Why an Inclusive Democracy? The multidimensional crisis, globalisation and inclusive democracy*

THE EDITORIAL COMMITTEE

Defining globalisation

As we face today a multi-dimensional crisis extending to the economic, the political, the ecological and the cultural levels, a discussion of the conditions under which a way out of the crisis can be found becomes imperative. To summarise the argument, the ultimate cause of the present multi-dimensional crisis is the huge and growing concentration of power that the present institutional framework of the internationalised market economy creates. This implies that a way out of it can only be found through a process of creating a democratic and sustainable globalisation based on a new democratic world order. Democratic, in the sense that it is founded on a comprehensive political, economic and ecological democracy, what we call an inclusive democracy, and sustainable, in the sense that it re-integrates society with nature.

We may discuss this crucial issue through a discussion of the main theoretical approaches to globalisation which are also reflected, as one would expect, in the various trends characterising the anti-globalisation movement.

But, first, what do we mean by globalisation and why is it significant? Today, almost everybody talks about globalisation but few attempt to define it. However, carefully defining it is important because a lot of confusion on the matter, even among analysts, is created by the fact that different people attach different meanings to the term. The confusion arises not only because of the usual lack of clarity in defining globalisation but, mainly, because of fundamental differences concerning the nature of globalisation.

At the outset, it has to be stressed that although usually it is economic globalisation that many people have in mind when they talk about globalisation, economic globalisation is only one aspect, (or one component) —though the main one— of globalisation. In other words, one may also talk about technological, political, cultural and social globalisation.

Thus:

- **Technological globalisation** refers to the new communications technology and the information revolution.
- **Political globalisation** refers to the withering away of the nation-state (at least as
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far as economic sovereignty is concerned)

- **Cultural globalisation** refers to the present homogenisation of culture, and
- **Social globalisation** refers to the homogenisation of today’s’ mode of life which is based on an individualist and consumerist culture.

Although these aspects (or components) of globalisation are very much interlinked, still, one may argue that it is the economic globalisation which conditions the other components of it. This is because in a market economy the economic element is the dominant element in society\[1\] —a fact, which does not of course preclude autonomy of the other elements. So, one may assume an interacting process in which economic globalisation is facilitated by technological globalisation but also enhances it, political globalisation is the necessary complement of economic globalisation, whereas social and cultural globalisation are the inevitable effects of economic globalisation. So, although we will concentrate on economic globalisation we should not forget its other dimensions.

We used so far the term ‘globalisation’ out of convenience, as it is the commonly used term, although it is in fact a misnomer. Here, we have to draw a clear line between the case of economic globalisation and internationalisation of the market economy. "**Globalisation**" refers to the case of a borderless global economy in which economic nationalism has been eradicated and **production** itself has been internationalised in the sense that the big corporations have become stateless bodies involved in an integrated internal division of labour which spans many countries. But, clearly this has not happened, or at least has not happened yet. Globalisation in this sense is still limited. What has already happened is what we call the "**Internationalisation** of the market economy", which refers to the case where **markets** have been internationalised, in the sense of open borders for the free movement of capital and commodities (and, within economic blocks like the European Union, of labour as well) but nation-states still exist and share power with the transnational corporations (TNCs). So, what we have today is a system in which the role of the state is being progressively reduced to that of securing a stable framework for the efficient functioning of the market but in which also the economic policies of national governments and the reproduction of the growth economy itself\[2\] are conditioned by the movement of commodities and capital across frontiers, while the international institutions like the IMF, the World Bank and the WTO nominally act under the instructions of the participating nation-states but effectively represent the interests of the transnational economic elites, which anyway play a decisive role in the process of electing the governing political elites in the major market economies.

However, this does not mean that the internationalised market economy is nothing new, as some in the Left suggest. As we will attempt to show, the new form of market economy that has been established in the last quarter of a century or so, represents a structural change, a move to a new form of modernity, i.e. a move from what we call the statist form of modernity that was dominant in the third quarter of the 20th century to the present neoliberal form of modernity\[3\] rather than simply a change in economic policy. In this sense, today’s globalisation is indeed a new phenomenon, although it is the outcome of the dynamics of the market economy that was established two centuries ago.

But, let us see briefly the main approaches on the matter\[4\] since the confusion about the nature of economic globalisation arises out of the conflicting answers given by the various
theoretical approaches to globalisation on the crucial question of its nature and in particular on whether globalisation is a ‘phenomenon of a ‘systemic’ nature or not.

In the case in which one sees globalisation as a ‘systemic’ phenomenon, this implies that globalisation is the result of changes in the economy which reflect its grow-or-die dynamic, either these changes have been institutionalised in the form of endogenous changes in economic policy, (i.e. changes reflecting existing trends) or not. In this case, globalisation is irreversible within the system of the market economy. We will therefore call "systemic" all those approaches to globalisation which, in order to interpret it, refer to the structural characteristics of the existing socio-economic system, either implicitly or explicitly.

On the other hand, in the case in which one sees globalisation as a ‘non-systemic’ phenomenon, this implies that it is the result of an exogenous change in economic policy. In this case, globalisation is a reversible development, even within the system of the market economy. We will therefore call "non-systemic" all those approaches to globalisation which, in order to interpret it, refer to various exogenous factors that are not directly related to the structural characteristics and the dynamics of the market economy system. In the same category we may also classify all those views for which globalisation is just a myth or an ideology.

So, let us examine briefly the main approaches to globalisation and how we may classify them. This is not simply a theoretical exercise because the very explanation we give to the causes of the present multi-dimensional crisis, of which the ecological crisis is a major component, depends on the approach we adopt. And unless we have an interpretation of the causes of the crisis, obviously, we cannot proceed to discuss the way out of it.

**Globalisation approaches**

**The neoliberal approach on globalisation**

Neoliberals, which include most orthodox economists, conservative parties and the main international institutions like the IMF, the World Bank, the WTO et.c, adopt an unqualified positive stand towards globalisation. According to the neoliberal approach, globalisation is the inevitable result of technological and economic changes which created the need for the opening of markets, free trade and free movement of capital, (though not labour), privatisations, flexible labour markets, as well as for the drastic restriction of the welfare state and the economic role of the state generally. Supporters of this approach maintain that globalisation is beneficial to everybody, as well as to the environment, because it supposedly allows healthy competition to develop and, consequently, it leads to improvements in efficiency and the spreading not only of knowledge, but also of the benefits of growth, through what they call the ‘trickle-down effect’.

However, the evidence of the past twenty-five years or so shows that the more open and flexible the markets become the greater the degree of concentration of income and wealth in a few hands, which is the main cause of the present economic crisis. The income gap for instance between the fifth of the world’s people living in the richest countries and the fifth in the poorest has more than doubled since globalisation began and as a result of these trends, the richest 20 percent of the world’s population control today 82 percent of world export markets, 68 percent of foreign direct investment and 86 percent of world
income (GDP) versus 1 percent of the poorest 20 percent.\[^2\] And not only the empirical evidence but economic theory as well, both radical and orthodox theory, can be used to show that the concentration of income, wealth and economic power is the inevitable outcome of the opening and liberalisation of markets, which constitutes the essence of present globalisation.

As regards the effects of globalisation on the environment, few doubt the negative nature of these effects. It is now widely accepted that the greenhouse effect, which is the main symptom of the ecological crisis today, is already leading to catastrophic climatic consequences\[^8\]. However, it is not simply the resistance of some powerful corporate interests that prevents the political elites from taking effective action to deal with the problem, as some suggest. In fact, we would argue instead that this is just a symptom of the political crisis today rather than the main cause of the ecological crisis. This means that effective action against the greenhouse effect would require a complete change in today’s pattern of living, i.e. the pattern which has been determined by the dynamic of the market economy and, in particular, the concentration of income and wealth between and within countries, the consequent urban concentration, the car culture and so on. In fact, a by product of the same concentration process is industrial farming, which has already led not only to the elimination of small farmers and the need to industrialise farming further through genetic engineering (supposedly, in order to solve the looming food crisis due to the growth in population), but also to the spreading of diseases like the ‘mad cows’ disease (with possible catastrophic implications on human life itself), the foot and mouth epidemic and so on. It is therefore clear that the environmental effects of globalisation are due to systemic causes that refer to the system of concentration of power, which is institutionalised by market economy and representative ‘democracy’, rather than to ‘bad’ economic policies and practices.

The ‘social-liberal’ approaches of the centre-left

Social-liberals, which include the centre-left governments in Europe and Australasia, as well as establishment sociologists and economists like Anthony Giddens, Amartya Sen, Paul Krugman and others, adopt the present globalisation with some minor qualifications, which amount to little more than a ‘globalisation with a human face’. There are several versions of this approach but the common element in all these versions is that they all adopt the thesis that globalisation is both new and irreversible—a fact that implies the need to explore ways of making it more ‘humane’. The explicit—or sometimes implicit—assumption social-liberals make is that any return to some form of statism, like the one characterising advanced market economies up to the mid seventies, is impossible.

It is therefore obvious that, unlike the non-systemic Left approaches that we will consider next, the social-liberal approach does not aim at any effective controls over the internationalised market economy to protect labour and the environment, as it takes for granted not only the system of the market economy and representative ‘democracy’ but globalisation itself.

So, on the basis of the criterion we set before, both the neoliberal and social-liberal approaches to globalisation should be seen as ‘systemic’ approaches since they see it as a phenomenon mainly due to changes in technology and particularly information technology. But, technology is neither ‘neutral’ nor autonomous.\[^9\] Thus, when neoliberals
and social-liberals take the existing technology for granted, and therefore irreversible within the market system, they implicitly assign globalisation to ‘systemic’ factors and, consequently, they also take it for granted and irreversible.

**The ‘non-systemic’ approaches of the Reformist Left**

Still, for most of the Left today, neoliberalism as well as globalisation, are, as Pierre Bourdieu calls them, simply ‘utopias’ that the economic elites attempt to impose, in the context of a ‘project’ that ‘aims to create the conditions under which the neoliberal “theory” can be realised’.[10] However, the very fact that there is a broad consensus between all major political parties in the major market economies to implement such policies is an obvious indication that the presently universal neoliberal policies, far from being a "utopia", in fact, reflect the structural changes of late modernity.

But, Bourdieu’s thesis is in fact the one adopted by most in the Left today, in what we may call the "Reformist Left", and by this we mean all those intellectuals, movements and political parties in the Left which adopt a ‘non-systemic’ approach to globalisation, according to which, globalisation is due to exogenous changes in economic policy and, as such, is reversible even within the system of the market economy. Therefore, the Reformist Left includes all those who either suggest various reforms to improve the functioning of the internationalised market economy (e.g. eliminating its "corporate" character, abolishing the neoliberal deregulation of markets and so on), or simply raise a variety of criticisms against it without proposing any alternative form of social organisation, adopting either a postmodern rejection of universalism,[11] or simply taking the present system of the market economy and representative ‘democracy’ for granted. In this sense, the Reformist Left approach on globalisation includes neo-Marxists, socialdemocrats and others in the broad Left like Pierre Bourdieu we mentioned above, Immanuel Wallerstein, Noam Chomsky, Samir Amin, John Gray, Leo Panitch and others who take a negative, but a non-systemic, stand towards globalisation.

Thus, although these analysts usually assume that globalisation is an old phenomenon, which was set in motion by the emergence of capitalism—an assumption which prima facie gives the impression that they recognise the systemic character of the trends which have led to globalisation— still, they assign an explicitly non-systemic character to it. The argument frequently used to overcome this blatant contradiction is that the capitalist system was always globalised and what changed recently was only the form of *globalisation*. However, this change in the form of globalisation is assumed to be not an endogenous change to the system of the market economy that was established about two hundred years ago, i.e. the outcome of its dynamics—as one would expect on the basis of the assumption that globalisation is an old phenomenon— but, instead, globalisation and neoliberalism are assumed to be the result of such non-systemic or exogenous developments as the rise of the Right and/or of the neoliberal movement, the historical defeat of the Left after the collapse of ‘actually existing socialism’, the degradation of social democracy and so on. Thus, on the basis of hopelessly contradictory arguments of this sort, the Reformist Left sees globalisation as reversible and amenable to effective reform, even within the system of the market economy—provided enough pressure is exercised ‘from below’ so that the political and economic elites are forced to introduce effective measures to protect labour and the environment.
So, the Reformist Left approach differs from the social-liberal approach, not only in assuming that globalisation is not a new phenomenon, but also in rejecting globalisation because of its adverse effects on labour and the environment and on democracy itself. The explicit—or sometimes implicit—assumption shared by analysts in the Reformist Left is that a return to some kind of statism is still possible, since the present globalisation of markets is simply seen as the product of neoliberal policies, (if not merely an ideology to justify neoliberalism), and not the outcome of a fundamental structural change. Thus, Bourdieu again, starting with the assumption that neoliberalism is a utopia, which was imposed mainly by the American elite, concludes that we have to turn to ‘the nation-state, or better yet the supranational state - a European state on the way toward a world state - capable of effectively controlling and taxing the profits earned in the financial markets and, above all, of counteracting the destructive impact that the latter have on the labour market’. In the same problematique, globalisation is seen ‘more as a political imperative than an economic fact’, a policy aiming to extend to the world as a whole the American economic model.

A similar position is adopted by others in the Reformist Left, like Leo Panitch, Noam Chomsky, Immanuel Wallerstein and others, who also maintain that globalisation is nothing new, representing a kind of neoliberal conspiracy of US origin, whose aim is to promote the interests of US corporate capitalism. Finally, yet another version, supported by socialdemocrats like the LSE professor John Gray, declare the end of globalisation, following the example of Eric Hobsbawm, the doyen of Marxist historians, who, as late as 1998, was still proclaiming the end of neo-liberalism! This time, the argument supporting the case for the supposed end of globalisation is based on the initial slowdown of the US economy following the election of George Bush as US president.

The conclusion shared by everybody in the Reformist Left (and also by the main body of the anti-globalisation ‘movement’), is that pressure ‘from below’ could reverse ‘neoliberal globalisation’, or at least force the social-liberal governments to ‘renegotiate’ its rules, and, in particular, the rules governing the operation of international organisations like the World Trade Organisation — as, for instance, Pierre Bourdieu, Samir Amin and others suggest.

But, is the scenario suggested by the Reformist Left plausible?. Let us see first what the state can do. If we take into account the significant increase in foreign penetration of stock exchange and bond markets that has taken place in the last quarter of a century or so, it becomes obvious that no national government today may follow economic policies that are disapproved of by the capital markets, which have the power to create an intolerable economic pressure on the respective country’s borrowing ability, currency value and investment flows. If we assume, for instance, that a social-democratic party adopts, against the trend, policies to reverse the flexibility of labour markets or, alternatively, more aggressive policies to slow down the greenhouse effect, it may easily be shown that under conditions of free capital mobility, this would lead to a capital flight and a pressure on the respective currency and stock exchange prices, i.e. to developments which could easily lead to a recessionary situation, if not to a full blown economic crisis. It is for these reasons that Mitteran and Jospin in France had to abandon any idea of resorting to the old social democratic policies, while Lafontaine had to be ousted from the German government.
But what about economic blocks? In fact, the situation is not much different with respect to economic blocks. If a block, like the EU, attempts to introduce the kind of policies that were dominant during the social democratic consensus, (e.g. policies to expand the welfare state irrespective of the impact of such policies on inflation) or, alternatively, if it attempts to introduce strict environmental controls, irrespective of their impact on profitability, then, this block faces the immediate risk of a serious capital flight towards the other blocks with severe repercussions on its currency, the Euro, versus the other major currencies. In fact, it may be argued that the main cause of the long-term decline of Euro against the US dollar (despite the present resurgence of the former as a result of deliberate US policy to boost its exports) is exactly the fact that European elites face growing difficulties in further liberalising their markets (e.g. on social security) vis-à-vis the US elite than never faced any significant difficulties on this.

In other words, the process of internationalisation and the present degree of openness implies that social controls on the major market economies have to be homogenised. Since this homogenisation, in a competitive framework, is based on the principle of the ‘least common denominator’ and given the present disparity of social controls in the Triad countries, any idea that the introduction of effective social controls (initiated by the state or the “civil society”) is still feasible becomes nonsensical. Therefore, the ideas currently adopted by some in the Reformist Left that globalisation could be seen as a US attempt to impose its own version of free-market capitalism, which could be resisted by a EU based on a social market, or, (even worse) by a new kind of ‘good’ nationalism, simply reflect the present demoralisation of the Left and its inclination to believe utopian myths.

One may ask at this point, what about the possibility of an international agreement by the Triad countries (the G7 for instance) to impose such effective controls? However, as anyone with a rudimentary knowledge of the historical dynamic of the market economy and the political and economic power structures which resulted from this dynamic can assure, this is just a theoretical possibility. This is because such controls would violently contravene the logic and dynamic of the internationalised market economy and as such would come under the direct and indirect attack of the huge transnational corporations, which control not only the market economies but also the mass media, (on which the promotion of professional politicians crucially depends), and, of course, the sources of financing of their hugely expensive electoral campaigns. Therefore, to demand today to impose social controls on the economic elites in order to protect effectively labour and the environment (beyond regulatory or relatively painless controls on their activities) amounts to demanding to restrict the very dynamic of the system of the market economy itself — a dynamic which crucially depends on the economic health of the economic elites and particularly that of the transnational corporations. On this, liberal, neoliberal and social-liberal economists have always been right when they argued that any effective social controls on markets to protect labour and the environment would necessarily encroach upon economic efficiency (as presently defined) and therefore on the profitability and the incomes and wealth of the economic elites.

It is therefore obvious that the general shift to the Right, which has marked the neoliberal form of modernity, had induced many in the Left to move towards the position once occupied by the old socialdemocrats — who have in turn moved to social-liberalism and realistically accepted the non-reversibility of present globalisation. This is not surprising if
one takes into account the fact that an adoption of the systemic nature of present globalisation would have serious political implications. In other words, recognition by the Left of the systemic character of globalisation would put it in a serious dilemma: either to adopt the present globalisation with some qualifications (as social-liberals do) or reject it altogether and challenge the fundamental institution that led to it in the first place, i.e. the system of the market economy itself. It is obvious that today’s demoralised and generally conformist (frequently by way of postmodernism) Left has chosen an intermediate way between these two ‘extremes’ that involves significant reforms of the globalised economy — which, however, are improbable within the system of the market economy. What is ironic indeed is that the Reformist Left justifies the abandonment of any visions for an alternative way of organising the economy (beyond the failed systems of the market economy and the central planning) by an appeal to ‘realism’ when, in fact, its reformist proposals today are much more utopian than the visions of socialist statism it used to promote before the collapse of ‘actually existing socialism’!

But, let us now turn to the ‘intermediate’ approaches to globalisation, i.e. those approaches occupying the space between systemic and non-systemic approaches that are characterised by a mix of systemic and non-systemic elements as well as a significant number of analytical differences in relation to the usual Reformist Left approaches. We may classify here two neo-orthodox Marxist approaches which have been recently developed, i.e. the Transnational Capitalist Class Approach and the ‘Empire’ approach to globalisation, and, finally, the Eco-feminist approaches.

**The Transnational Capitalist Class Approach**

This recent attempt to theorise globalisation from a Marxist viewpoint contains a mix of systemic and non-systemic elements and offers significantly different analytical insights on the matter from those adopted by the Reformist Left. Starting point in this approach is its strong critique of the Reformist Left on the grounds that not only it does not see the obvious fact of the various real processes of globalisation occurring at the moment but it also characterises it, in a preposterous way, as a kind of ideology, if not a myth!

In this sense, the TCC approach takes an important step forward from the usual Marxist or Wallersteinian approaches, which conceive of capitalism as organized primarily through national economies and, as a result, cannot see anything new in today’s internationalisation of the market economy. The TCC approach views globalisation as a new phenomenon, on account of a series of techno-logical, economic, political, and culture-ideology innovations, which began to change the world in the second half of the twentieth century. The primary factor which motivated all these changes — and on this the TCC approach comes close to the ID approach — was the emergence, in the second half of the 20th century, of the Transnational Corporations (TNCs), which differ radically from firms in the past. It was this development which led to the present emergence of a "transnational capitalist class" which is composed of corporate executives, globalising bureaucrats and politicians, globalising professionals, and consumerist elites. This new class is beginning to act as a transnational dominant class in two important spheres in which it perceives two central crises to be developing:

- the simultaneous creation of increasing poverty and increasing wealth and
- the unsustainability of the system.
In fact, these two spheres are also the ones identified by the Inclusive Democracy (ID) approach as the main components of the present multi-dimensional crisis, i.e. the growing concentration of income and wealth within and between societies that we mentioned and the ecological crisis — a crisis, which has worsened significantly in the last half century or so given that the ideology binding together the new form of the market economy is consumerism (a derivative of the growth ideology).

There are two basic criticisms that can be raised against the globalisation conception of the TCC approach.

The first criticism refers to the fact that this approach gives the impression that the new transnational capitalist class is the cause of the present globalisation whereas, in fact, it is only the effect of this process. In other words, as we shall see next, it was the dynamics of the market economy which had led to the emergence of TNCs and, consequently, to the emergence of a new transnational economic elite that institutionalised the present internationalised market economy and the neoliberal form of modernity and not vice versa. In exactly the same way, it was the dynamics of ‘nationalising’ the markets and the parallel Industrial Revolution, which had led to the emergence of a new economic elite that institutionalised the market economy and the liberal form of modernity.

The second criticism refers to the TCC approach’ s conception of class which is a contradictory hybrid of the Marxist class conception and Bourdieu’s taxonomy of various forms of ‘capital’: money capital, political capital, organisational capital, cultural and knowledge capital. To my mind, although this taxonomy may be useful to those who do not wish to abandon the Marxist concepts altogether, (even if in the process they make them unrecognisable and therefore irrelevant to their original meaning), it leads to contradictory conclusions if it is used, as by this approach, in order to define, in effect, the various forms of power in today’s society.

On the other hand, all these categories could easily be accommodated within the concept of a "transnational elite" that we would prefer. We may define the ‘transnational elite’ as the elite which draws its power (economic, political or generally social power) by operating at the transnational level — a fact which implies that it does not express, solely or even primarily, the interests of a particular nation-state. The transnational elite consists of:

- the transnational economic elites (TNC executives and their local affiliates), which play the dominant role within the ruling elite of the internationalised market economy given the predominance of the economic element in it
- the transnational political elites, i.e. the globalising bureaucrats and politicians, who may be based either in major international organisations or in the state machines of the main market economies, and
- the transnational professional elites, whose members play a dominant role in the various international foundations, think tanks, research departments of major international universities, the mass media etc.

It is an elite, because its members possess a dominant position within society because of their economic, political or broader social power.
It is a *transnational* elite, because its members, unlike the national elites, see that the best way to secure their privileged position in society is not by ensuring the reproduction of any real or imagined nation-state but, instead, by securing the worldwide reproduction of the system of market economy and representative ‘democracy’ (rather than simply by promoting the interests of global capital as the TCC approach maintains). This is because this new transnational elite sees its interests in terms of the international markets rather than the national markets. Still, not only the transnational elites do not hesitate to utilise the power of particular states to achieve their aims (even more so when this state happens to be today’s hegemonic power) but in fact they have to rely on the state machines of the major market economies to achieve their aims.

The existence of such a transnational elite is not simply theorised. In fact, the evidence is growing about the existence of such a transnational elite which expedites the globalisation process by facilitating the institutional arrangements required for its smooth functioning. Few, for instance, are aware of the *European Round Table of industrialists* (ERT), an alliance of the chief executives of Europe’s largest companies, which has in fact formulated the main policies adopted by the European Commission that ‘globalised’ the EU: the Single European Act, which opened and liberalised markets all over the EU, and the EU enlargement plan which required new entrants to deregulate and privatise their economies and invest massively in infrastructure designed for long-distance freight.\(^{[31]}\) Furthermore, the European transnational economic elite, as expressed by ERT, in coordination with a similar American transnational elite, the *Transatlantic Economic Partnership* (TEP), have been preparing, since 1995, a single market that would include a greatly enlarged and liberalised European market and a similarly enlarged and liberalised American (North and South) market. An important step in this direction is the process, which aims to extend the North American Free Trade Agreement (NAFTA) to the entire hemisphere, which has already led to the Declaration of Quebec (April 2001) that envisages the creation of the world’s largest free trade zone by 2005. Finally, the *GATS* process (which aims to extend the General Agreement on Trade in Services) that is currently under discussion in the World Trade Organisation provides another opportunity for the transnational elite to institutionalise its role and a plan is being discussed at the moment to create an international agency with veto power over parliamentary decisions with a Gats Disputes Panel determining whether a law or regulation is ‘more burdensome than necessary’.\(^{[32]}\)

It seems therefore that the transnational elite is already in the process of institutionalising its transnational role. The immediate aim is to pull down the "regulatory barriers" impeding the free exchange of goods and services, initially between Europe and America, and then between this huge trading block and the rest of the world, which will be forced to accept the terms of trade of this block. The ultimate aim is the formation of a vast single deregulated market, controlled by multinational companies, in which social controls over markets to protect labour or the environment will be minimised. So, although it is true that no formal arrangements have yet been set in place to institutionalise *political globalisation*, it could be argued that an informal form of political globalisation has already been initiated by the ‘transnational elite’, a globalisation which is implemented at present through international economic institutions (e.g. WTO) and political/military ones (e.g. NATO). The cases we already mentioned, as regards the former, and the two wars which were induced by the new transnational elite in the 1990s (i.e. the Gulf war\(^{[33]}\) and the war in Kosovo\(^{[34]}\) —followed by the “war” against terrorism\(^{[35]}\) and the invasion and
occupation of Iraq — as regards the latter, are obvious examples.

It seems that the present informal system of political globalisation suits better the transnational elite for several reasons that may include:

- the persistent importance of national identities, despite (or because) of the cultural homogenisation forced by globalisation;
- the need to keep the semblance of a well functioning representative ‘democracy’ in which local elites are supposedly still capable of effective decision-taking;
- the need to provide safety nets for the provision of minimal social services to the destitute, through local safety nets organised by the state; and last, but not least,
- the need to delegate to the nation-states a significant amount of the monopoly of violence so that they are capable of controlling the movement of labour and generally controlling the population, so that the free flow of capital and commodities is not impeded in any way.

Therefore, the continuous existence of fierce divisions between and within political and economic elites does not preclude the existence of an overriding common aim, which unites the various elites constituting the transnational elite: to secure the uninterrupted flow of capital and commodities across frontiers and to eliminate any obstacles imposed to this flow by peripheral elites (e.g. ‘rogue’ states) on account of political, economic or military considerations.

**The "Empire" approach to globalisation**

A very interesting element of the TCC approach, shared also by another recently developed approach by Toni Negri and Michael Hardt, is that, although both adopt a completely different analytical framework from that of the Reformist Left on the nature of globalisation, they end up with similar reformist conclusions! Thus, in contrast to the Reformist Left approaches which assume that the present neoliberal globalization is a plot if not a myth which is anyway reversible even within the system of the market economy, both these two neo-orthodox Marxist approaches assume that globalisation is a real, new and non-reversible phenomenon.

In fact, Hardt and Negri take a step further and not only assume that globalisation is irreversible but also view it favourably, as an ‘objective’ basis on which an alternative globalisation could be built (although the meaning of this alternative globalisation is never spelled out). Still, the demands proposed by the various trends in the Left (reformist or Marxist) are very similar, most of them assuming a return to a kind of international statism to control globalisation that would secure free labour movement (the ‘right to global citizenship’), the right to a social wage and a guaranteed minimum income for all, as well as free access to and control over knowledge, information (the ‘right to reappropriation’).

For Hardt & Negri, capital, faced with a crisis of its ability ‘to master its conflictual relationship with labour through a social and political dialectic’, resorted to a double attack against labour: first, a direct campaign against corporatism and collective bargaining and second a reorganisation of the workplace through automation and computerisation, thereby actually excluding labour itself from the side of production.
that Hardt and Negri make is that ‘the neoliberalism of the 1980s constituted ‘a revolution from above’. This ‘revolution’, as they stress in Empire,[41] was motivated by the accumulation of the proletarian struggles that functioned as the ‘motor for the crisis’ of the 1970s, which in turn was part of the objective and inevitable cycles of capitalist accumulation. The conclusion that Hardt and Negri draw, which is also the main point of the Empire, is that contemporary globalization (which they term Empire) establishes no territorial center of power and does not rely on fixed boundaries and barriers. It is a decentered and deterritorializing apparatus of rule that progressively incorporates the entire global realm within its open, expanding frontiers. As such, it should be welcomed because it is capital’s latest concession to the force of insurgent subjectivity and it contains the seeds of an alternative (communist) globalization. Our political task, they argue, is not simply to resist these processes but to reorganize them and redirect them toward new ends.

The interesting aspect of this analysis --that is mainly based on unfounded assertions about the nature of the welfare state (which they assume still exists in neoliberal modernity ignoring the fact that it is being replaced everywhere by a ‘safety net’) and a confused as well as contradictory analysis of neoliberal globalisation -- is that, as mentioned above, it also ends up (like the reformist Left approaches as well as the TCC approach) with reformist demands and no clear vision for a future society.

This observation notwithstanding, the fact that neoliberal globalisation is neither a plot nor irreversible within the market economy system does not of course mean that it should be welcome, as Hardt and Negri do, because it supposedly provides an ‘objective’ basis on which an alternative globalisation could be built — reminding one of the usual ‘objectivist’ type of analysis about the ‘necessary evils’ supposedly created by the process of Progress. As pointed out elsewhere,[42] the adoption of the idea of Progress (shared by very few nowadays) implies also the endorsement of such ‘progressive’ conclusions as the Marxist one about the ‘progressive' role of colonialism,[43], or the corresponding anarchist one that the state is a 'socially necessary evil'.[44] On the other hand, if we adopt the view that there is no unilinear or dialectical process of Progress and a corresponding evolutionary process towards forms of social organisation grounded on autonomy and we assume, instead, that the historical attempts for autonomy/democracy represent a break with the past, then, forms of social change like colonialism and the institution of the state can be seen as just 'social evils', with nothing 'necessary' about them, either as regards their emergence in the past, or the form that social change has taken since, or will take in the future.

The same applies to neoliberal globalisation which has nothing ‘necessary’ about it, as it is simply the inevitable outcome of an initial choice imposed on society by economic and political elites: the choice for a market economy and representative ‘democracy’. Furthermore, neoliberal globalisation on no account can be the ‘objective basis’ for a new democratic society. Such a society should, instead, unravel what passes for political and economic democracy today and create genuine democratic institutions that will hardly have any relationship to the present supposedly democratic institutions. In other words, if by a democratic society we mean a new society based on the equal distribution of power (and it can have no other meaning!), like the type of society envisaged by the ID project, then, the move towards such a society could only represent a break with the past and not an evolutionary process. In this sense, the present neoliberal globalisation is far from the objective basis for such a society!
**The Eco-feminist approach to globalisation**

Another intermediate approach is ecofeminism, supporters of which, like Maria Mies & Veronica Bennholdt-Thomsen, have lately developed an analytical framework to interpret globalisation. Ecofeminists propose as a way out of the crisis a new system that would combine, in a highly utopian way, the fundamental institutions of the present system with *subsistence economics* and politics in a way that would reverse the present state of affairs in which commodity production has priority over subsistence production, and the market (money) economy is subsidised by subsistence production, Thus, for ecofeminists the market economy and subsistence economics are not contradictory, since, as they point out, ‘there have been and still are countless different kinds of exchange relationship, both outside the market altogether and in conjunction with the modern market economy’. However, the fact is that many of the subsistence activities disappear all around the world today, with farmers becoming farm workers in agribusiness, or abandoning their farms altogether unable to survive as subsistence farmers in the hostile environment of the internationalised market economy whereas women enter the production process en masse and often hire the services of other women to do their work at home (bringing about, in the process, a corresponding increase in the GDP!).

The basic criticism that could be raised against this approach is that it fails to see the simple fact that the grow-or-die dynamics of the market economy would never allow the peaceful coexistence of *subsistence and the market*, as they imagine. Their strategy consists of an attempt to reform the present system through various subsistence activities i.e. life-style activities and communes in the North, or subsistence activities in the South, despite the fact the former are usually marginalised whereas the latter are mainly the remnants of the premodern society that are gradually being phased out under the pressure of the internationalised market economy. It is for this reason that, to my mind, such a strategy has neither the potential to change society in the way suggested by ecofeminists, nor is it possible to create an anti-systemic consciousness, as it does not challenge the main institutions of the present system.

**The Inclusive Democracy approach to globalisation**

Finally, let us come to the Inclusive Democracy (ID) approach whose starting point is that the world, at the beginning of the new millennium, faces a multi-dimensional crisis (economic, ecological, social, cultural and political) which is caused by the concentration of power in the hands of various elites, as a result of the establishment, in the last couple of centuries, of the system of market economy, representative ‘democracy’ and the related forms of hierarchical structures. If we accept this premise, then, an inclusive democracy, which involves the equal distribution of power at all levels, is seen not as a utopia (in the negative sense of the word) but as perhaps the only way out of the present crisis.

The ID approach explicitly assumes that it is the *grow-or-die dynamics* of the market economy system that inevitably led to its present neoliberal globalised form. This means that globalisation is assumed to be irreversible, as no effective controls over markets to protect labour and the environment are feasible within the system of the internationalised market economy. Thus, according to the ID approach, the arrangements adopted in the
post-war period in order to open and liberalise the markets, mostly, institutionalised (rather than created) the present form of the internationalised market economy. In other words, it was the market economy’s dynamic and, in particular, the emergence and continuous expansion of transnational corporations’ (TNC) and the parallel development of the Euro-dollar market, which led to its internationalised form today. In fact, the opening and liberalising of markets was simply part of a historical trend (which has been set in motion by the elites controlling the market economy since its establishment) to minimise social controls over markets and particularly those aiming to protect labour and the environment that interfered with economic ‘efficiency’ and profitability.

Thus, as regards first the institutionalisation of the opening of markets, commodity markets were in a process of continuous opening throughout the period following the second world war both at the planetary level (GATT rounds of tariff reductions so that TNCs could easily move commodities among their subsidiaries) and the regional level (European Economic Community [EEC], European Free Trade Association [EFTA], North American Free Trade Agreement [NAFTA], Southern Cone Common Market [MERCOSUR], the Association of Southeast Asian Nations [ASEAN] Asia-Pacific Economic Co-operation [APEC] in Asia and the Pacific and so on). Also, capital markets, which were in a process of informal opening throughout the 1970s, were formally opened in Britain and the USA at the end of the decade when capital and exchange controls were abolished, followed by the rest of the world in the 1980s and the 1990s.

The institutional arrangements to liberalise markets included:

- The setting up of international rules by the WTO (which succeeded the GATT) that would make trade as free as possible, through the minimisation of the ability of national governments to impose effective controls to protect labour and the environment.
- The world-wide institutionalisation of flexible labour markets, so that the cost of production is minimised making the movement of investment capital as profitable as possible.
- The privatisation of state enterprises, which not only ‘liberated’ more sectors of economic activity from, effectively, any form of social control but also gave the opportunity to TNCs to expand their activities in new areas.
- The drastic shrinking of the welfare state, so that, on the one hand, the expansion of the private sector in social services can be facilitated and, on the other, a drastic reduction of the tax burden on the economic elites is made possible.
The arrangements to liberalise the markets constitute the essence of what has been called ‘neoliberalism’/‘neoliberal policies’—in effect, also a misnomer, since such policies have been introduced worldwide by governments of all persuasions, not only of the ‘Right’ (Reagan, the Bush family, Thatcher et al) but also of the ‘Left’ (what we call social-liberal) in Europe, Australasia etc. It is therefore clear that these policies reflect the structural changes of the market economy and the corresponding business requirements of late modernity; in this sense, they are ‘systemic’ or endogenous policies necessitated by the dynamics of the market economy. In fact, the neoliberal policies initiated by the economic elites of late modernity to liberalise the newly opened international markets simply repeated a similar process that was initiated by the economic elites of early modernity, (at the beginning of the 19th century), to liberalise the ‘national’ markets, which had emerged at the end of the 18th century.

In the ID problematique, to see the systemic nature of today’s internationalisation of the market economy we have to go back to the nineteenth century, when the first attempt for an internationalised market economy was made. The establishment of modern society involved the institutionalisation of the separation of society from the economy through the market economy system and the parallel institutionalisation of the separation of society from polity through representative ‘democracy’. Once the market economy system was established, a long social struggle began that raged for over a hundred and fifty years, from the Industrial Revolution up to the last quarter of the twentieth century, between those controlling the market economy, i.e. the capitalist elite controlling production and distribution, and the rest of society. Those controlling the market economy (with the support of other social groups which were benefiting by the new institutional framework) aimed at marketising labour and land as much as possible, that is, at minimising all social controls aiming at protecting labour and land, so that their free flow, at a minimal cost, could be secured. On the other hand, those at the other end, and particularly the working class that was growing during this period, aimed at maximising social controls on labour that is, at maximising society’s self-protection against the perils of the market economy, especially unemployment and poverty.

Thus, the outcome of this social struggle led first to the liberal form of modernity in the 19th century, which barely lasted half a century between the 1830s and the 1880s, and which, after a relatively brief intermission in the form of statist modernity in the twentieth century, was succeeded in the mid 1970s by today’s neoliberal form of it. During the liberal form of modernity, the grow-or-die dynamic of the market economy led to an increasing internationalisation of the market economy, which was accompanied by the first systematic attempt of the economic elites to establish a purely liberal internationalised market economy in the sense of free trade, a ‘flexible’ labour market and a fixed exchange rates system (Gold Standard). But, this first attempt for internationalisation inevitably failed given that the economic elites at that time were purely national, unlike the present situation in which a transnational economic elite has emerged—a necessary condition for the development of a truly internationalised market economy.

So, after a transitional period of protectionism, the liberal form of modernity was succeeded, with the decisive help of the socialist movement, by the statist form of modernity, which took the form of social democracy in the West and Soviet statism in the East. The statist form of modernity was characterised by a systematic attempt to
eliminate the market-based allocation of resources in the East, and a parallel attempt to introduce significant controls over markets to protect labour in the West. But, for reasons that we expanded elsewhere\textsuperscript{[56]}, both forms of statist modernity collapsed. The Western form of statist modernity in particular collapsed because of the fundamental incompatibility between the requirements of a growing statism and the parallel accelerating internationalisation of the market economy.\textsuperscript{[57]} In particular, the growing openness of the commodity and capital markets and the corresponding change in business requirements, on the one hand, and the parallel decimation of the working class as a result of de-industrialisation and technological changes, on the other, led to the rise of the neoliberal movement and the parallel effective dissolution of the labour movement. These two events were the catalysts for the present structural change.

Therefore, in the ID problematique, the emergence of what we call the \textit{neoliberal form of modernity}, i.e. the present internationalised market economy is basically the outcome of this dynamic process and not the result of conspiracies, or of the policies of evil neoliberal parties and/or degraded socialdemocratic parties, as non-systemic analysts in the Left assert. This monumental event, at the political level, implied the end of the social democratic consensus that marked the early post war period, which was replaced by the present neoliberal consensus, i.e. the consensus involving both centre-Left and centre-Right governments which are committed to follow the type of policies we described.

The main aim of the transnational economic elite, which emerged in the post war period and today controls the internationalised market economy is, and has always been, the maximisation of the role of the market and the minimisation of any effective social controls over it for the protection of labour or the environment, so that maximum ‘efficiency’ (defined in narrow techno-economic terms) and profitability may be secured. Of course, this does not mean the abolition of all kind of social controls over markets since some of them, like the regulatory controls, are needed for the efficient functioning of the markets, while others (including a minimal level of social protection and welfare provided by the various safety nets for the destitute) are needed to reduce the effects of the economic crisis in terms of the growing \textit{concentration} that globalisation implies.

Furthermore, the transnational economic elite, realising the significance of the \textit{ecological crisis} but at the same time not wishing to antagonise those parts of it which thrive in eco-destructive activities (e.g. the oil industry) attempts to find a compromise in terms of a strategy for a ‘\textit{sustainable development}’, like the one promoted by Green politicians and organisations (Greenpeace, Friends of the Earth etc), which are directly or indirectly sponsored by TNCs\textsuperscript{[58]}. All this, despite the obvious fact that a ‘sustainable development’ within the existing system of the internationalised market economy is a contradiction in terms, as Latouche pointed out.\textsuperscript{[59]} The case of Bush’s administration withdrawal from the Kyoto treaty (induced by the oil industries which sponsored his election to Presidency\textsuperscript{[60]}) is an obvious example. It seems that despite the moderate and, in fact, utterly insufficient targets of the Kyoto treaty, the balance in it favoured those members of the transnational elite which express the interests of the insurance, tourist and agricultural industries (which, for obvious reasons, are particularly concerned about the effects of the greenhouse effect), at the expense of the oil industry members. It was this imbalance that prompted the Bush administration to attempt to restore the balance, despite the obvious adverse effects on world environment.
Therefore, the present neoliberal form of modernity represents in fact a new synthesis between, on the one hand, the old liberal form of it and, on the other, the statist form—a synthesis in which the essentially liberal self-regulated market is integrated into a system of statist controls to secure a minimum level of protection for labour and the environment. The role of the state with respect to the market today is therefore very different from both that of liberal modernity, when it restricted itself mainly to the role of the night-watchman, as well as that of statist modernity, when it played the role of the guardian angel of society over the markets. In the new synthesis, the state has to secure the stability of the market environment, the enhancement of the ‘supply side’ of the economy (so that competitiveness and ‘efficiency’—i.e. profits—improve) and the survival and control of the marginalized part of the population. All this involves an obvious loss of economic sovereignty that is also reflected in the creation of huge economic blocks, within the context of which the economic role of the individual nation-state is being progressively downgraded in favour of supra-national institutions.

**A new Democratic World Order**

The last question raised by globalisation is, assuming that it is a systemic problem, as we tried to show, is there any alternative internationalisation that we may envisage? In other words, an internationalisation that, being outside the present institutional framework that has created this crisis in the first place, will also constitute the way out of the present multidimensional crisis.

To my mind, an alternative globalisation involves nothing less than the creation of a New World Order, which is based on really democratic structures, on what we call an inclusive democracy. This New World Order should be a form of social organisation that re-integrates society with economy, polity and nature within an institutional framework that secures the necessary conditions for the equal distribution of all forms of power, i.e.

- **political democracy**, which can only be a direct one,
- **economic democracy**, which extends beyond the confines of the market economy and state planning,
- **democracy in the social realm**, where all public realm institutions in which collective decisions can be taken (e.g. workplaces, educational places, cultural institutions et.c) are self-governed under an overall social control exercised directly by society, whereas personal relations are based on a value system that is compatible with the overall democratic institutions of society, i.e. a value system based on the principles of individual and social autonomy and solidarity that rules out any form of domination based on sex, race, ethnicity and cultural differences and, finally,
- **ecological Democracy**, in which the democratic institutional framework and the value system which is compatible with it secure the necessary conditions for the reintegration of society and nature.

The creation of such a new democratic world order will lead to a globalisation which will not be based on the unequal distribution of power and the domination of human being over human being and Nature, as at present, but on the equal distribution of all forms of power between autonomous societies and human beings. It will also be founded on a sustainable economic system which meets the basic needs of the planet’s population, through a
mechanism of allocation of resources, within a planetary confederal plan of allocation of resources, whereas meeting the **non-basic needs** would be determined at the local level, in a way that secures freedom of choice.

In this problematique, the activities of the present anti-globalisation ‘movement’ have no chance of functioning as transitional strategies for systemic change, unless they become an integral part of a programmatic political mass movement for systemic change with its own long-term strategy and short-term programme.[61] At most, the present anti-globalisation movement can function as a kind of "resistance movement" to globalisation and bring about some sort of (easily reversible) reforms.[62] But, it could never bring about a systemic change, since it can not even create the anti-systemic consciousness required for systemic change, given its lack of any concrete vision about the form a future society will take and of a clear strategy and a short-term program to bring it about. In other words, as we see it, the present anti-systemic activities can never become truly anti-systemic outside a comprehensive political program which includes a vision, a strategy and a short-term program that are consistent with it.

Such a new **strategy** would entail the gradual involvement of increasing numbers of people in a new kind of politics and the parallel shifting of economic resources (labour, capital, land) away from the market economy. The aim of such a strategy should be to create changes in the institutional framework, as well as to value systems, which, after a period of tension between the new institutions and the state, would, at some stage, replace the market economy, representative "democracy", and the social paradigm “justifying” them, with an inclusive democracy and a new democratic paradigm respectively. The rationale behind this strategy is that, as systemic change requires a rupture with the past, which extends to both the institutional and the cultural level, such a rupture is only possible through the development of a new political organisation and a new comprehensive political program for systemic change that will create a clear anti-systemic consciousness at a massive scale --rather than at the level of avant gardes, (as in the case of the state socialist movement), or at the level of "our neighbourhood" or "our commune", (as in the case of various libertarian "groupuscules").

However, the creation of a new culture, which has to become hegemonic before an inclusive democracy could be launched, is only possible through the parallel building of new political and economic institutions at a significant social scale. In other words, it is only through action to build such institutions that a massive political movement with a new anti-systemic consciousness can be built. And this is the necessary condition for creating an alternative democratic and sustainable globalisation.-

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* This article is based on the first chapter of Takis Fotopoulos’ book *Globalisation, the Left and Inclusive Democracy* (Athens) 2002.

^ Pantelis Arapoglou, Takis Fotopoulos, Panayotis Koumentakis, Nikos Panagos, John Sargis.
Why an Inclusive Democracy? The multidimensional crisis, globalisation and inclusive democracy, THE EDITORIAL COMMITTEE


[2] By ‘growth economy’ we mean the offspring of the system of the market economy, which was established some two hundred years ago, and whose dynamic has led to its present internationalised form. See for further expansion Takis Fotopoulos, Towards An Inclusive Democracy (London: Cassell, 1997), ch. 2.


[22] Foreign penetration of national central government bond markets in advanced capitalist countries has increased by 50 percent in the last decade (from 10 percent in 1983 to 15 percent in 1989); Hirst and Thompson, Globalization in Question, Table 2.11.


[38] No wonder that this sort of analysis and conclusions are massively promoted by the establishment mass media which are controlled by the transnational elite like the British Observer which characterises ‘Empire’ as the ‘new communist manifesto’ [The Observer (15/7/2001) — see, also, New York Times (20/7/2001)] —and that after all this promotion the book (unlike the original Communist Manifesto) quickly turned into a best-seller!


[41] Michael Hardt & Antonio Negri, Empire, p. 239.


[48] Subsistence production is meant to include all those activities that Ariel Salleh, another ecofeminist, calls the reproduction activities of the ‘meta-industrial class’, i.e. women’s unpaid work at home, subsistence farming, informal sector activities within urban contexts, hunter gathering and indigenous people’s work; see Ariel Salleh, Ecofeminism as politics, Nature, Marx and the Postmodern (London: Zed books, 1997).


[51] An indication of the fast expansion of TNCs is the fact that whereas sales by foreign affiliates of transnationals accounted for 30 per cent of total sales in the early 1970s, this figure has gone up to more than 40 per cent in the 1980s, Basic Facts About the United Nations (UN Dept. of Public Information, 1989), p. 10.
The Euro-dollar market provided a regulation-free environment where US dollars (and later other strong currencies like the yen, mark etc.) could be borrowed and lent free of any US regulatory and tax requirements. The growth of this new market, which simply reflected the growing needs of transactional corporations, was instrumental in the later lifting of exchange and capital controls. This is because the exchange controls of nation-states, particularly those in Britain where the Euro-dollar market originated, were put under severe strain, throughout the 1970s. [For a description of the gradual lifting of capital controls in UK under market pressure see Will Hutton, *The State We’re In* (London: Jonathan Cape, 1995) ch 3].


See, e.g. Ed Vulliamy ‘The President who bought power and sold the world’, *The Observer* (April 1, 2001).


An obvious example is the supposed stopping of MAI (Multilateral Agreement on Investment), hailed by Chomsky and others in the anti-globalisation ‘movement’s a victory against globalising capital when, in fact, the agreement is already being implemented ‘by instalments’, through the ‘back door’ of the IMF and bilateral agreements, at present, (see T. Fotopoulos, ‘Mass media, Culture, and Democracy’, Democracy & Nature, Vol. 5, No. 1, pp. 33-64) and possibly the World Trade Organisation, in the future. Thus, it is already reported that the proposed General Agreement on Trade in Services (Gats) includes a plan to create an international agency with veto power over parliamentary and regulatory decisions on the grounds of economic efficiency (Article VI.4 of Gats), Gregory Palast, ‘Necessity test is mother of Gats intervention: The World Trade Organisation has plans to replace that outmoded political idea: democracy’, The Observer (Sunday April 15, 2001).