of the world’s GNP. Twenty percent of the world’s population in developed countries consumed 86 percent of all goods. Twenty percent of the world’s poorest population had only had 1.1 percent of the world’s income in 1998; down from 2.3 percent and 1.4 percent in 1991 and 1996, respectively. Today, the assets of the ten richest billionaires is \$133 billion—1.5 times the GNP of all developing countries.

Ecological deterioration in developing countries

The shifting of industries requiring physical labor and natural resources, including those causing environmental pollution, from developed to developing countries and the fact that capitalists invest in developing countries only for their own profit are speedily worsening the ecological environment in developing countries. Thus, the development of these countries is paid for not only by their cheap natural resources and labor and low prices for goods and services, but also by the poisoning of their ecological environment. Two-thirds of the forests in the world are being destroyed, and every

year sixteen million hectares of the forests disappear. The amount of logs used for producing paper products (mainly in the developing countries) in the 1990s was twice as much as that in the 1950s. Two-thirds of the paper products in the world are consumed in the United States, Japan, and Europe. Every year 2.7 million people die because of polluted air, 90 percent of them living in developing countries. Additionally, each year some 25 million people die from poisoning by pesticides and 5 million by polluted water.

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- "*The Undiscovered Paul Robeson: An Artist's Journey, 1898–1939*," by Paul Robeson Jr.: Book Review," by George Fishman, vol. 15, no. 1, pp. 115–20
- Vu Van Phuc, "Impact of Regionalization on Developing Countries," vol. 15, no. 4, pp. 491–501
- Whitney, William T. Jr., "Becoming a Physician: Class Counts," vol. 15, no. 3, pp. 261–74

ABSTRACTS

R. Scott Frey, “The Maquiladora Centers of Northern Mexico: Transfer of the Core’s Hazardous Production Processes to the Periphery”—Transnational corporations appropriate “carrying capacity” for “core” nations by transferring these nations’ hazardous products, production processes, and wastes to peripheral countries. Increasingly important is the transfer of core-based hazardous industries to export processing zones (EPZs) in peripheral countries in Africa, Asia, Latin America, and the Caribbean. This paper examines a specific case: the transfer of hazardous industries to the *maquiladora* centers located on the Mexican side of the Mexico-U.S. border. *Maquiladoras* provide an excellent case in which to study the causes, adverse consequences, and political responses associated with the transfer of core-based hazardous production processes to the EPZs of the periphery.

Nguyen Ngoc Long, “Globalization in the Transition from Capitalism to Socialism”—Transnational capitalist corporations today are creating the preconditions for the replacement of capitalism by socialism. Globalization deepens capitalism’s contradictions—capital-labor conflicts in the developed countries, former colonies’ struggles against imperialism, and the growing gap between rich and poor nations. As socialist countries integrate into the world economy, they benefit from the experiences of capitalist countries and lay the basis for full socialization. The ideological struggle becomes more complicated. Imperialism uses its growing military and economic strength for ideological attack, while its economic cooperation with socialist countries reduces the level of ideological confrontation. Improvements in the socialist countries will strengthen the working-class and international Communist movement.

David S. Pena, “The Dialectical Significance of Globalization”—Globalization may be understood as imperialism adapted to post-

Cold War conditions, a necessary stage in the evolution of capitalism. One should neither repudiate it nor surrender to it. Capitalism needs the state to maintain the system of capitalist exploitation of its workers. International capital uses the state structures of developing countries to put the indigenous bourgeoisie under its wing. The antiglobalization movement must acquire a Marxist-Leninist orientation to transform global capitalism into international socialism. Only such a transformation will lead to the fusion of the world's peoples into a higher democratic unity of nations through global socialism.

Tran Ngoc Linh, "The Current Role of the Nation-State"—Globalization is affecting the position and role of the nation-state both positively and negatively. With the extension of the scope of their activities, international agencies and political formations increasingly require national states to adopt uniform policies in a wide range of fields. This development has some positive aspects, but monopolistic and financial capitalism dominates the entire process. The developing countries suffer from such domination, so that the defense of state sovereignty acquires great importance.

Michael Parenti, "Global Intervention: The Case of Iraq"—Reasons given by Bush for the invasion of Iraq are pretexts. The primary goal was to perpetuate the supremacy of U.S. global capitalism and thus prevent the emergence of any other competing superpower globally or regionally. At the collapse of the Soviet Union, U.S. leaders determined that development in the third world need no longer be tolerated. The last thing Washington wants in that region is independent, self-defining developing nations that wish to control their own land, labor, and natural resources. Another motivation for the attack was to obtain control of Iraq's oil, keep it off the world market, and boost prices, enabling high profits to be made from its timely sale.

Tran Xuan Sam, "New Characteristics of Knowledge-Based Economies"—The scientific and technological revolution led to globalization, which in turn has become a driving force for the transformation of science into a direct labor force. Knowledge is increasingly the decisive element in economic development, and knowledge-based, nonmaterial commodities will soon dominate the market. Transforming a knowledge-based economy successfully depends on a strong development strategy by a country or business. The gap between the developed and less-developed capitalist countries is

clearly increasing. Because of the law of uneven development, the capitalist transnational corporations based in the developed capitalist countries are using their domination of the knowledge-based economy to deepen the exploitation of the less-developed countries. The result is that the class struggle becomes more sophisticated but no less fierce.

Mark Solomon, “Hegemonists, Globalizers, and Nationalists”—Transnational capital has, since the 1980s, gained control of state apparatuses worldwide by restructuring production and reducing the power of labor. The results have been catastrophic for the Global South in poverty, disease, destruction of culture, and displacement of populations. Some states of the North see the need to temper the worst consequences of the global order to protect it from growing popular resistance. The Bush team has countered with a mail-fisted, cutthroat conception of a global order brooking no challenges. While antagonistic tactical differences between the United States and other core states can mature into serious fissures, the international grassroots movement against capitalist globalization, temporarily thrown off stride by terrorist attacks on U.S. soil, will inevitably regain its focus.

Vu Van Phuc, “Impact of Regionalization on Developing Countries”—The article discusses the positive and negative aspects of regionalization on the developing countries. Positively, regionalization enhances spheres of economic activity in which the developing countries have a comparative advantage, e.g., cheaper labor power attracts capital, provides access to higher levels of technology, stimulates more efficient economic management, broadens external market relations, and stimulates development of infrastructures. Negatively, regionalization increases dependence on exports, offsets comparative advantages owing to superiority of developed capitalist countries’ knowledge-based economies, increases debt burden, weakens competitive position of very poor countries, increases the gap between rich and poor nations, and contributes to ecological deterioration.

ABREGES

R. Scott Frey, « Les Centres *Maquiladora* dans le nord du Mexique: Le transfert de procédés industriels hasardeux du centre vers la périphérie » — Des multinationales affectent une certaine « capacité de transport » aux pays « du centre », pour transférant des produits hasardeux des procédés de production, et les déchets vers les pays périphériques. Le transfert de procédés industriels hasardeux vers des zones réserves (EPZs) en Afrique, Asie, Amérique Latine et les Iles Caraïbes est de plus en plus fréquent. Ce texte examine un cas particulier : le transfert d'industries dangereuses aux centres *maquiladora* du coté Mexicain de la frontière US-Mexicaine. Ces *Maquiladoras* présentent un excellent cas pour l'étude des causes, des conséquences défavorables et des réponses politiques par rapport au transfert de procédés de production hasardeux vers les zones réservés (EPZs) de la périphérie.

Nguyen Ngoc Long, « La mondialisation dans la transition du capitalisme vers le socialisme » — Les multinationales capitalistes d'aujourd'hui créent des conditions préliminaires pour le remplacement du capitalisme par le socialisme. La mondialisation approfondit les contradictions du capitalisme — les conflits entre le capital et le travail dans les pays développés, la lutte des anciennes colonies contre l'impérialisme, et la fracture croissante entre nations riches et pauvres. Les pays socialistes, qui s'intègrent dans l'économie mondiale, profitent de l'expérience des pays capitalistes, et posent les bases d'une socialisation complète. La lutte idéologique devient plus complexe. L'impérialisme utilise sa force militaire et économique grandissante pour les attaques idéologiques, tandis que sa coopération économique avec les pays socialistes réduit le niveau de la confrontation idéologique. Des améliorations dans les pays socialistes vont renforcer la classe ouvrière et le mouvement communiste international.

David S. Pena, « L'importance dialectique de la mondialisation » — On peut interpréter la mondialisation comme l'impérialisme adapté aux conditions d'après la guerre froide, une étape nécessaire dans l'évolution du capitalisme. Il ne faut ni la repousser ni s'y soumettre. Le capitalisme a besoin de l'Etat pour pérenniser le système de l'exploitation capitaliste des travailleurs. Le capital

international utilise les structures des Etats en voie de développement pour mettre la bourgeoisie indigène sous son aile. Le mouvement anti-mondialiste doit prendre une orientation marxiste-léniniste pour transformer le capitalisme global en socialisme international. Seulement une telle transformation mènera à une fusion des peuples du monde vers une unité démocratique supérieure des nations dans le contexte du socialisme global.

Tran Ngoc Linh, «Le rôle actuel de l'Etat-nation»—La mondialisation affecte la position et le rôle de l'Etat-nation, à la fois d'une manière positive et négative. Avec une portée accrue de leurs activités, les organisations internationales et les formations politiques demandent aux états nationaux d'adopter une politique uniforme dans beaucoup de domaines. Ce développement présente quelques effets positifs; par contre, tout le procédé est dominé par le capitalisme monopolistique et financier. Dans la mesure où les pays en voie de développement souffrent d'une telle domination, la défense de l'indépendance de l'Etat prend une grande importance.

Michael Parenti, «Intervention globale: le cas de l'Iraq»—Les raisons avancées par Bush pour l'invasion de l'Iraq sont des prétextes. L'objectif principal était de perpétuer la suprématie du capitalisme mondial U.S.-américain, et ainsi empêcher l'émergence d'une quelconque autre superpuissance rivale sur le plan mondial ou régional. Au moment de l'effondrement de l'Union Soviétique, les dirigeants U.S.-américains ont compris qu'il n'était plus obligatoire de tolérer le développement dans le tiers monde. La dernière chose voulue dans cette région par Washington, sont des nations en voie de développement autonome, souhaitant contrôler leur propre terre, leur travail et leurs ressources naturelles. Un autre but de guerre était le contrôle du pétrole de l'Iraq, le tenir à l'écart du marché mondial et relancer les prix, assurant ainsi de profits élevés par sa vente au moment opportun.

Tran Xuan Sam, «Caractéristiques nouvelles des économies basées sur le savoir»—La révolution scientifique et technologique à menée à la mondialisation, qui a son tour a poussé vers la transformation du travail scientifique en travail salarié. Avec une importance grandissante, le savoir est l'élément décisif pour le développement économique, et les produits immatériels, basés sur le savoir, vont bientôt dominer le marché. La transformation réussie

d'une économie basée sur le savoir dépend d'une stratégie forte, imposée par un pays ou par une branche économique. La fracture entre les pays capitalistes plus ou moins développés est clairement grandissante. En raison de la loi du développement inégal, les multinationales capitalistes basés dans des pays capitalistes développés utilisent leur domination de économie du savoir pour encore mieux exploiter les pays moins développés, avec le résultat que la lutte devient plus sophistiqué, et non pas moins féroce.

Mark Solomon, «Hégémonistes, mondialistes et nationalistes»

—Depuis les années 1980, le capital multinational a gagné partout dans le monde le contrôle de l'appareil de l'état, en restructurant la production et en réduisant la puissance du travail. Les résultats concernant la pauvreté, les épidémies, la destruction de la culture et le déplacement des populations ont été catastrophiques pour les pays du Sud. Quelques Etats du Nord voient la nécessité d'adoucir les conséquences les plus dramatiques de l'ordre mondial pour le protéger d'une résistance populaire grandissante. L'équipe Bush y a opposé, avec une conception criminelle, un ordre mondial n'admettant aucun défi. Tandis que des différences tactiques antagonistes entre les Etats Unis et d'autres pays développés peuvent se transformer en sérieuses fissures, le mouvement international alternatif contre la mondialisation capitaliste, temporairement désorienté par les attaques terroristes sur le sol U.S.-américain, va inévitablement regagner le devant de la scène.

Vu Van Phuc, «L'impact de la régionalisation sur les pays en voie de développement»

—L'article énumère les aspects positifs et négatifs de la régionalisation sur les pays en voie de développement. D'une manière positive, la régionalisation renforce les domaines de l'activité économique, dans lesquels les pays en voie de développement ont un avantage relatif, par exemple: elle attire les capitaux par des salaires plus bas, elle donne accès à des niveaux de technologie plus élevés, elle stimule une gestion économique plus efficace, elle élargit les échanges commerciaux et stimule le développement des infrastructures. D'une manière négative : la régionalisation augmente la dépendance par rapport aux exportations ; elle décale les avantages relatifs dus à la supériorité des économies basées sur le savoir des pays développés capitalistes ; elle augmente la charge des dettes ; elle fragilise la position des pays les plus pauvres ; elle élargit la fracture entre nations riches et nations pauvres ; elle contribue à la détérioration écologique.