

Review of Capitalism, the Anti-globalization Movement and the Third World by Neil Thomas. In *Capital & Class*, summer 2007, 92: 45-80.

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Abstract:

Thomas (2007) debunks three misconceptions in the current anti-globalization movements, namely, globalization entails universal liberalization, globalization has weakened traditional functions of the Northern states, and anti-globalization does not require a battle against capitalism. Thomas argues that these misconceptions undermine the efficacy of anti-globalization movements. He proposes that anti-globalization movements should challenge selective liberalization, Northern states' neoliberal policies, and the very basis of neoliberal globalization, that is, capitalism. I argue that in addition to all his proposals, attention should also be paid to the role of Southern states and co-operations between Southern states in the anti-globalization movements.

Keywords: anti-globalization movements

Neil Thomas sets out to debunk the fallacies in today's anti-globalization movements and he successfully accomplishes the goal. He convincingly shows that there are three common misconceptions about globalization in the anti-globalization movements, which inhibit the development of these movements. These three misconceptions include: first, globalization entails universal liberalization following the tutelage of neoclassicalism; second, traditional functions of the Northern governments have been eroded due to globalization; and third, anti-globalization does not involve or necessitate a battle against capitalism.

Anti-globalization movement (AGM) as an organized process began in 1997 with the landmark establishment of the "Association pour la Taxe Tobin pour l'Aide aux Citoyens" and the World Social Forum. Although the movement has gained increasing coherence and sophistication, it is incapacitated by three mis-conceptualizations of the globalization process. First, AGM organizations (AGMOs) perceive globalization as the opening-up of markets throughout the world, as the neoclassical free-market doctrine prescribes. Examining agricultural and industrial policies in less developed countries (LDCs) and more developed countries (MDCs), Thomas shows that in reality, neoliberal globalization is featured by privatization of means of production and selective liberalization of trade, investment, finance and labor; in particular, markets are much more quickly and broadly liberalized in LDCs than those in MDCs. This misconception of liberalization makes many AGMOs put emphases on the appropriate conditions and sequencing of liberalization, rather than liberalization itself. They also overlook the

importance of the differences of state interventions with regard to non-trade matters in MDCs and LDCs, which are significant factors causing different levels of development. Second, AGMOs consider that globalization is accompanied by the retreat of the state and therefore, they wage wars against transnational corporations (TNCs) and institutional institutions such as the WTO and the IMF without challenging the Northern states. Citing examples of how Northern states, driven by ideologies and corporate pressure, support privatization, protect private companies, entice foreign firms and promote pro-TNC rules at the WTO and other institutions, Thomas demonstrates that “nation-states are both instruments and architects of the global capitalist system” (61). Finally, AMGOs fail to engage with the capitalist nature of globalization. This in turn leads to AMGOs’ counterproductive activities. For example, they support the removal of one-sided liberalization but downplay self-reliance; they question the decision-making procedures of the international institutions but ignore the latter’s radical shift from the Keynesian to neoliberal foundation; and they focus on TNCs’ contingent ethical behavior but not their “incessant, expansionary and largely amoral” search for profits. In short, this misconception leads AGMOs to challenge globalization as such but not the capitalist foundation of globalization.

Thomas has given a comprehensive and critical diagnosis of the AGMOs. Although these criticisms can hardly apply to all AGMOs as Thomas reckons, given their heterogeneous nature; they help to shed constructive light on AGMOs’ future direction. That said; there are two points I would like to add. First, to the extent that AGMOs should not be contented with balanced liberalization but should focus on nations’ self-reliance, what is the role of regional, balanced and fair trade? It is correct that even given market accesses; LDCs may still be marginalized in the international trade due to their lower technological level, insufficient production capacities and weak institutions. But should we totally abandon trade, even trade between LDCs? Should we give any credit to Southern regional trade arrangements, such as the ALBA? Second, Northern states promote and perpetuate the current neoliberal system; they should be one of the foci in the battle against Neoliberalism. But Southern states should not be spared either. Although Northern states, through international institutions, have imposed many binding rules on the Southern countries; the Southern states should by no means subscribe to the *status quo*. Nor are they stripped of the capacity for policy maneuvers. Therefore, AGMOs should engage with the Southern states with a clear recognition of the latter’s capacity and responsibility in shaping globalization.

Yan Liang is an assistant professor of Economics at University of Redlands. Her research interests include open economy macroeconomics and political economy of globalization and development. She has published a number of articles in *Journal of Economic Issues*, *China & World Economy*, and *The Chinese Economy*. Her book reviews have appeared in *Review of Radical Political Economy*, *Review of Political Economy*, *Journal of Socio-Economics* and *the Heterodox Economics Newsletter*.