progressive. They may even claim to be revolutionary. The key is not in the rhetoric but in the substantive reality of what is being proposed.

The outcome of the political struggle will be in part the result of who is able to mobilize whom, but it will also be in large part the degree to which who is able to analyze better what is going on and what are the real historical alternatives with which we are collectively faced. That is to say, it is a moment at which we need to unify knowledge, imagination, and praxis. Or else we risk saying, a century from now, *plus ça change, plus c'est la même chose.* The outcome is, I insist, intrinsically uncertain, and therefore precisely open to human intervention and creativity.

Mário Murteira

What's new on globalisation? (a critical comment to Immanuel Wallerstein)

Immanuel Wallerstein argues that the current proliferation of analyses on «globalisation», be it in an apologetic tone or a critical one, is not well founded, because there is really nothing «new» in the recent evolution of the capitalist world system, if we look for an interpretation of its long term – say since circa 1500 – trajectory. «Globalisation», then, would be just one ideology, without scientific relevance.

On the other hand, I still agree with Churchill, though with some restrictions, when he said that «The further backward you look, the further forward you can see». And, yet…

Nevertheless, I suspect that any analysis of the present stage of capitalism that ignores «globalisation» as an analytical category – of course, in a sense that is still to be explained – is simply irrelevant if we intend to have an in depth understanding of our present time. Present time, that is, the time we have lived through, the time we have been not only spectators but also living, though anonymous players of the great game of History in one way or another. Schumpeter, possibly, could say that it would be like trying to conceive *Hamlet without the Prince of Denmark*…In fact, that is what he once wrote about a theoretical representation of capitalism without putting the «entrepreneur» into the centre of the picture. I believe something similar could be said nowadays about a intended representation of what capitalism today «really» is, ignoring the current process of globalisation.

So let me explain briefly what I think is «new» and more relevant for an appropriate analysis of the present stage of capitalism.

But firstly, let me quote «The Economist», in its final edition of 1999, when looking back to the century, and remembering many errors of judgement all we simple mortals made about *what was going on* and also *what we thought was going to come*, concluding that *humility*, among other things, is absolutely essential when we try to understand our time.

(But, of course, I concede that it is not easy to be humble and a prophet at the same time!)

Besides, when we compare the world as it was, or as it seemed, say, in the quarter of century after World War Two, and as it became, or seemed, in the final quarter of the XXth century, we probably agree that it was simpler and easier to understand in the first of those two periods. Besides, perhaps we are now intellectually more demanding than twenty or thirty years ago. After all aren't we always maturing a learning process both as individuals, and as mankind?

Yes, I do think too that we are in a *mega transition* of unknown and unpredictable outcome. *No*, I do not think that nothing really *new* in the long-term trajectory of capitalism emerged in the second half of the last century. And more: I believe that an appropriate understanding of the present globalising trajectory of the world system is essential to our perception of what we should consider more relevant in our research matter.

Let me briefly develop my argument on the basis of the following propositions:

1) *Capitalism and market economy are not equivalent concepts*. They only make sense assuming different paradigms or structures of knowledge. But both are, or may be, relevant for analytical purposes.

2) We have entered a new stage of capitalism, sometimes called transnational or post-national capitalism. *I prefer to call it global market capitalism.*

3) *At present, capitalism is developing through a fast process of globalisation.* This self-accelerating and multi-dimensional process gives rise to a disconnection between time and space (Giddens). In this sense, we may say that «geography» (the specific characteristics of a certain «locus») and «history» (the roots of a specific trajectory in past time) become less important conditioning factors of the «present» at each point *hic ed nunc.*

Let me develop, though very briefly, each of these propositions.

1)

Capitalism is a specific economic system, historically developing through different stages. One of its main characteristics since the XVIIIrd century, lies upon its essential and endogenous capacity for «economic development» or «creative destruction», both terms in the Schumpeterian sense. Of course, the simultaneous birth of Economic «Science» and «Modern Economic Growth», in Simon Kuznets' words, was not an accident. The first is Man's emergent consciousness of the second.

Private capital accumulation, profit maximisation, existence of a labour market, are some of the fundamental features of the system. It has been the source of an unequal and accelerated process of world economic growth, without any comparable previous experience in human history.

The so-called market economy is usually understood as an abstract model, elaborated in the framework of a certain paradigm of Economic Theory. The model, if we accept a certain set of hypotheses, has a normative character; that is, it describes not what the market economy «really is» (that is capitalism), but what it could and should be in order to achieve some positive results according to a certain set of values. Since the collapse of the so-called World Socialist System, the market economy paradigm has been accepted everywhere as the only possible normative guide to the transition of the ex-«socialist» countries. It must be remembered that about one fifth of world population, including PRC in that group of countries, is now living in countries «in transition to the market economy».

2)

The analysis of the present stage of capitalism, what we call global market capitalism, must take into consideration the complex articulation of its following dimensions:

a) the mega economy, the most comprehensive dimension, corresponding to the unique and global world market.

b) the macro regional economy, that is, the subset of the world economy, relatively more integrated around a dominant pole, like the European Union, the Asia/Pacific region or America.

c) the macro economy, in the usual sense of Economic Theory, that is, the national economy.

d) the regional (intra-national) economy

e) the «local» economy, that is, the economy of the smaller space unit we consider relevant for analytical purpose.

Globalisation means, among other things, that the mega economy is progressively dominating the functioning of the system at the other levels.

Globalisation also means increasing integration or inter-connection at world level and increasing disintegration at level c) and, in some cases, strong tensions between levels a) and b)

3)

In strictly economic terms, we may say that at present we have a single and increasingly interconnected world economic system where the dominant actors, the Transnational Corporations, look for capital accumulation through transnational strategies. It must be stressed that the development of TNC is no longer only a case for more developed countries and big companies, but a general trend. In Portugal, for instance, we notice a fast growth in the number of Portuguese firms and business groups investing abroad since the second half of the nineties – that is, at the mega level, in the sense we mentioned above.

These strategies combine different, although interdependent, vectors: a transnational production function, a global finance function, a global marketing function, a global information and communication function.

Of course, fast developing new technologies, particularly in the field of automation and, above all, in information and communication, play a determinant role in the current process of globalisation.

The so-called «New Economy» as well as the *knowledge-based economy* are emergent concepts related to the analysis of some recent developments within the global market economy.

To conclude these remarks, I believe that at least the technological and the financial dimensions of the current globalisation of capitalism are fundamentally «new». And I suspect that the *cultural* consequences of that process are «new» too: possibly it is at that level that the hegemonic power of the USA is stronger and will be more influential from a long term perspective.

Furthermore, I also think that Charles Handy is probably right when he says that we live in the «Age of Unreason», in the sense that our reason is based upon past experience, and the present is becoming more and more similar to some «future», we do not know yet, but where we are going, and more different of the «past», from where we come. That is also a possible cause of our difficulties when we try to separate the «new» and the «old» in our perception of mankind's uncertain path to the future.

Immanuel Wallerstein

Reply

I can be brief. Of course, there's something new in the world-economy today. There's always something new. The crucial thing is always to discern how fundamental are these «new» phenomena, and the degree to which their seeming newness is merely a function of our neglecting similar processes in the past.

My argument is basically very simple. Most of the so-called «new» phenomena listed under «globalization,» including those which Mario Murteira has mentioned, seem to me simply intensifications of very old processes in the capitalist world-economy. I shall not repeat the arguments of my original article.

On the other hand, I think there are terribly new phenomena, which are *not* discussed under the heading of the «globalization.» These are the structural constraints on the further development of the capitalist world-economy, resulting from the approach of systemic curves to asymptotes. I identified three of these constraints: globally rising wage rates because of deruralization, globally rising costs of basic inputs due to ecological exhaustion, and globally rising tax rates due to «democratization» which has led to steadily rising popular demands for education, health care, and lifetime income guarantees. The net result of this is a global profit squeeze, which shall grow increasingly severe in the next 25 years.

When this global profit squeeze is concurrent with the delegitimation of state structures, *not* because of the strength of megacapitalist enterprises but because of popular disillusionment in the prospects of gradual reformism at a moment of increasing polarization of the world-economy, the result is a time of troubles for the system, pointing towards a bifurcation with an uncertain outcome. If we wish to navigate this difficult period and maximize the possibility of a positive rather than a negative outcome, we must shed the blinkers that the rhetoric of globalization is imposing upon us and is meant to impose on us. Mrs. Thatcher's slogan, «there is no alternative,» is absolutely wrong. There is nothing but alternatives. The present system cannot continue along its present lines. It shall collapse. What is unsure is what will replace it. The preachers of globalization are pushing for a replacement system that will be the same or worse than the present one. We must be clear what is happening, and we must analyze the historical choices before us. Only then will we have a chance.