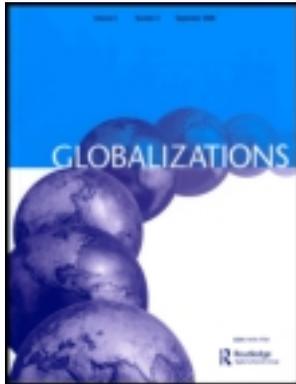


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Globalization, Crisis and Social Transformation: A View from the South

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ABSTRACT *The dominant narrative around the unfolding capitalist crisis is firmly focused on the dominant economies, and in particular the US. This is understandable given that the proximate causes of the crisis lie in the imperial heartlands and crisis resolution measures taken there will have a global impact. But a ‘view from the South’ is needed to redress the balance and prevent the decimation of global majority likelihoods being presented as mere collateral damage. The first section below tackles the crisis from a global (globalization) perspective emphasizing its impact in the South and what that it might mean in terms of political prospects. I then go on to develop a hybrid Karl Polanyi/Antonio Gramsci theoretical lens on counter-movements based on their writings responding to the last systemic capitalist crisis in the 1930s. Finally, I turn to the ways in which the international labour movement and the subaltern or post-colonial worlds are contesting the terrain vacated by unregulated market capitalism. As Gramsci would say the old is dying but the new has not yet been born.*

La narrativa dominante alrededor de la crisis capitalista revelada, está firmemente enfocada a las economías dominantes, y particularmente E.E.U.U. Esto es comprensible, dado que las próximas causas de la crisis yacen en la región central imperial y las medidas de resolución de la crisis que se tomaron allí tendrán un impacto global. Pero se necesita un ‘punto de vista desde el sur’ para compensar el equilibrio y prevenir la devastación de las posibilidades de las mayorías globales presentadas como simple daño colateral. La primera sección abajo trata la crisis desde una perspectiva global (globalización), enfatizando su impacto en el sur y lo que eso puede significar en términos de prospectos políticos. Luego procedo con el desarrollo de una lente teórica híbrida de Karl Polanyi/Antonio Gramsci sobre movimientos opuestos en base a sus escritos que responden a la última crisis capitalista sistémica en la década de 1930. Finalmente, vuelvo a las maneras en las cuales el movimiento laboral internacional y los mundos subalternos o postcoloniales están disputando el terreno vacío por

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el mercado capitalista sin regulación. Como Gramsci diría, lo viejo se está muriendo, pero lo nuevo no está aún por nacer.

对展开中的资本主义危机的主导性叙述紧紧围绕着那些主导经济体，尤其是美国。这是可以理解的，因为这次危机最直接地起因于帝国核心地区，而所采取的危机解决措施将会产生全球影响。然而，恢复平衡和防止把大幅降低全球多数的可能性仅仅看作附带损害，需要一种“南方的视角”。下面的第一部分是从全球（全球化）视角来讨论危机，强调它对于南方的影响以及就政治前景而言可能意味着什么。然后，我以卡尔·波兰尼和安东尼奥·葛兰西对发生于 20 世纪 30 年代的上一次体系性资本主义危机的著述为基础，发展了将二者相结合的反向运动理论透镜。最后，我转到论述国际劳工运动以及属下的或后殖民的世界竞逐无管制市场资本主义所腾出地带的方式。正如葛兰西会指出的那样，旧的正在死去，而新的还未诞生。

Keywords: crisis, South, Gramsci, Polanyi, transformation, post-colonial, labour, hegemony

Global Crisis

When a small Islamist direct action group took a number of jet airliners into the symbols of US economic and military dominance in 2001 a series of complex inter-related events unfolded. The ‘war on terror’ started up but then ground to a halt in Iraq as will also happen soon enough in Afghanistan. But, taking a ‘view from the South’ what happened was simply the end of US ideological hegemony, similar to the loss of hegemony in the dying days and events of the British Empire. Barely six years later another crisis of hegemony begins to unfold in the US, this time detonated by another low-tech event, namely the inability of poor families to pay for house mortgages foisted on them by speculators (see Sassen, 2010). From the ‘sub-prime mortgage’ crisis in 2007, through to the failures of major banking institutions such as Lehman Brothers, through the stock market collapse of 2008 to the global slow-down/recession/depression of 2009 another capitalist monolith was shaken and its hegemony (though not necessarily dominance) virtually collapsed.

While the global economic situation remains in flux and the outcome of the crisis is clearly uncertain, there is now a general consensus that the economic model prevailing practically uncontested in the 1980s and 1990s has now come to an end. Robert Wade (2008) has captured this transitional moment well though the term ‘financial regime change’. Since the major crisis of the 1930s capitalism can be seen to have embarked on two major policy regimes. The first was Keynesianism which led to the Bretton Wood order lasting until about 1975. Its ‘embedded liberalism’ (Ruggie, 1984) allowed for market allocation of resources but constrained by the political process which allowed for social need. This model was followed by the neo-liberal model in which the ‘efficient market hypothesis’ (Farmer & Lo, 1999) was deemed beyond question. This approach provided the rationale for globalization and the extension of the new economic order across the globe, greatly facilitated by the quite sudden collapse of the alternative communist order in 1990. Events since September 2008, however, indicate that this model is itself now exhausted and cannot provide the basis for a sustained recovery from crisis and underpinnings for a new expanded phase of capital accumulation.

The month of September 2008 was an extraordinary one for the global economy even from a long term historical perspective. It began with the enforced bailout in the US of mortgage lending giants Fannie Mae and Freddy Mac—a leading global investment bank—was due to collapse and could only be saved by state intervention. This unleashed the flood gates for further failures of

big names such as Merrill Lynch in the US and HBOS in the UK. Panic set in across the global financial system and credit flows began to close down. There was simply no trust in the basic financial intermediation mechanism which underpins the capitalist system. Governments across the world were forced to engage in an unprecedented bail-out of the banking system which came pretty close to nationalization in some cases (see Elliot & Atkinson, 2009, for a readable narrative of these events). These measures may have saved capitalism from collapse by they did not prevent a global recession in 2009. It was clear that the new economic model which had pulled the capitalist world out of stagnation and inflation in the late 1970s was no longer working.

When the financial crisis began unfolding in September 2008 this was widely perceived as a 'Made in USA' phenomenon and it impacted all countries in the South, including, as Joseph Stiglitz (2009) reminded us, those that had undertaken 'sound' monetary macroeconomic policies and 'good' financial market regulation. There was no pretence that this crisis was the result of 'wrong' economic policies, something that had been repeated constantly when the South's national economic policies were attacked back in the 1980s. The dependent nature of development in the global South was now clear to all (for some critical Southern responses to the crisis see Bello, 2009; Hausman, 2009; and Choike, 2009) and it drew attention to the long term imbalances in the global economy and the ever-present neo-colonial position of much of the South. The call also went out for a third-worldist alternative order in a reprise of the famous Bandung Conference of 1955 which launched the Movement of Non-Aligned Countries. Whatever the prospects for a Second Bandung in 2010 (see Palat, 2008) it is clear that the South is (re)finding a sense of identity in the course of dealing with the effects of the global crisis. The architecture of the global financial system was brought fundamentally into question. The anger felt in the South was evident in President Lula's rhetorical question of who had ever seen a black big banker.

The reactions to the crisis were truly momentous. Quite rapidly all the accepted truths in economic policy were overthrown (for an acute analysis of this pendulum swing see Gills, 2008) and a massive counter-cyclical effort began with only some countries resisting this strategy. For some commentators what was needed was a 'return to Keynes' as though the world was re-living the 1930s depression. Thus, Keynes biographer Robert Skidelsky (2009) argued in mid-2009 that 'the lesson appears to have been learned: various bailouts and stimulus packages have stimulated depressed economies sufficiently for us to have a reasonable expectation that the worst of the slump is over'. In reality, Keynesianism will not be adequate as an alternative to global neo-liberalism. Most revealing is the extent to which many amongst of the previous propagandists for globalization such as Martin Wolf (see Wolf, 2004) are now clear that 'Those who expect a swift return to the business-as-usual of 2006 are fantasists' (Wolf, 2009). Many erstwhile supporters of the neo-liberal model would now argue that a root and branch rethinking is needed, leading implicitly to 'financial regime change'.

At the G20 summit in September 2009 British Prime Minister Gordon Brown, even as he was sinking at home, told world leaders that: 'The world is coming together to do what it should have done many years ago . . . to create a system that can prevent crises as well as deal with them when they occur' (cited in Wintour & Clark, 2009, p. 18). At one level, this stated aspiration contradicts the objective interests of the British system given its deep involvement in the transnational financial circuits. But leaving that aside we should not underestimate the change this statement represents even if it was patently over-optimistic. Realistically, a stable and re-regulated global order seems quite unlikely based on present patterns. No doubt the capitalist cycle will lead to some recovery after what is euphemistically called a shake-out. But a Latin American style structural adjustment is politically unviable in the affluent countries of the North and so inevitably the present economic contradictions will continue and probably deepen. The solution, if we

can call it that, might lead to a 'holding pattern converging with an epochal shift to a stationary state' as Gopal Balakrishnan (2009, p. 9) puts it. So, the consequences of the bail-out measures taken in the West may well be a new long term static equilibrium as imagined once by John Stuart Mill, better than a slump but hardly a recovery of capitalism's legendary animal spirits.

The 2008–2009 global economic crisis was seen largely through a Northern lens in most commentary. Certainly it would have some unfortunate side-effects in the South but that was not seen as the main issue. There was another narrative, however, which somewhat optimistically clings to the hope that the big rising economies of the South such as China, India, and Brazil would not be too seriously impacted. In reality of course the global financial system was always a major source of instability in the South. When the East Asian crisis of 1997 provided a portent of what was going to happen a decade later in the North, the IMF and World Bank responded with a call to further open national financial systems and were horrified at any thought of restrictions on capital movements. In a somewhat understated way Robert Wade had already in 2006 written that 'There is little evidence to support the proposition that open capital markets generate a more stable and equitable world order; and much to support that they increase volatility and propensity to financial crisis' (Wade, 2006, p. 11). In fact it is now quite clear to all sides of the debate that the exact opposite is more true.

Much of the mainstream commentary on the South has an air of unreality about it. China and India might slow their pace of economic growth but they would act as engines of global recovery. And across the South the informal sector would act as a safety net for those thrown out of work. 'The situation in desperately poor countries isn't as bad as you'd think' declared the former Chief Economist of the IMF (cited Bremen, 2009, p. 30). In reality the situation of the world's poorest has gone from bad to critical. Think simply of the million workers in China's coastal region pushed back to an already impoverished rural economy where jobs are non-existent. The global trends of increased economic inequalities (see Arrighi et al., 2003) and deepening levels of social exclusion (Munck, 2005) documented in the 1990s are now beginning to accelerate rapidly. The dominant classes fear of the '*classes dangereux*' during the Industrial Revolution will be magnified many times over as the Globalization Revolution begins to unravel.

'Finance ministers from the rich G7 countries today surrendered the dominance they have held for a quarter of a century over economic policy-making when the group decided [in October 2009] to end regular set-piece gatherings' (Elliott, 2009, p. 5). China's role in overcoming the global recession was simply too important for this country to be excluded from global governance. But there is not much evidence that this expansion of its mechanisms represents any 'surrender of dominance' by the Western powers. It would seem much more like a cosmetic exercise and anyway the cost would be minor, such as Britain's long overdue loss of a seat at global governance's top table. Furthermore it is important to stress that the global crisis represents something rather more fundamental than a bursting 'sub-prime' housing bubble in the US. If, as Peter Gowan (2009) has argued consistently, the crisis is a systemic one then its remedy cannot be cosmetic and will require nothing less than the construction of a new world order.

Finally, in assessing the current crisis it is well to remember Marx's famous dictum that 'No social order ever disappears before all the productive forces for which there is room in it have been developed'. We could argue in that vein that the prodigious recent development of capitalism in China, India, and Brazil might well unleash a new phase of dynamism in the global capitalist system (for a sober assessment of the first two see Smith, 2008; and for Brazil see Paulini & Oliveira, 2007). But there are no signs that this will be the high-tech growth that could pull behind it the faltering Atlantic economies into another long boom or

provide a mass consumer base for the commodities of the North. Nor is the system's actual track record that good given that all the hype of the 1990s about a transition to a New Economy and a cybernetic revolution (shared by some Marxists) never actually materialized. Against the myth of a technological New Age the reality was considerably more prosaic: 'Internet and mobile phones, Walmart and Prada, Black-Scholes and subprime—such are the technological landmarks of the period' (Balakrishnan, 2009, p. 6). Renewable energy and other such like prospects are probably not going to generate a new capitalist era of expansion. Not only would state investment be far too high in the present circumstances but the recession has made fossil fuels so much cheaper that this is not a good line of business. That is not to say from a sustainable progressive standpoint it is not necessary of course.

Counter-movements

The 1929 Wall Street Crash and the Great Depression of the 1930s was the last period of systemic global crisis. Two socialist intellectuals, Antonio Gramsci (in a fascist jail in Italy) and Karl Polanyi (in exile from Nazism, first in the UK and then the US), in different, but arguably complementary ways, analysed this crisis, the rise of fascism and the counter-movements which would overcome the crisis and build an alternative social order. Gramsci developed a 'political' reading of Marx, rejecting the economism of his followers. Polanyi, less explicitly Marxist than Gramsci, built a 'social' reading of Marx in which society would generate counter-movements to resist the depredations of the unregulated market. Both thinkers were responding to a systemic crisis of capitalism and the rise of fascism as one answer to it. A combined and fluid Gramscian-Polanyian framework might well guide us in understanding and developing today's counter-movement to neo-liberal globalization in an effective way that learns from mistakes in the past. We should certainly start from the premise that 'business-as-usual' is no more viable for counter-hegemonic systems than it is for the organic intellectuals of the dominant order.

Antonio Gramsci (1891–1937) began his political career under the influence of the Russian Revolution which he called a 'Revolution against *Capital*' thus declaring his firm anti-economism (for a biography see Fiori, 1990). He had little time for the orthodox German Marxism dominant hither to and was captivated rather by the Bolsheviks and their commitment to 'storming the heavens'. Gramsci's politics were then decisively formed by the 1919–1920 Factory Councils organized by the auto workers of Turin which he saw as encapsulating the 'collective will'. Following their collapse, Gramsci focused on the foundation of the Italian Communist Party in 1921 and its strategy towards the rising threat of fascism. Whether there was indeed a revolutionary crisis in 1919–1920 is a moot point but certainly the revolutionary party that could lead the proletariat to victory was only formed after the crisis was over. Political parties were, for Gramsci, the indispensable agents of social change and only the Communist Party could provide 'the links capable of giving the masses a form and physiognomy' (Gramsci, 1978, p. 371).

Gramsci became a major source of inspiration for the 'new Marxism' of the 1970s, the 'post Marxists' who saw him as a transitional political thinker and a thriving international political economy (IPE) strand seeks inspiration in his work (on this approach see Germain and Kenny, 1998; Rupert, 2005). This was the Gramsci of the *Prison Notebooks* which he wrote under extremely difficult conditions after being jailed by Mussolini in 1926. Gramsci was seeking an answer as to why the hoped for revolution in the West had not materialized and, more specifically, why fascism had come to power in Italy. In doing so he crafted one of the most powerful political themes in the Marxist lexicon, namely the discourse of hegemony.

Where as in the East (where the October Revolution was victorious) civil society was weak in the West there was ‘a proper relation between the state and civil society’ (Gramsci, 1971, p. 238) so that consent was always sought before coercion was deployed. In terms of strategy this meant a shift from a ‘war of manoeuvre’ to a ‘war of position’ through which the subaltern classes sought a political/ideological/cultural ‘hegemony’ rather than seek to ‘storm the Bastille’. This is now the common sense of most contestatory movements including many radical Islamist ones.

Antonio Gramsci died in a fascist prison and all his later writings were marked by the Italian Communist Party’s need to confront the rise of fascism. Within the international communist movement there were two opposed tendencies in regards to fascism. For one tendency there was no transition phase or space between fascism and the dictatorship of the proletariat. For the other, a rightist tendency argued that there was a stable period of transition between the two, and that communists should support bourgeois democracy and postpone their struggle against social democracy. Gramsci eschewed this binary opposition and even if he arguably underestimated the strength of fascism he did develop an original analysis of this phenomenon. Gramsci’s interlinked concepts of Caesarism, organic crisis and catastrophic equilibrium¹ all feed into his urgent theorising of Italian Fascism (see Gramsci, 1973). Its context was set, of course, by the great capitalist crisis of 1929 which Gramsci focused on consistently in his writings around Americanism and Fordism.

Finally, in terms of ‘a view from the South’ few classical Marxist thinkers were imbued with an understanding of uneven development as strong as Gramsci’s was. His own origins in the Mezzogiorno shaped his work on the Southern Question in Italy which essentially posited the necessity for the north’s industrial workers to ally with the peasantry of the south if the revolution was to be successful. Without wishing to wrest this conceptualization from its national frame it is not too forced to transpose it to the era of globalization with the global South and the subaltern peoples of the world standing in for the Mezzogiorno (see Brennan, 2001). Uneven development exists at the national and the transnational level and there is abundant evidence that the ‘great divide’ between North and South has persisted, and indeed deepened during the era of globalization (see Arrighi et al., 2003) From the Zapatistas onwards, the global Southern Question has made itself felt strongly in the alter-globalization movement, very much in the spirit of a ‘global Gramsci’ (Bieler & Morton, 2006).

Karl Polanyi (1886–1964) began his political career during and after the First World War in Hungary and then in Vienna (for a biography see Polanyi-Levitt, 1990). While sympathetic toward the Russian Revolution he was aligned more with the populist Socialist Revolutionaries aims rather than those of the Bolsheviks. The US stock market crash of 1929 and the Great Depression of the 1930s further sharpened his critical thinking but the rise of Hitler in 1933 drove him to the UK (where he taught at the Workers Educational Association) and later the US in the early 1940s. While his main work *The Great Transformation* (Polanyi, 2001) dealt with the transition to capitalism in England his subsequent work took a more global perspective. As he wrote to a friend shortly before his death ‘My life was a “world” life. I lived the life of the human world . . . My work is for Asia, for Africa, for the new peoples’ (Polanyi, 2001, p. xxi). Polanyi was probably more of a Christian socialist than a communist but his work was not only strongly influenced by Marx but is also fully compatible with the open or non-dogmatic Marxist tradition.

Polanyi’s classic, *The Great Transformation*, was written in isolation and exile in the US. Polanyi’s study focused on the ‘great transformation’ of the nineteenth century leading to the dominance of free market principles. He showed how this cataclysm led to a counter-movement through which society protected itself from the effects of the untrammelled free market. History

thus appears as a series of ‘double movements’ whereby market expansion creates societal counter-reactions. Neo-liberalism in the current era has developed a similar fundamentalist discourse to that of the theorists of the first great transformation. And for Polanyi (2001, p. 145) the implications of economic liberalism are clear: ‘Nothing less than a self-regulating market on a world scale could ensure the functioning of this stupendous mechanism’. What Polanyi analyzed at the national level—in terms of the separation of the economy from the social domain—has now become realized and greatly empowered at the global level.

Polanyi has become an inspiration for many of the theorists of counter-globalization (e.g. Evans, 2008). It is not hard to see how the wave of counter-globalization movements in the 1990s could be seen as a social counter-movement responding to neo-liberal free market policies. Movements struggling for national or regional sovereignty, those seeking to protect the environment and the plethora of movements advancing claims for social future or recognition, are all part of this broad counter-movement. Challenging the movements towards commodification they seek to ‘decommodify’ society and reassert moral and cultural values. Against all forms of class reductionism Polanyi stressed that social class is not always determinant and we do see many social movements today organized around non-class issues. What is not perhaps so clear is how this rather organicist societal reaction will generate a political alternative.

Like Gramsci, Polanyi’s intellectual trajectory is inseparable from the struggle against fascism. W. L. Goldfrank (1990, p. 87–88) argues persuasively that *The Great Transformation* was ‘conceived and written in the desperate and passionate belief that only by comprehending the institutions and ideas that caused catastrophic depression, viciously aggressive fascism, and devastating world war might the post-war world escape these inter-related scourges’. Fascism, against some of the cruder Marxist interpretations, was for Polanyi a perverse social reaction against the chaos of the unregulated market, as was Stalinism for him. Today we are in the midst of a global depression and an aggressive imperialism stalks the world. The old neo-liberal regime has lost its hegemony but we are in an unstable interregnum with no alternative global system being visible. Polanyi’s urgent and critical thinking can be an inspiration for focused attention in the interdictions of the conjuncture.

I am not suggesting that in any simplistic manner Gramsci + Polanyi = the new Marx for the era of post neo-liberalism. But there are very good reasons why both these organic intellectuals of crisis have been considered jointly (see Birchfield, 1999; and most particularly Burawoy, 2003) and maybe it is an opportune conjuncture to renew this task. Both men theorized capitalism and its contestation in explicitly non-necessitarian and radically anti-economistic ways. Then, if Gramsci was the theorist of hegemony *par excellence*, Polanyi can be seen as a theorist of counter-hegemonic resistance. Between them they provide a suggestive framework—if suitably scaled up to the global level—for a critical understanding of globalization and its contestation today (see Munck, 2006, 2007, for one interpretation). From Gramsci we need to take his close focus on the political and on political parties as expression of the popular will. From Polanyi we can take his strong emphasis on the social and society as the main locus of movements contesting the depredations of the unregulated market. From the divorced economic ‘base’ Gramsci took us to the political domain as crucial to transformation, but Polanyi foregrounded the social too often seen as an unfortunate ‘sociological’ terrain by many Marxists.

Social Transformation

What we need to ask ourselves is whether the profound social transformations now underway are leading to or can lead to an alternative globalization? Are we witnessing a Polanyian

counter-movement or even a Gramscian counter-hegemonic moment? If not, why not? We need to understand what it means that now China and India are members of a G5 (along with the US, EU, and Japan) that will effectively set up the new global governance rules. We also need to examine to what extent the international labour movement has overcome its divisions to present a real challenge to global capital. And from across Latin America we get an inkling of what new forms of challenge to Empire might emerge. Finally, we need to be very clear that the future is most certainly unknown but that it will also, almost certainly, not see a return to past paradigms of the dominant order or challenges to them.

We are now well beyond the era of TINA (There is No Alternative) when the Washington Consensus ruled supreme and set the terms of the debate even for progressives. Now there is an active search for alternative paradigms with the 'post-Washington Consensus' discourse seeking simply to hold the line somewhat (see Broad, 2004). There is strong support in the majority world for the notion that 'another production is possible' (Sousa Santos, 2006). Of course, once upon a time Marxists would have proclaimed that another world was inevitable. But still, after the long night of neo-liberal hegemony alternative visions, even utopias (see El-Ojeili & Hayden, 2008) are emerging, powerfully articulating a different way of living and of social interaction. And in this new flourishing of alternative imaginations the centre of gravity is clearly located in the global South. Social emancipation in the twenty-first century is being imagined and built primarily in the subaltern world.

The Polanyian concept of a social counter-movement is a powerful and persuasive one when we examine the current conjuncture. Against market-determined values, a plethora of social counter-movements generated by neo-liberal globalization bring to the fore social values and the primacy of protecting social bonds. As Polanyi (2001, p. 151) said for his day, but equally applicable today, 'The great variety of forms in which the 'collectivist' counter-movement appeared [was due to] the broad range of the vital social interests affected by the expanding market mechanism'. We need to be clear that an alternative or alter-globalization is not being constructed only (or even mainly) by organizations such as the World Social Forum explicitly dedicated to this task. Rather, as Polanyi foresaw, resistance and counter-movements occurs at all levels of society from the local to the global and takes many political forms, some literally reactionary looking back to a pre-globalization era.

If we were to deploy the methods of strategic foresight we might get a clearer understanding of the parameters of the situation now opening up. The new world now emerging out of the crisis of neo-liberal globalization will clearly not be a continuation of previous models such as national Keynesianism. There are signs of a certain level of international cooperation to deal with the crisis but how long will that last? What real significance does a Nobel Peace Prize for a US president really have? It would seem likely that this new found mood of collaboration will be short-lived and confined to an elite club of nations and social groupings. But if the future will not be a repeat of the past how can we discern the future trends and multiple futures now opening up? For orthodox Marxists there was no need for foresight methodologies: the future was foretold and the technological path towards a classless society might take detours but its final destination was not in doubt.

Since the 1960s as part of the 'new capitalism' we have seen the foresight approach applied to the areas of science, technology, and business planning. More recently there has been a rise of a more critical foresight approach which might provide a powerful optic to examine the various alternative scenarios opening up for global capitalism (for a sample of critical approaches see Slaughter, 1996). In a situation characterized by great uncertainty (perhaps the dominant theme of this era) and growing complexity we need imaginative methods to think the future

and generate movements towards a desirable outcome. There are economic, geo-political, social, and cultural trends that can be mapped and alternative scenarios outlined. Even the Rockefeller Foundation is getting in on the act with its *Foresight for Smart Globalization: Accelerating and Enhancing Pro-poor Development Opportunities* (Bezold, 2009). It would be remiss of progressives, in my view, to not take up the challenge because they see foresight as tainted by its capitalist planning origins.

One key social actor in determining the outcome of the current crisis is the international working class. Hit hard and most directly by the free market policies from the 1980s onwards this sector only began to recover in the second half of the 1990s. As with previous cycles of capital accumulation and crisis there is always a lag in labour's recovery. We cannot underestimate the impact of financialization, de-industrialization, casualization, and informatization on the working classes both North and South. This has severely weakened workers in terms of the balance of power *vis-à-vis* capital. However, labour goes into the current crisis of capitalism with a considerable degree of reorganization and recomposition having been achieved and, above all, with a firm settling of account with the old *There is No Alternative* discourse of the neo-liberal heyday (for very different perspectives on 'global labour' today see Gray, 2008; Drainville, 2008; Novelli & Ferus-Comelo, 2009; and Munck, 2008).

Trade unions today have a unified global peak organization—the International Trade Union Congress (ITUC)—made possible by the end of the Cold War. The ITUC since its inception in 2006 has sought to consolidate its 175 million members and provide a global voice for labour in the struggle over the future of globalization. For their part the old International Trade Secretariats (ITS) going back the earliest days of labour organizing took on a new lease of life as the Global Unions which organized particular sectors such as metalwork, education, public service, engineering, transport, and so on. In broad terms we can say that labour is now increasingly organizing to confront actually existing globalization (for a statement on the economic crisis, see ITUC/CSI/IGB, 2009). It drives this both in classic Marxist ways with the emerging proletariat in the global South and in alliance with broader social movements though Polanyian style counter-movements of all those sectors marginalized, pauperized, and dispossessed by globalization.

A key global region which will impact on the ability of the US to remain as global hegemonic is Latin America, often now characterized as 'the weakest link' (Sader, 2008). This was the region where neo-liberalism has given a trial run in the early 1970s in Pinochet's Chile by the so-called Chicago Boys. We could argue that Latin America today is a portent for global trends in the future as the social counter-movement gains strength. During the 1990s neo-liberalism became the new 'common sense' across the continent embraced even by social democracy and forces to its left. But Latin America was also the locus for some of the most catastrophic failures of the new economic model. Mexico in 1994 and Brazil in 1999 hit the global headlines but the total meltdown of Argentina's economy in 2002 on foot of a disastrous linkage with the US dollar convinced many across the political spectrum that an alternative was not only possible but essential for national survival.

When we turn to the mid 2000s we find a very different picture. In 2006 the world's first worker president 'Lula' was re-elected in Brazil, the controversial Chávez was also re-elected in Venezuela, and the radical Peronist Kirchner was succeeded as president of Argentina by his partner Cristina Fernandez. The left or centre-left was now in power more or less across the continent except for staunch US ally Colombia still fighting a traditional communist insurgency. As in the 1970s, Latin America is now under close global scrutiny not least from a left perspective (for very different perspectives see Chavez et al., 2005; Lievesley & Ludlam, 2009;

Veltmeyer & Petras, 2009; Castañeda & Morales, 2009) as the stakes are very high. Has Latin America been tamed by neo-liberalism and is not Lula its latest agent as his critics allege? Or has the ‘backyard’ of the US become hostile territory to its imperial ambitions and the first territory being claimed by ‘twenty-first century socialism’ as Chávez supporters argue?

To conclude, I think we should acknowledge with Andrew Gamble (2009, p. 141) that ‘We simply do not know what is going to happen, or how deep or critical the recession might be, or how long-lasting the effects of the global financial crisis might be’. Given that these are uncharted waters and that even the Great Depression cannot guide us in the era of globalization we need to deepen our critical foresight capabilities. The managers of global capitalism and the international financial institutions are quite optimistic that the system will recover quickly. Thus towards the end of 2009 the World Bank issued an upbeat statement on global capitalism though in the fine print this leading organ of globalization acknowledged that: ‘many countries still feel the pain of the downturn . . . Some 43 low-income developing countries are still suffering from the combined effects of the food, fuel and economic crises . . . The World Bank estimates that financing shortfalls to cover core spending needs may amount to some \$11.6 billion for these countries. As many as 90 million more will be living in extreme poverty, on less than \$1.25 a day, by the end of 2010, the Bank predicts . . . In poor region like Africa, when incomes start falling, when per capita growth is negative, that has effects on people’s lives,’ says Shanta Devarajan, World Bank chief economist for the Africa region. ‘One of the most disturbing statistics we found is that when you have these kinds of growth slowdowns, infants die. One of my colleagues has made an estimate that for the size of this slowdown in Africa, you could lose about 30,000 to 50,000 infants before their first birthday’ (World Bank, 2009).

From a counter-movement perspective it seems abundantly clear that the search is now on to urgently find a viable alternative to neo-liberal globalization (for one such alternative see Aglietta, 2008). National Keynesianism will not be able to offer a global alternative. Counter-hegemonic movements will need to take a global perspective to be viable, even if they operate at local, national or regional levels. But maybe we should acknowledge that the broad family of counter-globalization movements have not really made much of a dent on the hegemonic system in its hour of direst need. For many global citizens the need is now for stability and protection from the storm, not the time for a leap into the darkness. Polanyi has a very interesting analysis of these catastrophic moments and he posits the need for social groups to take up the general interest. He refers to ‘those critical phases of history, when a civilization has broken down or is passing through a transformation’ when new social groups come to the fore and then ‘unless the alternative to the social setup is a plunge into utter destruction, no crudely selfish class can maintain itself in the lead’ (Polanyi, 2001, p. 163). It could be the right as much as the left who could adopt a form of populism (not used in a pejorative sense here) to bridge the widely held ‘common sense’ about the pretty clear causes of the global crisis and the scepticism around the notion that there is an actually existing viable alternative.

Note

- 1 Gramsci’s political concepts are notoriously elusive and subject to conflicting interpretations. But for our purposes we can state that:

Caesarism expresses a situation where the forces in conflict are in a **catastrophic equilibrium** where and continuation of the conflict can only result in mutual destruction. There can be both *progressive* and *reactionary*

forms of Caesarism. It can represent a ruling class strategy to overcome a crisis or a *national-popular* or populist outcome of an evenly balanced class conflict.

Organic crisis represents a thorough shake-up of the *historic bloc* (Gramsci's hegemonic system) in which not only is economic progress blocked but also the ruling class has lost its intellectual or moral leadership (*hegemony*). If an organic crisis is prolonged it can usher in a period of great political instability. In that case a sharp bout of repression might be deployed to decapitate the leadership of the *subaltern* classes.

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