In a memorable passage of the *Communist Manifesto*, Marx and Engels envisioned both the past and the near future as a history of ceaseless class struggle. But just as today the *Manifesto* is invoked for its perceptive critical analysis of a momentous conjuncture rather than for the class struggle scenario it projects, so these two books by David Harvey and Patrick Bond stand out primarily because of the descriptive force and theoretical sophistication with which they address some fundamental aspects of global capitalism today.

Harking back to the apocalyptic tone of the *Manifesto*, Harvey opens his brief history of neoliberalism with what he deems a “revolutionary turning point [1978–80] in the world’s social and economic history” (2005: 1). The ascendancy of Margaret Thatcher in the UK, Ronald Reagan and newly appointed Fed-chair Paul Volcker in the US, but, importantly, also of Deng Xiaoping in China, created in Harvey’s view nothing less than ‘revolutionary epicenters’ that gradually turned a minority ideology into hegemonic discourse and practice.

Harvey’s declared goal—to chart the evolution of the post-Hayekian ‘liberal creed’ into the ruling orthodoxy of our times—leads him to privilege the political-economic aspect of neoliberal hegemony. The story on this level is simple enough: In the wake of World War II, the historic compromise of ‘embedded liberalism’ achieved by welfare states in the West led to the internalization and containment of class tensions. However, by the 1970s the crisis of capital accumulation had begun to undermine this delicate balance, and the potential political threats (e.g., emergent socialist alternatives) exacerbated the situation for the power elites. It is to these twin crises that Harvey traces back his crucial Polanyian distinction between the theory and practice of neoliberalism. The central argument of the book is that the ‘utopian project’ of re-organizing global capitalism in terms of a neoliberal agenda is merely the ideological smoke-screen for neo-liberalism in practice, which is less liberal, let alone new, than it is professed to be. It, in fact, amounts to a restoration of class power and is subservient to the interests of a
new economic elite, though restoration should not be taken
stricto sensu, insofar as an emergent 'transnational capitalist class' provides access and opportunities for new members too.

However vaguely defined, the hegemonic influence of this class amounts to nothing short of a "revolution accomplished by democratic means" (Harvey 2005: 39). Through corporations, the media, and the various institutions of civil society, the mantras of neo-liberalism have been naturalized into something like Gramscian 'common sense'. One powerful ideological tool in this process has been the valorization of individual freedoms, conflated with the utopia of a free and unregulated market. The ideal of individual freedom has served as the ultimate argument against state intervention and regulation, which required the construction and sustaining of a "neoliberal market-based populist culture of differentiated consumerism and individual libertarianism" (ibid.: 42). Hence, "any political movement that holds individual freedoms to be sacrosanct is vulnerable to incorporation into the neoliberal fold," unless it is complemented by struggle for social justice (ibid.: 41).

Harvey also stresses the fundamental importance of institutional analysis on a more macrostructural level. Indeed, without considering the coercive and regulatory apparatuses of the state—circumscribed, needless to add, by such agencies of global governmentality as the Bretton Woods institutions—we cannot adequately understand the apparent 'success' of neo-liberalism. Harvey's line is not that surprising (after all, this is a familiar story that runs from, say, Polanyi to Stiglitz), but it illustrates well the argument about the discrepancy between theory (i.e., ideology) and actual practice. In practice, "the drive to restore class power twists and in some respects even reverses neoliberal theory" (Harvey 2005: 70).

Again, his analysis remains on a rather general level, although Harvey subsequently touches on the "frictional problems of transition" (2005: 71) faced by developmental states, and also discusses "uneven geographical developments" (Mexico, Argentina, South Korea, Sweden) and "neoliberalism 'with Chinese characteristics'." Still, given the brevity and summary nature of these case studies—which draw extensively on secondary sources—what primarily stands out is the synthesizing acumen of Harvey's theoretical observations. After rehearsing some of the main contradictions of the neo-liberal state (the resurgence of nationalism as a means to ensure citizen loyalty, authoritarian market enforcement, the tensions between global governance and deregulation, competition and monopoly), Harvey concludes that the rise of neo-conservatism should be seen as an inevitable consequence of the negative freedoms and social incoherence unleashed by commodification. Moreover, "neo-conservatism appears as a mere stripping away of the veil of authoritarianism [sic—clearly he means the opposite] in which neoliberalism sought to envelop itself" (ibid.: 82), which entails a (re)turn to more coercive practices of militarization and imperial domination, legitimized through moral values. This line continues the analysis already begun at the end of The new imperialism (2003), but Harvey falls short of a more sustained critical engagement here (cf. note 4).

Because neo-liberalism—far from solving the systemic contradictions of capital accumulation—merely shifts, displaces, and stalls them, its main achievement is not the generation, but rather the redistribution of wealth, which is reflected in the abysmal growth figures in the 1980s and 1990s (Harvey 2005: 154). For all the unevenness and variation neo-liberalism exhibits worldwide, Harvey identifies a "universal tendency to increase social inequality and to expose the least fortunate elements in any society" (ibid.: 118). Thus, the growing tension between sustaining capitalism and restoring class power leads him to reiterate his thesis, first formulated in The new imperialism, about 'accumulation by dispossession', which heavily depends on the state "with its monopoly of violence and definitions of legality" (ibid.: 159).

'Freedom's prospects', in Harvey's view are far from encouraging. Accumulation by dispossession may well trigger a "turn to a universalistic rhetoric of human rights, dignity, sustainable ecological practices, environmental rights, and the like, as the basis for a unified oppositional politics" (2005: 178). Nevertheless, he claims, the
objectives of such moralizing rhetoric are rather limited and can easily be co-opted, though an enforcement of such ‘derivative rights’ may challenge the primacy of the rights of private property and the profit rate, which underpin neoliberalism. Besides, the bleak alternative to this would be the further consolidation of neo-conservative authoritarianism, and a possible catastrophic transition to a new hegemonic structure, already foreshadowed in Harvey’s previous book.

The concept of hegemony looms large throughout the book, though it inevitably signals the partiality of Harvey’s insightful analysis. While his succinct and lucid discussion of the political economy of neo-liberal globalism is truly rewarding, he does not seem to address all the complexities of hegemonic formation, even though an entire chapter is supposedly devoted to ‘the construction of consent’. Indeed, at times culture is relegated to the loosely defined function of ‘contextual conditions’ and ‘collective traditions’ (2005: 116f.), which are invoked to explain differences between South Korea and Sweden, the US and Mexico, and so on.

The conceptual stretching of hegemony to encompass states and world economy may also potentially result in a confusion of levels. If the hegemonic discourse, as well as practice, of neoliberal capitalism is indeed as pervasive as Harvey implies, we cannot help feeling that the complex linkages with the somewhat different usage of hegemony in inter-state relations are left undertheorized. In particular, Harvey seems to posit a seamless passage from the 1990s neo-liberalism to the rise of the neo-cons in the Bush era, as if the imperial ambitions of the US did not in fact point into a slightly different direction. As Arrighi argues in his critique of The new imperialism this is in fact a tendency toward dominance without hegemony and even the premature end of globalization, at least in its hegemonic form (2005: 49, 62). What this means, then, is that critical analysis should not only unmask the ‘failed utopian rhetoric’ that legitimizes the restoration of class power, but it should also aim at a more detailed understanding of the sea change in the current geopolitical constellation.

In this respect, Patrick Bond’s Against the global apartheid, a book less ambitious in scope than A brief history of neoliberalism, achieves more depth in describing the effects of neo-liberalism by concentrating on the case of post-apartheid South Africa. There we get a somewhat more grounded analysis of neo-liberal capitalism, which successfully integrates the peculiarities of the case with a more general discussion of political economy. Still, because the author is a former disciple of Harvey’s, we should not be surprised by the similarities in their theoretical frameworks and the recurrent familiarity of some basic tenets.5

In the first part of his book, Bond adopts a global perspective and argues that in the context of a worldwide economic crisis, capital responds to the problem of overaccumulation by shifting and stalling it (i.e., what Harvey would call the ‘spatio-temporal fix’). The rest of the book promises a detailed analysis of such techniques of crisis displacement, as well as the forms of resistance they elicit from marginalized masses. Many points made by Bond may be familiar from other studies of globalization, but the impressive array of factual evidence he marshals to support his argument is certainly compelling. Thus, we learn, for instance, that by the end of the 1980s, the net South-North transfer had grown to USD 50 billion per year, while the foreign debt of developing countries rose from USD 1.3 trillion in the early 1980s to USD 2 trillion in 1997, which simply means that the burden of repaying loans to commercial banks has been shifted “not only to Northern taxpayers but also to Third World citizens” (Bond 2003: 21).6 The amount and distribution of FDI (foreign direct investment) also reflects the uneven development of global capitalism, for Africa’s share of investment by transnational companies dwindled from 25 percent in the 1970s to less than 5 percent two decades later (ibid.: 16).

Southern Africa is “probably the world’s most extreme site of uneven capitalist development” (Bond 2003: 31), and the author dedicates an entire chapter to what he calls ‘Bretton Woods bankruptcies’ in the region. Following a brief historical account of the International Monetary Fund and the World Bank—which he regards
as embryonic institutions of an emergent world-state—Bond dwells extensively on how they enforce economically profligate and socially harmful ventures, such as the Kariba dam project in Zimbabwe or the Lesotho Highlands Water Project in South Africa. But the peculiarity of post-apartheid South Africa lies in the fact that the Bretton Woods institutions did not impose structural adjustment reforms and austerity measures so much as provided policy advice for the new elite acceded to power after 1994. In fact, IMF advisers had already played a key role in the late 1980s shift to neo-liberalism, which suggests that, apart from an initial two-year period, the African National Congress leadership took for granted a certain degree of continuity in economic policy, believing that the legitimacy conferred by the IMF was a prerequisite of having access to international financial markets.

This swift neo-liberal turn of the ANC, a former national-popular resistance movement, is one of the central puzzles of the book, which Bond also deals with in more detail elsewhere (see Bond 2000). In the light of this transformation, the recent efforts of South African President Thabo Mbeki to reform the embryonic world-state system and alleviate the plight of sub-Saharan Africa are at best questionable, because he seems to be oblivious to the uneven development of regions around the world and the systemic nature of capital accumulation and crisis displacement techniques. Mbeki, argues Bond, has in fact “backpedaled” from dependency theory to the naive stage theory of modernization once propagated by the likes of Walt Rostow (2003: 121). When a chapter tellingly entitled “Pretoria’s global governance strategy” opens with the rhetorical question “Can Thabo Mbeki change the world?” (ibid.: 134), the answer is predictably clear. He is doomed to fail because he, just like Finance Minister Trevor Manuel or Trade Minister Alec Erwin, rejects “alliances with increasingly radical local and international social, labor and environmental movements who in reality are the main agents of progressive global change” (ibid.: 135).

The fight against global apartheid, evoked in the book’s title, is thus revealed to be somewhat ambivalent. This phrase, often used by Mbeki himself, may easily displace the problems of South Africa, and by extension, of the global South, “from the untouchable economic to the moral-political terrain” (Bond 2003: 138), which calls for reform, rather than radical transformation. Or, to use one of Bond’s favorite phrases: polishing instead of abolishing the chains of global apartheid. Moreover, the class/race/gender-biased social policy of the ANC-led neo-liberal government has so far prevented successful engagement with such blatant examples of ongoing ‘local apartheid’ as the refusal to provide access to generic retroviral drugs for the treatment of HIV (ibid.: 179–89), or the municipal water cuts that led to an outbreak of cholera in 2000 (ibid.: 219f.)

However, a good part of Against the global apartheid is true to the title and focuses on various forms of popular resistance, local and transnational alike. An engaged intellectual himself, the author even combines normative, programmatic statements with more structural-analytic descriptions, and the reader cannot help feeling the moral outrage that fuels some of his impassioned arguments. Still, it needs to be added that this is not a mere moralizing stance; rather, as in Harvey’s case, it is an earnest quest for the revival of class-based political strategies, driven by the insights gleaned from Marxist political economy.

The global perspective also provides a framework for Bond’s work. One of the book’s central chapters, supplemented with a comprehensive table in the appendix, tries to chart ‘the global balance of forces’. Bond identifies five positions, from Left to Right: the global justice movements, Third-World nationalism, the post-Washington Consensus, the Washington Consensus, and the neo-conservative resurgent Right. Overall, this seems to be a more refined conceptual distinction than the one made by Harvey between neo-liberals/neo-cons on the one hand, and alternative globalists on the other. Although Bond lumps together the global justice movement and various nationalist/populist leaders such as Putin, Obasanjo, Lula, or Castro under the heading of ‘forces for change’, he is eager to point out that
strategic alliances with ‘nationalist’ leaders are not necessarily progressive.

Nevertheless, he does not address the problem of what Jonathan Friedman (2003) referred to as ‘double polarization’ and the concomitant threats of often-violent subnational ethnicization. Instead, Bond generously attributes strategic significance to a somewhat idealized nationalism for two related reasons. Following Terry Boswell and Chris Chase-Dunn, he considers the semi-industrialized semi-periphery the structurally privileged site for the emergence of powerful anti-systemic movements (Bond 2003: 208).

In the tradition of world-systems theory, anti-systemic stands for anti-capitalist—or as Bond puts it, for all its diversity the global justice movement—“is, quite simply, against uneven capitalist development, in this its purest, most international neo-liberal stage” (ibid.: 198). Then, if a counter-hegemonic movement targeted at neoliberal capitalism is likely to emerge on the semi-periphery, South-South alliances become at least as crucial as North-South ones in the struggle “against the institutional cores of global capitalism” (ibid.: 232). Grassroots movements in the Third World—which is used almost interchangeably with the semi-periphery here—are rooted in a common experience, which would potentially make the recognition of common institutional targets easier.

At the same time, Bond justly blames international agencies for the shrinking of Third World states (albeit the book abounds with examples of local comprador elites), and this is connected to the second reason why progressive nationalism is upheld as a normative model. One of the main theses recurring throughout the book is the rejection of the ‘utopian’ idea that “ecosocial progress through world-state building” can be achieved (2003: 209). “Given the existing and foreseeable balance of international power, … far more likely if this course is pursued as an expansion of neo-liberalism, the universal rule of property and the commodification of all aspects of daily life everywhere” (ibid.: 209).

Hence, instead of any futile attempts to reform the World Trade Organization, the World Bank, or the IMF, the global justice movement “more logically aims to smash the embryonic neo-liberal world-state” (ibid.: 232). Bond’s formula is clear, if somewhat redolent of activists’ slogans: institutions of global governmentality ought to be ‘ixed’ rather than ‘ixed’, and ‘national reconstruction’ must be accompanied by ‘global deconstruction’.10

There is, in a sense a residual state-centric bias in this line of argumentation, but this logically derives from the recognition that only national states can at present reimpose capital controls and redistribute wealth in a more equitable and just way. Given Bond’s own qualms about state-level corruption and class-based asymmetries of power, this view may appear excessively idealistic, which is why he ultimately writes about the “unexplored opportunities for nation-states, working with progressive activists and invoking international solidarity, to withstand international capitalist tyranny” (2003: 240). For even if capital has to be controlled and locked down “within states” (ibid.: 274), Bond heeds Harvey’s warning about the inherent danger of limiting anti-capitalist struggle to the national state (ibid.: 210). This accounts for the emphatically prescriptive tone he uses when advocating a form of ‘internationalist nationalism’—a strategy of combining global attacks on the centers of capital with local, national, and regional class-struggles “to re-establish radical ‘development’ visions” (ibid.: 232–35).

Against the global apartheid, despite the occasional lapses into journalistic fervor and slipshod phrasing, is a healthy reminder that political engagement and theoretical analysis can produce a creative synthesis that demystifies many of the myths surrounding capitalist globalization. It complements Harvey’s book well by adjusting the theoretical focus to a more comprehensive study of neo-liberalism at work in the ‘global South’, and adds the dimension of race to Harvey’s argument about class. It can only be hoped that such works will be a source of inspiration we can ill afford to ignore. For, as Harvey concludes: “The first lesson we must learn … is that if it looks like class struggle and acts like class war then we have to name it unashamedly for what it is” (2005: 202).
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Notes

1. Harvey’s sketchy analysis of a hegemonic ‘war of ideas’ is mostly limited to broadly general references to cultural postmodernism, and the role of think tanks and elite universities, leading to a “complex fusion of monetarism (Friedman), rational expectations (Robert Lucas), public choice (James Buchanan, and Gordon Tullock), and the less respectable but by no means unimportant ‘supply-side’ ideas of Arthur Laffer” (2005: 54).

2. He provides a long list of damning evidence to unmask the neo-liberal state, from the privatization of assets and the substitution of elite governance for genuine democracy to the formation of monopolies and oligopolies, market failures, the conflict between individualism and meaningful collectives, or unaccountable institutions.

3. He uses these examples (together with others, such as the US, the UK, Germany, and South Africa) in order to stress the importance of a “complex interplay of internal dynamics and external forces” (Harvey 2005: 117). The causal role of path-dependence and local context should not be ignored, then, because “it sometimes seems as if the IMF merely takes the responsibility for doing what some internal class forces want to do anyway” (ibid.).

4. This more extensive discussion of China could be interpreted as a nod of acknowledgment to Arrighi’s sustained engagement with Harvey’s previous book, The new imperialism (2003). Still, even though Harvey highlights the “peculiar symbiosis” between the US “deficit-financing of its militarism and consumerism”, funded by Chinese, Japanese, and Taiwanese banks and Chinese debt-financing of long-term investments while the US consumes Asian surplus output (2005: 142, 152), his analysis does not seem to develop sufficiently the relational consequences of China’s hegemonic rise. Compare Arrighi’s illuminating discussion of Beijing’s increasing economic strength not only in regional trade, but also in bilateral trade with the EU, and its massive involvement in Latin America and Africa (2005: 76–80). In other words, while Arrighi gives more weight to a geopolitical understanding of hegemony within a world system, Harvey is primarily interested in the hegemonic ascendancy of a political economic ideology. The difference is of emphasis rather than of substance.

5. But because the first edition of Bond’s book went to press before the post9/11 backlash, it does not have to address the intricate problematics of shifting hegemony and the neo-conservative turn. Regarding the latter, in fact, Bond writes rather optimistically about the potential conflict of interests between the advocates of the Washington Consensus and the ‘resurgent new Right’.

6. Bond provides ample empirical evidence of this kind: “In 1997, the debtor countries paid the North $270 billion in debt service, up from $160 billion in 1990. In net terms, African countries paid $162 billion more than they received in new loans in 1997, up from $60 billion in 1990” (2003: 21). Meanwhile, as Chapter 4 demonstrates, foreign aid—a mere fraction of which is actually disbursed, despite large amounts pledged—has been used to increase dependency, and donor grants often evolve into loans too. On a macro-economic level, the record of post-apartheid South Africa has been nothing short of disastrous. After the Growth, Employment, and Redistribution (GEAR) agenda was adopted in 1996, much to the dismay of the majority of the population, unemployment in the formal sector grew sharply, key industries were dismantled, which was further exacerbated by the decision of several large South African corporations to move their listings to foreign stock markets, and by the increasing operation of banks in offshore centers. Since 1995, when the finrand (the dual exchange mechanism) was lifted, the net outflow of FDI by South African companies has exceeded the inflow of FDI by over ZAR 10 billion (2003: 274).

7. To use the title of another book by Bond (2006), Mbeki very often ‘talks Left and walks Right’, shifting his position and rhetoric according to
the context. Thus, while he repeatedly inveighs against the ‘global apartheid’, he has failed to endorse even Jubilee 2000. Of course, Mbeki (or Manuel, or Erwin) are targeted not as persons, but as representatives of an ideology. As Bond quotes Marx in *Elite transition*: “Individuals are dealt with here only in so far as they are personifications of economic categories, the bearers of particular class-relations and interest” (2000: 7f.).

8. This is preceded by an entire chapter focusing on the ‘imperialism’ of the pharmaceutical industry. Mbeki ignored Mandela’s recommendations for providing treatment to infected mothers, and went as far as to promote ‘experts’ who deny the causal link between HIV and AIDS.

9. “There remains, of course, a standard concern on the Left, namely, whether the activist focus on the institutional forms of global-capitalist (mis)management—the IMF, the World Bank and WTO—risks detracting from understanding both the capital-accumulation process and class-based resistance, hence leading to partial and imperfect strategic insights about power and social transformation” (2003: 196). It is obviously much more difficult to ascertain what the movements are for. In Bond’s view, “it would appear that the ‘decommodification’ and ‘destratification’ of basic goods/services, respect for ethnic identity and indigenous culture, deraicalised and degendered access to resources, and recognition of ecological integrity will all have to be intertwined threads in whatever programmatic fabric is ultimately woven” (ibid.: 198).

10. “The nation state requires relief from the pressures of global financial capitalism, especially those pressures represented by IMF/World Bank missions that so decisively squeeze and shift power relations at the domestic level. And there is no shortage of class and political struggles on the national level” (Bond 2003: 210).

References


