

4. Global Rebellion: The Coming Chaos?*

William I. Robinson

As the crisis of global capitalism spirals out of control, the powers that be in the global system appear to be adrift and unable to propose viable solutions. From the slaughter of dozens of young protesters by the army in Egypt to the brutal repression of the Occupy movement in the United States, and the water cannons brandished by the militarised police in Chile against students and workers, states and ruling classes are unable to hold back the tide of worldwide popular rebellion and must resort to ever more generalised repression.

Simply put, the immense structural inequalities of the global political economy can no longer be contained through consensual mechanisms of social control. The ruling classes have lost legitimacy; we are witnessing a breakdown of ruling-class hegemony on a world scale.

To understand what is happening in this second decade of the new century we need to see the big picture in historic and structural context. Global elites had hoped and expected that the 'Great Depression' that began with the mortgage crisis and the collapse of the global financial system in 2008 would be a cyclical downturn that could be resolved through state-sponsored bailouts and stimulus packages. But it has become clear that this is a structural crisis. Cyclical crises are on-going episodes in the capitalist system, occurring and about once a decade and usually last 18 months to two years. There were world recessions in the early 1980s, the early 1990s, and the early 21st century.

Structural crises are deeper; their resolution requires a fundamental

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restructuring of the system. Earlier world structural crises of the 1890s, the 1930s and the 1970s were resolved through a reorganisation of the system that produced new models of capitalism. 'Resolved' does not mean that the problems faced by a majority of humanity under capitalism were resolved but that the reorganisation of the capitalist system in each case overcame the constraints to a resumption of capital accumulation on a world scale. The crisis of the 1890s was resolved in the cores of world capitalism through the export of capital and a new round of imperialist expansion. The Great Depression of the 1930s was resolved through the turn to variants of social democracy in both the North and the South - welfare, populist, or developmentalist capitalism that involved redistribution, the creation of public sectors, and state regulation of the market.

Globalisation and the Current Structural Crisis

To understand the current conjuncture we need to go back to the 1970s. The globalisation stage of world capitalism we are now in itself evolved out the response of distinct agents to these previous episodes of crisis, in particular, to the 1970s crisis of social democracy, or more technically stated, of Fordism-Keynesianism, or of redistributive capitalism. In the wake of that crisis capital went global as a strategy of the emergent Transnational Capitalist Class and its political representatives to reconstitute its class power by breaking free of nation-state constraints to accumulation. These constraints - the so-called 'class compromise' - had been imposed on capital through decades of mass struggles around the world by nationally-contained popular and working classes. During the 1980s and 1990s, however, globally-oriented elites captured state power in most countries around the world and utilised that power to push capitalist globalisation through the neo-liberal model.

Globalisation and neo-liberal policies opened up vast new opportunities for transnational accumulation in the 1980s and 1990s. The revolution in computer and information technology and other technological advances helped emergent transnational capital to achieve major gains in productivity and to restructure, 'flexibilise,' and shed labour worldwide. This, in turn, undercut wages and the social wage and facilitated a transfer of income to capital and to high consumption sectors around the world that provided new market segments fuelling growth. In sum, globalisation made possible a major extensive and intensive expansion of the system and unleashed a frenzied new round

of accumulation worldwide that offset the 1970s crisis of declining profits and investment opportunities.

However, the neo-liberal model has also resulted in an unprecedented worldwide social polarisation. Fierce social and class struggles worldwide were able in the 20th century to impose a measure of social control over capital. Popular classes, to varying degrees, were able to force the system to link what we call social reproduction to capital accumulation. What has taken place through globalisation is the severing of the logic of accumulation from that of social reproduction, resulting in an unprecedented growth of social inequality and intensified crises of survival for billions of people around the world.

The pauperising effects unleashed by globalisation have generated social conflicts and political crises that the system is now finding it more and more difficult to contain. The slogan 'we are the 99 per cent' grows out of the reality that global inequalities and pauperisation have intensified enormously since capitalist globalisation took off in the 1980s. Broad swaths of humanity have experienced absolute downward mobility in recent decades. Even the IMF was forced to admit in a 2000 report that "in recent decades, nearly one-fifth of the world's population has regressed. This is arguably one of the greatest economic failures of the 20th century".

Global social polarisation intensifies the chronic problem of over-accumulation. This refers to the concentration of wealth in fewer and fewer hands, so that the global market is unable to absorb world output and the system stagnates. Transnational capitalists find it more and more difficult to unload their bloated and expanding mass of surplus - they can't find outlets to invest their money in order to generate new profits; hence the system enters into recession or worse. In recent years, the Transnational Capitalist Class has turned to militarised accumulation, to wild financial speculation, and to the raiding of sacking of public finance to sustain profit-making in the face of over-accumulation.

While transnational capital's offensive against the global working and popular classes dates back to the crisis of the 1970s and has grown in intensity ever since, the Great Recession of 2008 was in several respects a major turning point. In particular, as the crisis spread it generated the conditions for new rounds of brutal austerity worldwide, greater flexibilisation of labour, steeply rising under and unemployment, and so on. Transnational finance capital and its political agents utilised the global crisis to impose brutal austerity and attempting to dismantle what is left of welfare systems and social states in Europe, North America, and elsewhere, to squeeze more value out of labour, directly

through more intensified exploitation and indirectly through state finances. Social and political conflict has escalated around the world in the wake of 2008.

Nonetheless, the system has been unable to recover; it is sinking deeper into chaos. Global elites cannot manage the explosive contradictions. Is the neo-liberal model of capitalism entering a terminal stage? It is crucial to understand that neo-liberalism is but one model of global capitalism; to say that neo-liberalism may be in terminal crisis is not to say that global capitalism is in terminal crisis. Is it possible that the system will respond to crisis and mass rebellion through a new restructuring that leads to some different model of world capitalism - perhaps a global Keynesianism involving transnational redistribution and transnational regulation of finance capital? Will rebellious forces from below be co-opted into some new reformed capitalist order?

Or are we headed towards a *systemic* crisis? A systemic crisis is one in which the solution involves the end of the system itself, either through its supersession and the creation of an entirely new system, or more ominously the collapse of the system. Whether or not a structural crisis becomes systemic depends on how distinct social and class forces respond - to the political projects they put forward and as well as to factors of contingency that cannot be predicted in advance, and to objective conditions. It is impossible at this time to predict the outcome of the crisis. However, a few things are clear in the current world conjuncture.

The Current Moment

First, this crisis shares a number of aspects with earlier structural crises of the 1930s and the 1970s, but there are also several features unique to the present:

- The system is fast reaching the ecological limits of its reproduction. We face the real spectre of resource depletion and environmental catastrophes that threaten a system collapse.
- The magnitude of the means of violence and social control is unprecedented. Computerised wars, drones, bunker-buster bombs, star wars, and so forth, have changed the face of warfare. Warfare has become normalised and sanitised for those not directly at the receiving end of

armed aggression. Also unprecedented is the concentration of control over the mass media, the production of symbols, images and messages in the hands of transnational capital. We have arrived at the society of panoptical surveillance and Orwellian thought control.

- We are reaching the limits to the extensive expansion of capitalism, in the sense that there are no longer any new territories of significance that can be integrated into world capitalism. De-ruralisation is now well-advanced, and the commodification of the countryside and of pre- and non-capitalist spaces has intensified, that is, converted in hot-house fashion into spaces of capital, so that intensive expansion is reaching depths never before seen. Like riding a bicycle, the capitalist system needs to continuously expand or else it collapses. Where can the system now expand?
- There is the rise of a vast surplus population inhabiting a planet of slums, alienated from the productive economy, thrown into the margins, and subject to sophisticated systems of social control and to crises of survival - to a mortal cycle of dispossession-exploitation-exclusion. This raises in new ways the dangers of a 21st-century fascism and new episodes of genocide to contain the mass of surplus humanity and their real or potential rebellion.
- There is a disjuncture between a globalising economy and a nation-state based system of political authority. Transnational state apparatuses are incipient and have not been able to play the role of what social scientists refer to as a 'hegemon', or a leading nation-state that has enough power and authority to organise and stabilise the system. Nation-states cannot control the howling gales of a runaway global economy; states face expanding crises of political legitimacy.

Second, global elites are unable to come up with solutions. They appear to be politically bankrupt and impotent to steer the course of events unfolding before them. They have exhibited bickering and division at the G-8, G-20 and other forums, seemingly paralysed, and certainly unwilling to challenge the power and prerogative of transnational finance capital, the hegemonic fraction of capital on a world scale, and the most rapacious and destabilising fraction. While national and transnational state apparatuses fail to intervene to impose regulations on global finance capital, they *have* intervened to impose the costs of the crisis on labour. The budgetary and fiscal crises that supposedly justify spending cuts and austerity are contrived. They are a

consequence of the unwillingness or inability of states to challenge capital and their disposition to transfer the burden of the crisis to working and popular classes.

Third, there will be no quick outcome of the mounting global chaos. We are in for a period of major conflicts and great upheavals. As I mentioned above, one danger is a neo-fascist response to contain the crisis. We are facing a war of capital against all. Three sectors of transnational capital in particular stand out as the most aggressive and prone to seek neo-fascist political arrangements to force forward accumulation as this crisis continues: speculative financial capital, the military-industrial-security complex, and the extractive and energy sector. Capital accumulation in the military-industrial-security complex depends on endless conflicts and war, including the so-called wars on terrorism and on drugs, as well as on the militarisation of social control. Transnational finance capital depends on taking control of state finances and imposing debt and austerity on the masses, which in turn can only be achieved through escalating repression. And extractive industries depend on new rounds of violent dispossession and environmental degradation around the world.

Fourth, popular forces worldwide have moved quicker than anyone could imagine from the defensive to the offensive. The initiative clearly passed this year, 2011, from the transnational elite to popular forces from below. The juggernaut of capitalist globalisation in the 1980s and 1990s had reverted the correlation of social and class forces worldwide in favour of transnational capital. Although resistance continued around the world, popular forces from below found themselves disoriented and fragmented in those decades, pushed on to the defensive in the heyday of neo-liberalism. Then the events of September 11, 2001, allowed the transnational elite, under the leadership of the US state, to sustain its offensive by militarising world politics and extending systems of repressive social control in the name of 'combating terrorism'.

Now all this has changed. The global revolt underway has shifted the whole political landscape and the terms of the discourse. Global elites are confused, reactive, and sinking into the quagmire of their own making. It is noteworthy that those struggling around the world have been shown a strong sense of solidarity and are in communications across whole continents. Just as the Egyptian uprising inspired the US Occupy movement, the latter has been an inspiration for a new round of mass struggle in Egypt. What remains is to extend transnational coordination and move towards transnationally-coordinated programmes. On the other hand, the 'empire of global capital' is definitely *not* a 'paper tiger'. As global elites regroup and assess the new

conjuncture and the threat of mass global revolution, they will - and have already begun to - organise coordinated mass repression, new wars and interventions, and mechanisms and projects of co-optation in their efforts to restore hegemony.

In my view, the only viable solution to the crisis of global capitalism is a massive redistribution of wealth and power downward towards the poor majority of humanity along the lines of a 21st-century democratic socialism in which humanity is no longer at war with itself and with nature.