

Globalisation: a theory of the controversy

William Coleman
School of Economics
University of Tasmania
GPO Box 252-85
Hobart 7001
William.Coleman@utas.edu.au

February 2002

- asia as anti-liberal but pro-capitalist
- greek nationalism
- marxist defectors to islam; anti-nationalism
- Greek communist party

kindly

Introduction

Celebrated words are like celebrated people: before they find fame they have an early life which is passed unnoticed and mundanely. From that prosaic obscurity they are later yanked to centre-stage by events and covered in glitter.

So it is with “globalisation”. In its early life, in the 1980s, it seems to have been no more than an unremarkable piece of management jargon, referring to the dispersal across the globe of a given manufacturing process.

It was in the early 1990s that globalisation suddenly shot to stardom. The earliest record in ECONLIT of any paper title containing “globalisation” dates from 1990. Indeed, 185 of the 190 such titles have been published only since 1994.

What “globalisation” now meant in the midst of its new superstar status was less clear than before, but it certainly comprehended the economic integration of the world. And the word was used as the ensign by those who had a furious hostility to integration of the world, and any policy measures that would promote that integration.¹

I find this hostility absurd. In fact, I also find it reprehensible. But it is certainly absurd.

¹ “Globalisation” is, in David Lindenfeld’s terminology, an ‘embodiment’; a symbol (either concrete, like a flag, or abstract, such as a phrase) which serves ‘as a way of fixating or condensing a complex of meanings into a single expression’; which has a ‘power to condense and simplify complex issues in the minds of those who think and feel them’. Embodiments are ‘cognitively irrational, by virtue of their simplifying function’. But it is that simplification, that evasion of complex issues, that makes embodiments so powerful in an extended audience, in a way that the theories of intellectuals never will be (Lindenfeld 1993).

As an economists,

we know of the gains from trade

we know that the gains from intertemporal trade (ie capital flows) are symmetrical to gains from trade.

we know of the gains from scale.

Because we know these things I confess I have little relish in rehearsing these propositions for the sake of refuting a hostility to “globalisation”. I am reminded of an episode in economic history; 1770s France; when certain economists were seeking to remove internal tariffs on grain trade. In those times tariffs were imposed not only on the import of grain into France, but also on the import of grain into one French region from another French region. Some economists wished to allow grain to move from Marseilles to Paris without facing any internal tariff barrier. This proposal was considered to be quite disgusting by the same sort of persons who now rage against WTO, and economists were anathematised by various anti-economists. The chief of these was one Simon-Nicolas-Henri Linguet (1736-1794), who argued against abolishing grain tariffs on the grounds that bread was, in fact, a poison. This was asserted not as a paradox, but as an earnest claim. One cannot imagine that the refutation of the charge that bread is a poison could have posed an exciting intellectual challenge to the economists of the 1770s; it must have seemed a tiresome exercise. In the same way, a refutation of the proposition that free trade in goods and capital is noxious seems to me to be not a very exciting intellectual challenge

To me the challenge is why such absurd objections to closer economic integration have such currency. This paper seeks to provide an explanation. The explanation advanced will be a political explanation, in terms of political ideologies and political events. Put very simply: the paper asserts it was the end of the Cold War that stoked this fire storm of fury against globalisation; it was

the end of the Cold War that facilitated a revival of nationalism after 40 years of dormancy.

I am not asserting that this, or any, political explanation is a complete explanation. There are forces other than political (i.e. ideological) ones. There are also material (worldly, venal) motives. Globalisation has a huge material interest weighing against it. It always has had, and it always will. That is of great significance.

Nevertheless, I would venture, that material interests operating alone have not directed history. I venture that ideological sentiments have often been sufficiently powerful to parry the thrust of material interests. But when material interests come into league with ideological sentiments, when they strike in the same direction, then a formidable force is born, and an awesome double-barrelled weapon is constructed. ²

It is my assertion that in the post-Cold war period material interests against globalisation came to be conjoined with a revived ideology: nationalism. Further, this nationalism was reinforced by other ideological forces that found nationalism a useful collaborator in the new circumstances. In particular, the “Collectivist Right” found nationalism useful in its struggle against liberalism that revived with the end of the Cold War. And the “Collectivist Left” found nationalism useful as a substitute for Marxism in its continuing struggle against liberalism.

² It is no surprise that massive political convulsions of Western history have conjoined worldly covetousness to “ideological” zeal: the Reformation; the French Revolution, the Russian Revolution, the Third Reich. Besides ideological passions, all these involved massive theft, both legislated and unlegislated.

A Schema of Ideologies

But I have run ahead of myself. I have introduced certain terms (“Right Collectivism”, “Left Collectivism”) without explanation. So I will introduce a scheme for representing ideological differences that will be the basis of the analysis of the paper.

Instead of the familiar, single, Left-Right spectrum, the schema involves three spectra.

Right vs Left

The first spectrum runs from “Right” to “Left”. One’s position on this spectrum turns on one’s attitude to Order. “Order” amounts to, at bottom, calm and stability, that then shades off into structure and pattern, which shades off finally into inequality and hierarchy.

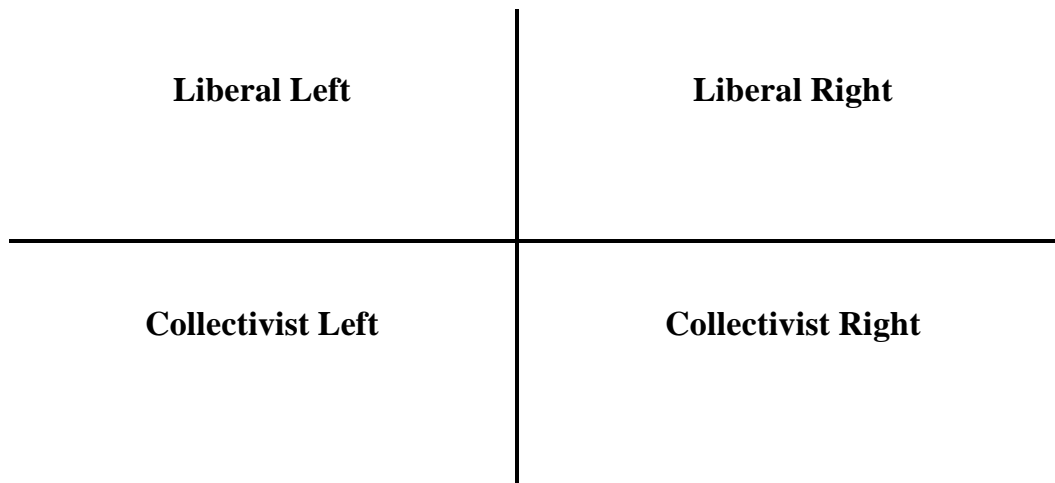
The Right is attracted to, or trusts in, “Order”. The Left is averse to, or distrustful of, Order. The Left is, at bottom, attracted to motion, change, and turbulence; that shades into fluidity and formlessness, which shades finally into indistinctness and equality. “Change” is the catch-cry.

Liberal vs Collectivist

The second spectrum in the schema runs from “Liberalism” at one pole to “Collectivism” at the other. One’s position in this spectrum is defined by one’s view on the proper location of prerogative. Liberalism is defined as an attraction to the prerogative of the individual. Collectivism is an attraction to the prerogative of the collective. “Unity” is the catchcry of the Collectivist, and “freedom” is its catchcry of the Liberal, although I will use “plurality”.

The two spectra provides four basic positions: Liberal Left, Liberal Right, Collectivist Left, Collectivist Right.

Figure 1



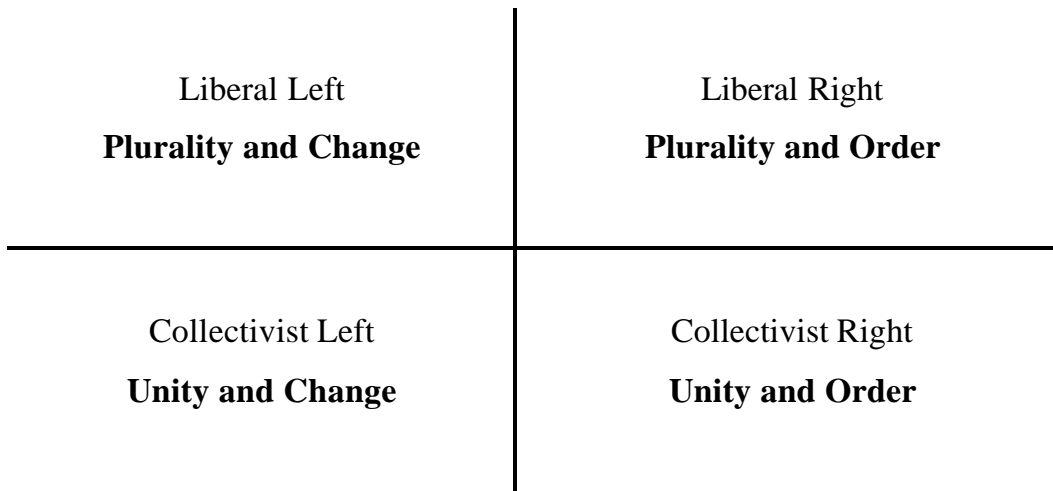
The Liberal Left is attracted to change and plurality

The Liberal Right is attracted to order and plurality.

The Collectivist Left is attracted to change and unity.

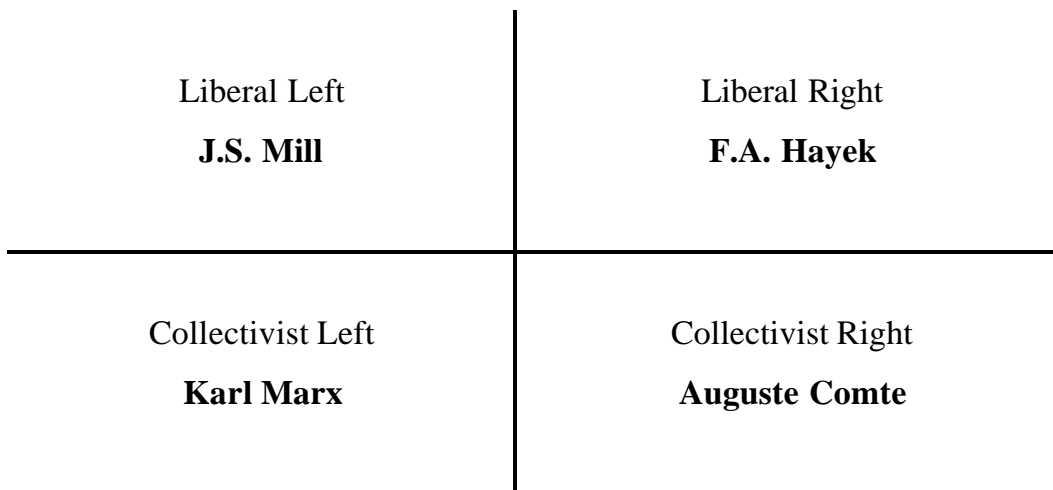
Finally, the Collectivist Right is attracted to order and unity.

Figure 2



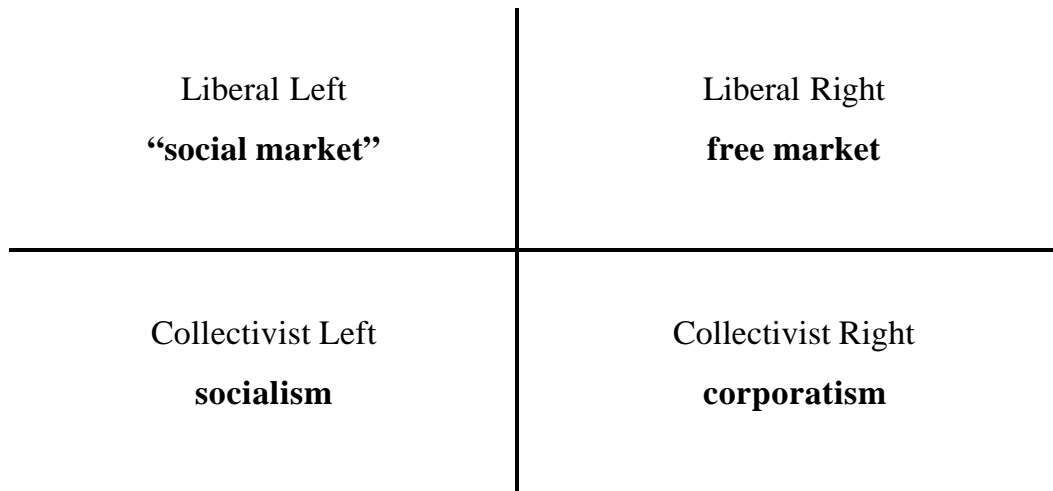
To help fix ideas it is helpful to associate with each position an illustrative (not necessarily representative) thinker.

Figure 3



It may also be helpful to attach an illustrative (not necessarily representative) economic system to each position.

Figure 4



Nationalism vs Internationalism

The third spectrum in the schema has Nationalism at one pole and Internationalism at the other. One’s position on this spectrum turns on one’s attitude to the merit and value of a national life. Nationalism is a belief in the merit and value of a national life.

The Nationalist-Internationalist spectrum can be combined with a Left-Right spectrum.

Figure 5

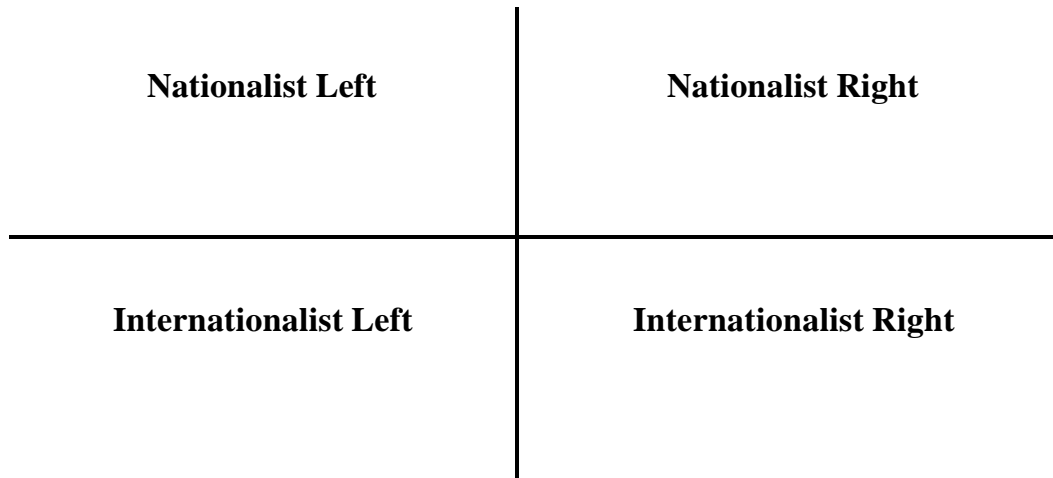


Figure 5 underlines something that is important for this paper: that Nationalism can co-exist with the Left. While Nationalism is often seen to be Right, it can be Left: it can be agitating (as well as solidifying); flattening (as well as widening); subversive (as well as conformist); “democratic” in rhetoric (as well as anti-democratic in rhetoric), “radical”, (as well as “reactionary”).³

However, neither the Left (or the Right) *need* be nationalist.

Marxism was Left but vehemently Internationalist. It was, recall, the workers of the world that were to unite, to join the International Working Men’s Association and sing “The Internationale”. Marx, let it be remembered, approved of free trade.

At the same time the Right can be internationalist. Thus Auguste Comte was essentially an internationalist.

³ See Roggeveen (1999) for a discussion on internationalist Right Collectivism.

To conclude the schema, we can combine with Left/Right: Internationalist/Nationalist matrix with the Liberal/Collectivist spectrum to obtain eight possible combinations, or “positions”.

Figure 6

Right	Liberal	Internationalist
		Nationalist
	Collectivist	Internationalist
		Nationalist
Left	Liberal	Internationalist
		Nationalist
	Collectivist	Internationalist
		Nationalist

There seems to be the potential for a multiplicity of conflicts. If each of the eight positions fought every other one there would be 29 conflicts, no less. But for two reasons conflicts are much fewer.

1. No belligerent is partial to a two-front war, let alone a war on three fronts. There has consequently been a tendency to have wars restricted to one front (spectrum), as a truce is called on other fronts, and the differing positions located on one side of the active front enter into coalition despite their disagreement .

2. Some of the eight positions may be “unfilled” or empty: nobody subscribes to them. This possibility gains likelihood in light of the fact that some positions are “unstable”, full of tension, fragile and likely to be passing. One critical example of an “unstable” position is Liberal-Nationalism (in both its Left and Right versions). This is unstable because Nationalism is fundamentally

collectivist, as the nation is a collective. Liberals, therefore, can at best be only luke-warm nationalists; they can adopt conventional patriotic pieties, but little more. Nationalism and Liberalism can only be false friends. It is Collectivism and Nationalism that are true friends.

Which positions are “unstable” or fragile may change over time. And which spectrum will constitute an active front (rather than a truce-line) may vary over time.

I would venture that the Internationalist- Nationalist spectrum has never been *the* front in modern political history. Instead the Nationalist stance has been recruited to fight on other fronts. With the passing of the Cold War there now is the possibility that Internationalist- Nationalist spectrum will become the pre eminent, active front. But until that comes to pass, it can be said that nationalism has had a tendency to fight other wars. This can be seen in a stylised account of modern political history.

The Varying Orientations of Nationalism in the Modern Age

1789-1848

The modern political age began in 1789, as the French Revolution dramatically clarified Right versus Left. The subsequent 60 years (1789-1848) have been justly called the “Age of Revolution”, and Right versus Left was the most active front of the period.

But the Revolution (especially its final years) also helped clarify the Liberal versus Collectivist spectrum. Further, only one generation after the Revolution, the Nationalist versus Internationalist spectrum was illuminated by the emergence of nationalism which rejected the internationalist presumptions that saturated the Enlightenment .

One of the significant advocates of this new nationalism was Friedrich List (1789-1846), the first anti-globalisation protestor.

In *Das Nationale System der Politischen Oekonomie* (1841) List presents some themes that were to be basic for nationalist economists for the 19th and 20th centuries.

1. The “fraction of the human race into national bodies”. Nations , says List “are different in their conditions as individuals are. There are giants and dwarfs, youths and old men, cripples and well-made persons; some are superstitious, dull, indolent, uninstructed, barbarous; others are enlightened, active, enterprising, and civilised” (List 1909, p.165).
2. The esteem of the nation state. “The highest union of individuals realized up to the present under the rule of law is in the state and the nation” (List 1909, p.301).
3. a commendation of *Realpolitik* on account of its supposed recognition of political imperatives (over the philanthropic illusions of economists);
4. a belief that free international trade amounts to the exploitation by central economies of marginal economies. Internationalism, in other words, is just the nationalism of central economies.
5. The relativity of all policy. This was duly accompanied by a denigration of theory, and an elevation of practice.⁴

⁴ “Theory did not wish to learn anything from history or experience, from politics or nationality”(List 1909, p.293).

Listianism became the charter of new and aspirant nation states, possessing unsettled status in the international diplomatic order and on the fringes of the metropolitan economies (19th c Germany, 19th c United States, Hungary, British India, Ireland, Japan).

It is worth noting that during this period Friedrich List, and nationalism more generally, was associated with liberal forces. List, for example, was associated with the struggle for liberal political goals (e.g. constitutionality, trial by jury) and even some liberal economic goals (e.g. the limitation of government spending). But this association was an association of expedience.

1848-1918

The Age of Revolution climaxed and concluded in the revolutions of 1848. Those events brought out some of the tensions between Liberalism and Nationalism. Further, as Liberal versus Collectivism became the pre eminent active front, in place of Left versus Right, the collectivist character of nationalism became more apparent. From 1848 the age of Liberal Nationalism was over, and nationalism became a resource of the Collectivist Left and Collectivist Right

The subsequent collaboration between Nationalism and the Right is notorious and needs no emphasis. What is worth emphasising is the subsequent collaboration between nationalism and the Collectivist Left. This is illustrated in the German Historical School of Economics (GHS), and the American Institutional School of Economics.

The GHS that prevailed between 1870 and 1914 was collectivist, nationalist, and moderately left.

The collectivism of GHS need not be laboured. The nationalism of the GHS is also apparent. Gustav Schmoller (1838-1917), the undisputed leader of the GHS, was committed to the “fraction of the human race”. He was also committed to the German Empire. Grand Admiral Tirpitz recalled later that the GHS responded “almost to a man” to his requests for scholarly pieces supporting the naval expansion program (Ascher 1963, p.284). In fact, Gustav Schmoller “hastened” to do Grand Admiral Tirpitz’ bidding in support of the expansion program (Barkin 1970, p.10). Schmoller favored the establishment of German-national politics in “a grand style”. It has been reasonably written that “The glorification of the Prussian state and its rulers was probably the most characteristic feature of Schmoller’s work” (Schefold 1987, p.257).⁵

Finally, the GHS was also moderately Left. Certainly, it was purposefully anti-revolutionary and anti-Marxist. It was, nevertheless, dissatisfied with the social order. “Schmoller’s hope was to overcome the existing class structure of German society, and with this in mind he pushed for the progressive income tax system” (Balabkins 1994, p.34).⁶

American Institutionalism

The collaboration of nationalism and collectivism in the German Historical School had some parallel in the American “Institutionalism” that is associated with Thorstein Veblen (1857-1929), Richard Theodore Ely (1854-1943) and John R. Commons (1862-1945).

The Left collectivism of American Institutionalism is seen in its strong sympathy to America’s nascent labour movement. Ely’s own analysis of the labour movement caused an outrage sufficient to forced his resignation from

⁵ As professor he argued for “vital, but at the time hard-pressed, national industry against foreign supremacy” (Schmoller quoted in Lambi 1963, p.91).

⁶ The GHS, and Lujo Brentano in particular, had a distinct sympathy with the socialist labour movement, and were mocked by economic liberals as “socialists of the chair”.

Johns Hopkins University, and his shift to Wisconsin. In Wisconsin his colleague Commons, also a sympathetic historian of the labour movement, drafted that State's pioneering legislation on,

workers compensation,
the prohibition of child labour, and
regulation of railways and public utilities

Several of the American Institutionalists were also nationalist. Commons in particular was beset by a race anxiety. He felt that American national life was menaced by a vast and promiscuous influx into the United States of races that were foreign to the 'teutonic tribes' who had planted the seed of America's mother institutions two thousand years ago in German forests. (See Ramstad and Starkey 1995).⁷ In Commons' mind, the assimilation of this influx could not be presumed since, "Race differences are established in the very blood and physical constitution ... they are most difficult to eradicate". The tropical races were "indolent", Negroes were "lacking in 'mechanical idea'", and only the "ambitious races of northern Europe could be industrialised". (Gosset 1963). Ely had views on race similar to Commons. He thought "valuable" a book of 1891 *Our Country* (by Josiah Strong) that heralded the contest, and ultimate triumph, of Anglo-Saxons over all "weaker races."

The point is that nationalism was congenial to collectivism. Or, at least, it seemed to be congenial.

The interwar period

⁷ Commons: "'All men are created equal'. So wrote Thomas Jefferson, and so agreed with him the delegates from the American colonies. But we must not press them too closely nor insist on the literal interpretation of their words"(Commons 1907, p.1). Schmoller would have wholly agreed, as would Sombart: "All men are not, as the English would have it, equal" (quoted in Mendes-Flohr, 1976, p.105).

The First World War ended the collaboration between Left and Nationalism. Nationalism now caused offence to the Left on the ground of its reactionary aspect; it seemed to represent the survival of an old, barbaric order. Thus Veblen who had “hailed the publication of Schmoller’s *Grundriss* [in 1901] as an outstanding event in economic theory” (Dopper 1993, p.146) now anatomised the German pathology (Veblen [1915] 1939). Nationalism now seemed to belong in the reactionary Right rather than a progressive Left.

The First World War also thrust the leadership of the Collectivist Left onto a steadfastly internationalist section of it: Marxism. It is true that shortly after the outbreak of the First World War, Lenin had advanced a doctrine of Imperialism, which had a Listian flavour. But Lenin believed that any hierarchy of nations was not a fundamental hierarchy; the fundamental hierarchy was that of classes; imperialism was a technique of class hierarchy, not nation hierarchy. Lenin was a consciously “conservative” Marxist theoretician, and he conserved the internationalism of Marx.

This sudden assumption of ideological leadership by Marxism reversed the trend of the 20 years before 1914, when Marxism had experienced fissure and disintegration (see Bronfenbrenner 1970). Revisionism was the most significant symptom of this disintegration. However, in 1914 Revisionist parties flocked to their respective national colours, and later suffered because of it. From 1917 an internationalist leftism was now the reference point of the Left Collectivism.

Granted, some “exotics” were exempt from the end of the collaboration between nationalism and the Left. Gunnar Myrdal (1898-1987) was one. He is perhaps most remembered today for resolving to return his own Nobel Prize in economics when he learnt that Milton Friedman had also been awarded one. What is not remembered is that in the 1930s, without ever being part of the Right, he and his wife Alva “cast their lot in with ethnocentric nationalism. For

Gunnar... an almost tribal devotion to the Swedish 'folk' drove him in a new direction A true passion for 'Swedens children'" (Carlson 1990, p.85).

The Cold War

To a considerable extent the Second World War and its aftermath merely amplified what had already been achieved by the First World War. The association of the Right with Nationalism in the developed world was reinforced, and Marxism as a reference point of the Collectivist Left was reinforced of by the trials and triumph of the Soviet Union. The critical novelty lay in the fact that Marxism was no longer just an ideology; or just the "established church" of one country; it was the gospel of an aggressive world power.

This aggression prompted a worldwide "grand coalition" in the West, centred on the United States. Ideologically speaking, this coalition hinged upon the Liberal Right, and encompassed (for a time) both the Collectivist Right and the Liberal Left. And this coalition was internationalist. It was a coalition that created "international funds", and "world banks", and "united nations".

The Cold War contest, thus, was internationalist; the rival contestants were internationalist.

Two qualifications should be allowed.

1. The "internationalist" left did obtain sustenance from national antagonism. For example, the internationalist left received stimulus from anti-Americanism. To adapt Lenin, anti-americanism is the socialism of fools.
2. Nationalism was powerful outside the First World. Anti-globalising doctrines were given extensive play, particularly in Development Economics.

Three economists with nationalist credentials in the inter-war period were important in formulating the nationalist bias of development economics in the post-war period; Mihail Manoïlesco (a functionary of Rumanian fascism), Thomas Balogh (1905-1985) (who had supported Admiral Horthy in the 1930s), and Myrdal.

Manoïlesco's *The Theory of Protection and International Trade* (1931) was an ambitious, if unsuccessful, attempt at a theoretical refutation of comparative advantage (see Irwin 1996), and the "League of Nations policy" of free trade. His contention was that "international trade represents in the most categorical form, although the most disguised, the exploitation of one people by another". Trade was, in particular, the exploitation of the less advanced by the more advanced.⁸ Manoïlesco has been described as the forerunner of Raoul Prebisch, and the ideas of the UN's Economic Commission for Latin America (ECLA), and the United Nations Conference on Trade and Development (UNCTAD) (Schmitter 1979, p. 34).

Myrdal's *Rich Lands and Poor* of 1957 articulated what he described as "sane and sound nationalism" and "rational nationalism" for developing countries (1957, pp28-68). It contended that international trade benefits strong countries, but impoverishes the culture of underdeveloped countries, and strengthens their forces of stagnation (pp52,53). Regrettably, said Myrdal, there is a "cosmopolitan flavour" in even "the most abstract concepts and pronouncements in economics". Myrdal's hoped for a new economics that would go beyond "outmoded Western liberal economics and marxism". This new economics would adopt a relativism congruent with nationalism, and abolish any notion of unique equilibrium.

Thomas Balogh's *Unequal Partners* (1963) is a tract on international economic relations that incites developing countries to spurn free trade. The basis of this incitement is the inadequacy of standard economics on account of the lawlessness of the economic world. Balogh makes a respectful nod to Manoïlesco and salutes the GHS.

In the post-war period, Manoïlesco's protectionism, the historicism of the German Historical School, and the "permanent disequilibrium" of Balogh and Myrdal, found expression in the 'structuralism' of Raoul Prebisch (1901-1986), and the ideas of the UN's Economic Commission for Latin America (ECLA).⁹ More immediately, ECLA also drew on Manoïlesco who had maintained (as ECLA did) that less developed countries will grow only through a policy of planned industrialisation, hastened by import substitution and financed by internal (rather than foreign) capital.¹⁰

A more extreme development of the tendency ECLAs ideas came from "dependency theorist" André Gunder Frank (1929-). While working at Brazilian, Mexican and Chilean universities in 1960s, Frank advanced the notion that international economic relations was "global system" of exploitation, that made the First World rich by making the Third World poor. This was articulated in a string of "world" books; *Crisis and Transformation of Dependency in the World System*, *World System in Crisis*, *World Accumulation: 1492-1789*, *Reflections on the World Economic Crisis*. Frank's "dependency theory" was, however, critically distinguished from part of the

⁸ Manoïlesco's sentiments had been prefigured by theoreticians of Italy's pre-1914 nationalist movement, such as Alredo Rocco, who held that Italy was the "proletarian nation" of Europe, exploited by the "capitalist nations".

⁹ The ideas of List had been popularised in Prebisch's native Argentina by Vincente Fidel Lopez (1815-1903), a historian of Argentina's struggles for independence, and professor of political economy. Prebisch was also the "admirer and translator" of Adolf Wagner (1835-1917), an economist of an extreme German nationalist tendency, who is sometimes included in the GHS.

current rage against globalisation: the First World was supposed to *benefit* through its economic relations with the Third. Thus Frank's theory is not one which can be used by the many anti-globaliser advocates who hold that globalisation threatens First World countries, such as Australia.

After “the End”

In 1989 the Cold War finished with the overthrow of the regimes of the Soviet Bloc. This had three critical consequences:

1. The victory of United States was a great provocation to national feeling

Until 1989 the sheer existence of the Soviet bloc held out implicitly the existence of an alternative to the capitalist system. Recall that the Soviet economic system had not been exposed at the Potemkin village that it was later seen to be. In the first part of the post war period the mythology of the Five Year Plans was still very powerful: from peasant society to industrial powerhouse! And, as Paul Krugman (1994) reminded us, in the early 1960s there was a spasm “official anxiety” in the United States about the apparently break neck speed of Soviet economic growth. As late as 1987 Paul Kennedy in his much acclaimed *The Rise and Fall of the Great Powers : economic change and military conflict from 1500 to 2000*, followed the best estimates of Western authorities and put Soviet GDP at about 47 percent of American GDP. Since genuine measurement of Russian GDP began in the early 1990s, the GDP of the Russian Federation and the Ukraine combined has never been more than 6 percent of US GDP.

¹⁰ Manoilescu anticipated the general arguments and even many of the specific points of what twenty years later came to be known as the ECLA ... doctrine” (Schmitter 1979, p.34).

It was only in 1989 that there suddenly loomed, for the first time in about a century, the prospect of a single, globally dominant economic and political system, one which, it seemed, all others systems would defer and concede to, and accept as their own destiny. And the United States was its exemplar. (See, for example, Fukuyama 1992 for one expression of this sentiment). Inevitably, this triumph of the American economic and political system also seemed to beckon a triumph of values and culture peculiar to the United States.

This prospect; this suggestion of inevitable disappearance of the non-American; provoked a deep nationalist resentment. This resentment revived the older accusation of internationalism as the disguised instrument of a particular culture; the older denial of the existence of universal laws; the older insistence on the actual and rightful partition of humankind by culture and age. This resentment was almost immediately condensed upon a jealous pan-Europeanism that aspired to defend the “distinctiveness” of “Europe”(see, for example, Bourdieu 1998, p.41), and above all, in the term “Globalisation”.

This revived nationalism had its ideologists. Perhaps the most prominent is John Gray (1948-), author of *False Dawn: The Delusions of Global Capitalism* (1998).

The emotional underlay to what Gray writes is a boiling antipathy to the United States. The particular focus of hatred is the ‘Washington consensus’ of “Market Fundamentalism” that presumes to inculcate ‘a single world worldwide civilization, in which the varied traditions and cultures of the past were superseded by a new, universal community founded on reason’. This consensus is “a marginalisation of cultural differences in human life that grossly underestimates its political importance”. It treats “nationalism and ethnic allegiance as ephemeral” and consigns them to ‘poverty or extinction’. This consensus revives Herbert Spencer in supposing that “allegiance” to a can be achieved in the absence of a “particular cultural tradition”. But, in truth, says

Gray, the importance and validity of different economic cultures cannot be effaced. In truth, there persists “indigenous types of capitalism that owe little to any western model”, especially the “radically different” Asian institutions are that “overtaking” Western ones. Europe and the USA are themselves different, especially since (according to Gray) the USA can hardly be considered a European culture given the prospect that blacks and hispanics will soon constitute a majority. (Commons would have entirely sympathised).

Gray’s nationalism is so vehement, and so dwarves other ideological considerations, that it amounts to an attempt to make Nationalism-Internationalism the leading front of political contest.

A similar attempt to make Nationalism-Internationalism the leading issue is found in the urgent prose of Chalmers Johnson (1931-). Like Gray, Johnson’s vision is nationalist; nationalism to Johnson is great, energising, dynamising, mobilizing force. (His earliest significant publication is *Peasant Nationalism and Communist Power*). Like Gray, Johnson detests American ascendancy (see Johnson 1996, 2000). Like Gray, he is a choleric critic of the application of universalistic economics (and rational choice theory) to Asia (see Johnson and Keehn 1994). But whereas Gray is a “European nationalist”, Chalmers is an Asian nationalist

2. End of coalition of Collectivist Right and Liberal Right against the Left

The second significant consequence of 1989 was the end of coalition between the two “wings” of the Right. During the Cold War there had been, in the service of their common cause against the Left, a truce between Collectivist Right and Liberal Right over what separated them. The truce ceased with the

end of the Cold War, the Collectivist Right renewed its struggle against Liberalism,¹¹ and in this renewed struggle found nationalism useful.

B.A. Santamaria (1915-1998) is an illustration. He can be easily categorised as a Right Collectivist. As a youthful editor of the *Catholic Worker* he declared in the 1930s, ‘We do not regard the Communist Party as our chief opponent. Capitalism—that is the enemy!’. Not surprisingly, the expression of these sentiments went into abeyance in the Cold War. With the Cold War won they were revived in the 1990s in Santamaria’s campaign against economic rationalism. And he was happy to recruit nationalism to that cause.

Consider a paper of Santamaria in 1996. It is all in its title: “Australia’s Economic Problem: The Issue of Sovereignty”. Santamaria complains there of “the prevailing ideology... of Internationalisation, which characterises not merely culture in general, but almost every aspect of life from sport to the economy. Globalisation .. is the economic reflection of internationalisation”. He laments that the “globalist revolution” “can threaten the political sovereignty of governments, particularly of relatively weak governments like Australia, and the capacity of governments to determine the way of life of their peoples” (1996 19). These doleful speculations are speckled with Anti-americanism; he speaks with approval of a book entitled *American Hegemony and the Trilateral Commission*

Robert Manne is another example. Robert Manne has, or had, an ideologically congruence with Santamaria. As late as June 1988 Manne was sounding the toscin about the presence of the USSR in the Pacific (Manne 1988). But by

¹¹ The notion that the end of the Cold War precipitated a split in the Right has been well aired. “Liberalism and conservatism have been allied for a long time in Australia. That alliance was one of those certainties of Australian life which can be said to have been shaken seriously by the developments of the last decade. With the collapse of the communist dream they have lost their common foe; the time is ripe for disagreements.” Melleuish (1993).

1991 he had, with the end of the Cold War, announced a split “conservatism” (ie split between Liberal Right and Collectivist Right), and embarked on a campaign against Economic Liberalism. And he used nationalist rhetoric to aid that campaign. Thus Part I of a book he co-edited; *Shutdown; the Failure of Economic Rationalism and How to Rescue Australia* is entitled “Australian Tradition under Threat”. The Preface warns that the “Australian way of life is at risk”.

Finally, one should not omit the unforgettable Pauline Hanson’s One Nation. “Pauline Hanson’s One Nation will fight for nationalistic economic reform” (Pauline Hanson, 29 August 1997). Anti-globalisation rhetoric is a staple of this turbulent expression of Right Collectivism.

A continuation of these "globalist" policies will drive Australia to financial disaster and change us from a wealthy and self sufficient nation, to a "third world" nation, depending on the International Monetary Fund and loans to pay its debts, thereby losing its economic and political freedoms.

Our competitors have continued to protect their industries and their national sovereignties while Australia has exposed itself to de-regulation, free trade, globalisation and economic rationalism.

One Nation Manufacturing Policy Statement, 29th September
1998

One Nation is against the Multilateral Agreement on Investment (“wounded but not dead”), the IMF, “international bankers”, and the World Trade Organisation, (“its agenda is shaped by the Transnational Corporations”). It is

in favour of quantitative import controls in general, and protection of the sugar industry in particular. It is all redolent of the policies of Santamaria and Manne.

On an international plane, Chalmers Johnson and Gray, can also be grouped with Santamaria and Manne, as they are both distinct anti-Marxists deploying nationalism in a post Cold War world.¹²

3. Decline in prestige, morale and power of Marxism

With the fall of the Berlin Wall the reference point of Collectivist Left was no longer its one determinedly internationalist expression. Nationalist forms now beckoned. To put the point in summary, and doubtless exaggerated, form: in 1914 the Left gave up on nationalism; in 1989 the Left gave up on internationalism.

From 1989 a Listian offence at the existence of an international economic order had greater resonance than ever before with the Left; an offence at the hierarchy of nations with United States at the top making decisions, and, say, Guatemala down the bottom. In the minds of such Left Collectivist anti-imperialists the free market is constructive of the (bad) hierarchy of nations.¹³ And the IMF, WTO etc are denigrated as the technical functionaries of that hierarchy .

¹² Johnson was published prominently in *Quadrant* under Manne's editorship.

¹³ We could, by contrast, imagine a Left Liberal anti-imperialist who sees the market as destructive of the (bad) hierarchy of nations. (eg a Smithian anti-mercantilist). We could imagine a Right Liberal imperialist who sees the market as constructive of the (good) hierarchy of nations. Finally, we could imagine a Right Collectivist imperialist who sees the market as destructive of the (good) hierarchy of nations.

Indeed, List is revived most concretely. Consider, Garry Sauer-Thompson, a philosopher at Flinders University, and an author of several densely academic texts. He is currently co-writing *Global Village/Global Pillage*. He is also the author of,

The Bankruptcy of Economics : Ecology, Economics and the Sustainability of the Earth;

The Unreasonable Silence of the World : Universal Reason and the Wreck of the Enlightenment Project; and

Beyond Economics: Postmodernity, Globalisation and National Sustainability (Sauer-Thompson 1996).

I think you may anticipate this last volume's attitude to Globalisation. My point is its rejection of internationalism: Sauer-Thompson disparages the "cosmopolitanism" of Marxism, and garlands his text with quotations from Friedrich List, and even J.G. Fichte's *Addresses to the German Nation*(!). This is done in the perfectly Listian cause of championing the "semi-peripheral nation state" of Australia in the face of the "hegemonic core states of America and Japan".

Evan Jones is another illustration of left Listianism. Jones was prominent in the political economy movement at Sydney University. Since about 1989 he has been expressing Listian sentiments that, for example, condemn the "cowardly acquiescence to global pressures of the Hawke-Keating years". He has in thoroughly Listian terms, commended the "realpolitik" and "toughness" of Curtin-Chiefly government, that was alive to "conflicting interests" between larger units and "smaller or less developed countries" (*Australian Financial Review* , p.63, 26 April 2001).

These doctrines lead to some surprising connections. Consider a news item that appeared in *The Australian* on 1 March 2001. This told the world about an organisation by the name of *Australia One* : an organisation of 16 persons, based on the Sydney Rugby Club. In 2001 Australia One took upon itself the task of reshaping Australian politics. The person they selected to lead for this reshaping : Bob Katter, who they inveigled to challenge John Anderson for the leadership of the National Party, with the promise of furnishing him the policy development that such a challenge would need. With the failure of that ambition, Australia One endeavoured to put Bob Katter at the helm of a new party of like-minded MPs, (such as Tony Windsor), to which it would also provide policy development, and fundraising.

This news report said that *Australia One* included Evan Jones.

There are other illustrations of the Collectivist Left adopting nationalistic postures. *Contesting the Australian Way* (Smyth and Cass 1998) is a collection of papers, largely authored by sociologists and political scientists, that is concerned with the appropriate balance between markets and the state. Its thesis is that weight must be restored to the state. Predictable, globalisation is subject to negative critique (pp 30-35). What is worth pressing here is how much Australian distinctiveness is championed. *Contesting the Australian Way* (notice the title) paints a fine prospect of an Australian tradition of interventionism wedding its way back to Deakin, Protection and Arbitration. It seems to say: “This is Australia, and this is good”. Any critical portrayal of Australia’s uniqueness (such as Paul Kelly’s notion of the ‘Australian Settlement’) is firmly repudiated (for example, Smyth & Cass 1998, p. 64).

Finally, the use of “nation” in Pusey’s *Economic Rationalism in Canberra: Nation Building State Changes its Mind* of 1991 should not go unremarked. In Marxist thought the state was the committee of the bourgeois; now it is “nation building”.

Some Fig Leaves

This use of nationalism by the Left (and Right) is sometimes disguised.

- Kultur. “Nationalism” is often “cultural” in its self-presentation; it is often carefully wed to the term “culture”, and distinguished from anything crudely “tribal”.
- Pan-Europeanism. By adopting pan-Europeanism the nationalist can bait the United States, while seeming to renounce old national rivalries.
- Adopted nationalism. In the conception of this paper, a nationalist need not be chauvinist for one’s birthplace. Quite the contrary. One may adopt a nationalism of a nation other than one’s “own”. This adopted nationalism is far from rare (Orwell [1945] 1968 stresses this phenomenon).

Further, we have stressed that there is something “opportune” about the recruitment of nationalism by the Collectivist Left (and Right). This does make it actually insincere, but there is something provisional and experimental about it. The moral is that we may not be dealing with a long term relationship here.

The romance of the Left with “nationalism” may be compared to the little romance the Left has had with what they would call “conservatism”, or what I would call “Right Collectivism”. Consider Geoff Dow, a political economist from University of Queensland, and author of several marxist books, including one on *Das Capital*. Not long ago Dow expressed appreciation of the high employment aspects of ‘statist, paternalist and semi-feudal institutions’ (Dow 1992, p. 280). On a more theoretical plane, Dow approves of John Ralston Saul’s “sustained, multi-disciplined and fascinating ...conservative critique of liberalism”. “Saul insists”, notes Dow with approval, “like most conservatives,

in contrast with the liberals who have hijacked government in the name of rationality, that we see ‘society as an organic living thing’ ” (Dow 1996).

In a similar vein John Quiggin wrote in 2001, with an evident tone of regret, “the central Burkean idea” of “gradual and organic” change is absent in the Liberal Party.¹⁴ And Evan Jones (1989) has expressed his yearning for an “intelligent conservative” “Tory” to explain to economic liberals how capitalism really works.¹⁵

I see in both this toying with “conservatism”, and this dabbling with nationalism, attempts of the Collectivist Left to reorientate itself in the wake of the disappearance of its landmarks.

Qualifications

Just as any theory is (and must be) unrealistic, this political schema of this paper is overschematised. It ignores other fronts of conflict.¹⁶ And its stylised history is overstylised. Anti-Americanism hardly began in 1989.¹⁷ Neither did

¹⁴ John Quiggin: “The only serious conservative in the Government's ranks is Bob Katter, who has done his best to defend the values and way of life of his constituents. For his pains, he has been denounced by his side of politics as a maverick and a ratbag”.

¹⁵ Jones: “One interest that Tories and socialists of various persuasions have shared, though for different reasons, is that of *stability* – economic, social, political” (Jones 1989, p.37).

¹⁶ One conflict that we have ignored is that between Islamic renewal movements and the West. But it is not difficult to assimilate this conflict. The Islamic renewal movement since its beginning in the 1930s is easily interpretable as an anti-western reaction. The apparent triumph of the West in 1989 plausibly added impetus to this reaction. Since that date the movement also gained from the defection of certain Middle Eastern marxist ideologists to Islam. What correspondence might there be between the anti-globalisation movement and Islamic renewal? Al-Qaida’s choice of the World Trade Centre as its victim is worth pondering.

¹⁷ See Hollander (1992) for one survey of anti-Americanism before the end of the Cold War.

Left dabbling with “conservatism” start in 1989.¹⁸ Yet, I maintain that 1989 stimulated these.¹⁹

Concluding Comments

Back to the Past

Fukuyama was wrong. History did not stop in 1989; the screen did not freeze. We just put on an old tape, and re-run the latter part of the 19th century.²⁰

The stance of John Gray, for example, is distinctly reminiscent of the GHS.

- Both the GHS and Gray see Marxism and economic liberalism as one and the same; internationalist, a-cultural, Enlightenment survivals. (Schmoller: Marxism and Manchesterism “twin offspring of an unhistorical rationalism, the last musty remnant of the Enlightenment” (quoted in Ashley [1907] 1963, 85). Gray: the kinship of Marxism and “market fundamentalism” is “evident”. “It is like Marxism, a variant of the enlightenment project.” (Gray 1995, p.100)).
- Both the GHS and Gray see the market, not as a part of the progress of a universal civilisation, but as culturally contingent.

¹⁸ One need only think of Engels’ naively favourable presentation, in *The Condition of the Working Class in England*, of the pre-capitalist social order.

¹⁹ One shard of evidence: in a effervescent anti-American effusion in the *Age* Sue-Ann Post, declares “Then in the '90s when Communism fell, things got even uglier. America had won the Cold War, America was Number One, America ruled, America rocked and everyone else in the world wished they were American, too. In short, they got really arrogant” (*The Age*, 25 January 2002).

²⁰ This claim, too, must be qualification: the current antipathy to globalisation does *not* share the antipathy of many late 19th century anti-globalisers to non-white immigration.

- Both the GHS and Gray have at their nervous core a defensiveness regarding cultural identity.

To the GHS “England was the prime example of a highly industrialised and politically advanced nation. English society was what German society would soon be, unless the mandarins could prevent it” (Ringer 1969, p.184). . For Gray, and other of current anti-globalisers, one may simply substitute “England” for “America” in the passage and read this as a true. To Gray the United States has simply replaced England as the loathsome, menacing agent of universalisation

- Both the GHS and Gray feel compelled to discredit the distinctive feature of the economic model of the loathsome centre of universalisation: economic liberalism.

Thus the German mandarins “reacted with such fury against Spencer’s cheerful proclamation about the natural relationship between individual liberty and industrial development” (Ringer 1969, 184), for if Freedom meant Progress, then Progress meant England; and that was intolerable. A plain parallel is in the determination of anti-globalisers such as Gray to make American economic freedom a formula for failure.²¹

Diagnosis

Anti-globalisation is not a “disease of affluence”, but a disease of success

The West won the Cold War without winning any battles. It won economically; liberalism and multilateralism won the War for them. But its very success in destroying an internationalist Left

²¹ Friedman would be the parallel for Spencer.

- encouraged the Collectivist Right to renew their struggle against Liberalism;
- encouraged the Left to turn to nationalist models;
- contributed to the prospect of a uni-polar world which so offended national pride.

Prognosis

What does the analysis suggest will be the probable future course of anti-globalisation?

There are three events that would douse the campaign.

1. Some massive threat to world order which would re-unite the Right, and renew the truce over liberalism.
2. A Right nationalist revival, that would re-discredit nationalism in the mind of the Left.
3. A failure of the US economy. It was the triumph of the American economic model that inflamed nationalism, through the attendant suggestion that the United States was the inevitable future. Consequently, Nationalist sensibility would be soothed and reassured by some failure in the American economy. The Nationalist sentiment that is now manifest would again become latent.

None of these three events seem “likely” to come to pass. One may conclude that anti-Globalisation mania will be with us. This is depressing. Yet I am glad if none of these three events come to pass. The anti-globalisation mania, I conclude, is one of the prices of the success of civilisation.

References

Ascher, Abraham (1963), "Professors as Propagandists: the Politics of the Katheder Sozialisten", *Journal of Central European Affairs*, 23(3).

Ashley, W.J. (1962), "A Survey of the Past and Present Position of Political Economy", *Essays in Economic Method*, edited by R.L. Smyth, London: Gerald Duckworth.

Balabkins, Nicholas W (1993/4), "Gustav Schmoller and the Emergence of Welfare Capitalism", *History of Economic Ideas*, 1.

Barkin, Kenneth D. (1970), *The Controversy over German Industrialization, 1890-1902*, Chicago : University of Chicago Press.

Bourdieu, Pierre (2000), *Les Structures Sociales de l'Économie*, Paris: Seuil.

Bronfenbrenner, Martin (1970) "The Vicissitudes of Marxian Economics", *History of Political Economy*; 2(2).

Carlson, Allan (1990) *The Swedish Experiment in Family Politics : the Myrdals and the Interwar Population Crisis*, London : Transaction Publishers.

Clegg, Stuart and Paul Boreham, and Geoff Dow (1986) *Class, Politics and the Economy*, London : Routledge & Kegan Paul.

Clegg,Stuart, and Geoff Dow and Paul Boreham (1983) *The State, Class and the Recession*, London : Croom Helm.

Commons, John R (1907), *Race and Immigrants in America*, New York: Macmillan.

Dopper, Kurt (1993) "On the Significance of Gustav Schmoller's Contribution to Modern Economics", *History of Economic Ideas*, 1(2).

Dow, Geoff & George Lafferty (eds) *Everlasting Uncertainty :Interrogating The Communist Manifesto, 1848-1998*;(1998) Sydney : Pluto Press.

Dow, Geoff (1992), 'The Economic Consequences of Economists', *Australian Journal of Political Science*, 27.

Dow, Geoff (1996) "Elevating Process over Substance: a New Critique of Liberalism". [Review of Saul, John Ralston. Voltaire's Bastards: The

- Dictatorship of Reason in the West], *Australian Journal of Politics and History*, 42(1)
- Frank, André Gunder, (1979) *World System in Crisis*, Development studies discussion paper: University of East Anglia.
- Frank, André Gunder, (1978) *World Accumulation, 1492-1789*, New York : Monthly Review Press.
- Frank, André Gunder, (1981) *Reflections on the World Economic Crisis*, New York : Monthly Review Press.
- Frank, André Gunder, (1983) *Crisis and Transformation of Dependency in the World System*, School of Development Studies, University of East Anglia.
- Fukuyama, Francis (1992), *The End of History and the Last Man*, Free Press: New York.
- Gossett, Thomas F.(1963) *Race : the History of an Idea in America*, Dallas : Southern Methodist University Press.
- Gray, John (1995), *Enlightenment's Wake : Politics and Culture at the Close of the Modern Age*, London: Routledge.
- Gray, John (1998), *False Dawn: the Delusions of Global Capitalism*, London: Granta Books
- Irwin, Douglas A., (1996) *Against the Tide : an Intellectual History of Free Trade* Princeton, N.J.; Princeton University Press.
- Hollander, Paul (1992), *Anti-Americanism: Critiques at Home and Abroad, 1965-1990*, Oxford University Press: Oxford.
- Johnson, Chalmers, (1996) “The Okinawan Rape Incident and the End of the Cold War in East Asia”, *Quadrant* 40(3).
- Johnson, Chalmers, *Blowback : the Costs and Consequences of American Empire*, New York : Metropolitan Books.
- Johnson, Chalmers and Keehn E B, (1994), “A Disaster in the Making. Rational Choice and Asian studies” *National Interest*, 36.
- Jones Evan (1989) “Is there a Tory in the House?: flaws in the Libertarian Vision. Need for an Intelligent Conservative Explanation and Defence of the Capitalist Economy”, *Quadrant* 34(8).

- Krugman, Paul (1994), "The Myth of Asia's Miracle ", *Foreign Affairs*.
- Lambi, Ivo Nikolai (1963), *Free Trade and Protection in Germany 1868-1879*, Weisbaden: Fritz Steiner Verlag.
- Lindenfeld, David F. (1988), 'On Systems and Embodiments as Categories for Intellectual History', *History and Theory*, 27.
- List, Friedrich (1909), "American Political Economy" in *Life of Friedrich List and Selections from his Writings*, by Margaret E Hirst, London: Smith, Elder and co.
- Manoïlesco, Mihaïl (1931) *The Theory of Protection, and International Trade*, London: PS King and Son.
- Melleuish, Gregory, (1993) "The Liberal Conservative Alliance in Australia": *IPA Review*, 46(2).
- Mendes-Flohr, Paul R. (1976), "Werner Sombart's The Jews and Modern Capitalism. An Analysis of its Ideological Premises", *Year Book Leo Baeck Institute*, London Secker & Warburg.
- Myrdal, Gunnar, (1957) *Rich Lands and Poor : the Road to World Prosperity*, New York : Harper & Row.
- Norton, Andrew (1993), "What's in an name? Political labels in the 1990s", *IPA Review*, 46(2).
- Orwell, George (1968), "Notes on Nationalism", in *The Collected Essays, Journalism and Letters of George Orwell*, Sonia Orwell and Ian Angus,eds, London: Secker & Warburg.
- Ramstad, Yngve and Starkey, James L. (1995), "The Racial Theories of John R. Commons", *Research in the History of Economic Thought and Methodology*, 13.
- Ringer, Fritz K. (1969), *The Decline of the German Mandarins. The German Academic Community, 1890-1933*, Harvard University Press.
- Roggeveen, Sam, (1999) "Conservatism and Classical Liberalism : a Rapprochement", *Policy* 15(2).
- Santamaria, B.A., (1996), 'Australia's Economic Problem: The Issue of Sovereignty', *Australia and World Affairs*, No. 27.

Sauer-Thompson, Gary and Joseph Wayne Smith (1996), *Beyond Economics : Postmodernity, Globalization and National Sustainability*, Aldershot: Avebury.

Schmitter, Philippe C. (1979), 'Still the Century of Corporatism', in Phillippe C. Schmitter and Gerhard Lehbruch (eds), *Trends Towards Corporatist Intermediation*, Sage Publications, Beverly Hills.

Schefold, B. (1987), "Schmoller, Gustav von", in *The New Palgrave : a Dictionary of Economics*, edited by John Eatwell, Murray Milgate and Peter Newman, volume 4, London : Macmillan.

Smyth, Paul and Cass, Bettina (1998), *Contesting the Australian Way: States, Markets and Civil Society*, Oakleigh: Cambridge University Press.

Veblen, Thorstein, (1939), *Imperial Germany and the Industrial Revolution*, London: Secker and Warburg.