

**Joachim Hirsch
Globalization of Capital,
Democracy and Citizenship**

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I. Introduction

Thank you for inviting me to give this lecture. The subject is "Marxism and Citizenship" and, within that context, I am expected to criticize what you are doing here in Aalborg, scientifically of course. I have, however, some problems with that because I doubt if "Marxism" would be a standpoint which allows for such a criticism. Anyway, at first I must apologize for not doing both. There are two reasons for that:

Firstly, I am, of course, referring to some basic concepts of Marx theory in my work, but I do not know if these are belonging to any "Marxism". Indeed, it would be rather difficult to answer the question of what means "citizenship" under the present economic and political conditions by only referring to the theory of Marx or any Marxism. As you know, state, democracy and citizenship are one of the most important weak points in the Marxist tradition.

Secondly, having only a rather superficial impression of what you are doing, but finding it very good and interesting, I have no reasons to criticize your work. It seems to me, rather, that you and the people I am working with in Frankfurt have different theoretical access ways to what is a common problematic: What citizenship actually means? How societies, states, and liberal democratic institutions etc. are transforming? I think it would be very fertile to compare and to confront both approaches. At the first glance, the main difference between "Frankfurt" and "Aalborg" seems to be the importance which is given to the global capitalist process of valorization and accumulation and the meaning of the nation state within changing international class relations.

II. Political backgrounds

There are always decisive political backgrounds for each theoretizing. My own ones are, no wonder, the political experiences we made in Germany over the last years and especially the shifting discussions within the left. You are certainly somewhat familiar with that, especially the outbursts of nationalism and racism, huge immigration movements, a growing fragmentation of society not at least after the joining of Ex-DDR (not to use the highly ideological official term "re-unification"). There are obvious crisis symptoms of liberal democracy like the appearance of new, mostly right-wing parties or a sharp decline in voting, a general political anger and disappointedness or, as it is called, "Politikverdrossenheit". To put it in more concrete terms: I am living in a city whose inhabitants are up to 45% without a German passport. Riding at the metro, means to meet mainly people which are looking and speaking very different. That immediately forces one to think about the real meaning

of "citizenship" today. This peculiar situation is reflected within the discussions of the political left - as far as it still exists. Its main topics today are racism, nationalism, civil society and democracy, and not capitalism or even socialism.

Considering these developments, and reflecting the growing imperial attitudes of the German state, it is rather self-evident that we have to look at the global conditions which are determining internal political structures and processes. These conditions are, as I believe, mainly shaped by the current restructuring of global capitalism after the crisis of the seventies, that is the transition from Fordism to the development that is called Post-Fordism. This transitional process is currently described as "globalization". Consequently the questions have to be asked how this globalization affects the social, economic and political structures underlying the liberal-democratic system which has developed during this century, and what type of democracy we really have, or are going to have.

3. Marx: Bourgeois and Citizen Let me begin with shortly coming back to Marx. For him, as you know, bourgeois democracy was fundamentally characterized by the contradictory unit of the "bourgeois" and the "citizen", two personifications which we all express in ourselves and at the same time. The term "bourgeois" signifies the distinct social situations of economic inequalities, exploitation and dependency; the term "citizen", on the other hand, characterizes freedom and equality of all citizens. Mainstream theory of democracy normally knows only this latter figure. Both are no illusions, but real expressions of a contradictory social relation, a contradiction which is based in the capitalist mode of societalization. This social relationship makes men to class subjects and free market individuals at the same time. The contradiction between "bourgeois" and "citizen" is fundamental to all political processes and conflicts in capitalist society, as Marx impressingly has shown in his "18. Brumaire". And I think that this remains to be a basic concept for all critical political analyses. But that is only one, the "structural" aspect. There are also historical ones, which imply that this contradictory relation is not a constant and invariable one. It is historically changing and was reasonably modified during the development of capitalism. We need, therefore a historical analysis of democracy which should not only be narrative, but theoretically guided. I try to sketch out the dimensions of such an analysis, referring

both to the old concepts of materialistic state theory and the rather new ones of regulation theory.

4. Nation State and Democracy

As a starting point of my short historical review I would like to stress the importance of drawing attention to the fact that modern democracy developed within the framework of the nation state. This seems to be self-evident, but must be kept in mind because of its important theoretical and political consequences. The early absolutist states as centralized and territorially delimited power apparatuses provided for the preconditions for the development of capitalist relations of production. Within this framework the bourgeoisie was able to enforce its political rights. The centralized state apparatuses as well as the political participation of the bourgeoisie were important preconditions for the global expansion of capitalism. The distinction between "citoyen" and "bourgeois" remained fundamental. Social and political struggles in the 19th and 20th centuries were largely marked by this conflict. They ended by a certain integration of the working class into the "nation", providing that class not only with a formal status as a citizen, but, secured by the state, with a minimal level of "bourgeois" material guarantees too.

Fordist capitalism, which was enforced during the middle of the 20th century in the developed metropolises may be seen as a product of those struggles. In a certain sense, it marked the final historical carrying through of both capitalism and liberal democracy. These achievements, however, remained a privilege of a handful of developed metropolises, their precondition being the exploitation and suppression of the periphery. Democratic, social and human rights, if any, proved to be restricted to the members of individual states. Outside of them, they did not work. The nation state, at the same time, secured not only the framework for freedom and democracy, but remained to be a relation of force and repression both inside and outside its borders. Therefore, nationalism and racism continue to be basic features of every capitalist democracy. Citizenship and democratic participation remained, in a very contradictory manner, bound to the nation state, its limits and restrictions. It should, not at least, be kept in

mind that the relation between capitalism and liberal democracy is not "structurally" guaranteed, but a problematic and highly precarious one. The expansion of capitalist social relations on a global scale is not necessarily combined with the strengthening of democratic institutions and processes even in the liberal-democratic sense.

5. The Crisis of Fordism and Globalization

The social formation of Fordism, which is the decisive background of our present conceptions of what liberal democracy means, went into a secular crisis during the seventies. I cannot explain here the reasons for that crisis. One important consequence of it was, however, that international capital together with neo-liberal governments developed a strategy of a global restructuring. International deregulation of capital flows and the flexibilization of labour-relations proved to be the means to reestablish the profitability of capital. The aim was to enforce a systemic rationalization process on the global level, based on fundamentally changed economic, social and political structures.

This had some important consequences, which again resulted in a historically new meaning of state, society and citizenship:

- by the breaking down of international regulation and by a growing economic competition between nations, regions and localities, social and regional inequalities have grown both on national and international levels;
- the capitalist world system was reorganized: nation states are breaking down or falling apart, accompanied by wars and civil wars, and the fordist hegemonic structure, based on the dominance of the US, is changing. One consequence of that was the breakdown of international economic regulation;
- as a result of that, peripherization processes are going faster, leading to new patterns of marginalization, social fragmentation and dependency;

- mainly as a consequence of that, international migration flows are growing;

- finally, and this is very important in our context, economic deregulation led to what is called the "hollowing out of the state". That means that national governments find themselves severely restricted in terms of internal economic regulation and social welfare interventions. This, on the other hand, enforces social inequalities and fragmentations within the national states.

It should be emphasized, however, that this does not mean that the nation state is disappearing, as some people are arguing. There are not only empirical evidences which contradict such assumptions. Beyond that, one can theoretically argue that the political form of the nation state is and remains to be a necessary prerequisite for the reproduction of capitalism. The power relations based on a plurality of states remain fundamental not only for the regulation of class conflicts, but also for the reproduction and expansion of capital. All ideas of a "citizenship" without nation states, "world citizenship" or of a "world state" are pure speculations which are neglecting the existing economic structures of the "world society".

Thus, it is not the state as such, which is "hollowing out". States only become transformed in several aspects. The real "hollowing out" is that of the liberal democracy. This process does not follow simple economic laws, but must be seen as an intentional political strategy. The more governmental politics are determined by the constraints of capital movements on a global scale, the more they prove to be disconnected from social interests as articulated within the institutional framework of elections, party politics and parliamentarism. That was the very precondition for enforcing the social and economic restructuring which was on the agenda. Governments, therefore, are not so much victims of the globalization process, but really are among its most important actors.

6. Democracy and Citizenship in Globalized Capitalism

Against the background of these developments, the meaning of citizenship and democracy has to be fundamentally reconsidered, especially in reference to two aspects: Who really belongs to a political community? Who does really decide?

All theories of democracy, starting with the classical ones, show some common basic principles. These are the existence of a relatively homogeneous and equal society which is bound together by integrative economic structures (the "national economy"), common cultural patterns and value orientations. And they assume a certain congruence between government and people, this means that a well defined citizenship builds a constituency which is able to influence and to control government. Globalisation means that these two principles are severely questioned:

(1) If governmental actions and decisions are mostly determined by the processes on the world market level, the financial speculations or the interests of a handful of multinational firms, institutionalized democratic processes in essence must run idle. Central decisions are more than ever taken outside the institutional framework of democratic participation. Democratic institutions like parties or parliaments obviously become less important. This is, only to mention it, one basic reason for the political and ideological defeat of the western social democracy. As a consequence of that, the pursuit of interests will be detached from this institutional framework and people try to develop new forms of political organization and action: individualized, decentralized, self-organized, privatized and within patterns like a segmented micro-corporatism. "Entrepreneurship" becomes the new social Leitbild. That is despite the fact that important decisions still are made within extremely monopolistic structures on the level of the central states, decisively defining the preconditions for what is going on in society, what are, e.g., the scopes and margins for local policies.

(2) What do the terms "community" and "citizenship" really mean today? As I mentioned earlier, liberal democracy is bound to an at least relative congruence of social, political, economic and cultural spaces. This overlapping of the different spheres of society is not self-evident, but is an outcome of economic, social and political processes which were realized to a certain degree in the Fordist era. Within the recent process of globalization there is a strong tendency to split off or to

"disarticulate" the different spaces of societalization: New economic regions are developing across national boundaries, regions and localities begin to compete against each other, regionalism is threatening the power of central states, growing social inequalities provide for more individualistic and elitist patterns of behaviour, mass migration across the continents leads to a multi-culturality which looks anything but a melting pot, more and more taking on the features of cultural segregation and hostility.

Current philosophical, political and ideological streams such as the very different ones of Communitarianism and the thinking of the New Right can be seen as reactions to the urging questions: who belongs to whom, what constitutes citizenship and a political community, who has which rights? And it is obvious, that the answers of the New Right - nationalism combined with "cultural racism" - prove to be more and more effective, far beyond of the official right wing organizational structures and ideological networks. It seems to become a dominating ideology in all "western" democracies: "welfare chauvinism" in its different meanings and more or less subtle expressions.

Consequently, I think we have to realize that there is a fundamental change in the meaning and the operating of what we call "democracy". Traditional theoretical approaches and conceptions to explain it, old normative orientations etc. do not work any more. Both state and democracy are bound to important transformation processes. The new types of post-fordist state and democracy which seem to emerge, I call the "national competitive state". As a political structure, which is based on the mobilization of the whole society for the purposes of international capitalist competition it shows very illiberal, if not totalitarian features. It might even develop into a historical new type of totalitarianism in the clothes of economic liberalism and liberal political institutions. That would be another and not so easy reading of the slogan of the "end of history". It is important to understand these global processes in order to comprehend the whole range of emerging details, like specific ideological streams, the transformation of the party system, the development of a new micro-corporatism or changing structures in local government.

7. Conclusion

Times look not very good for democracy, even though there might be more individualism, more participation, more self-help and self-organization. Even the meaning of the so-called "new social movements" looks much more problematic seen in this perspective. This development could lead to a society which might look like some sort of an elitist-corporatist-neo-feudalism within the framework of a global economy, which is dominated by few multinational corporations. Because of the fact, that the national state does not disappear and that the power structures, class relations and regulative capacities institutionalized within it remain central for the development of society and the destinies of men, the question of its re-democratization is still - or anew - a central one.

What could be a strategy to promote a re-democratization of state and society ? Considering this would be another story, which is perhaps beyond the scope of this lecture, let me only make some short remarks:

- An essential point would be to regain national political and economic regulation capacities opposing the pressures of internationalized capital. That means to develop alternative and self-defined ways of world-market-integration which allow for a broader scope of national politics. There is a possibility for that, because globalization in its present form is neither a destiny, nor an iron law, but a policy. That would mean, however, to develop really new concepts of life, of social relations and a fundamental reorientation of the leading value-patterns, of consumption modes etc.
- The question is: Which ones could be the the social and political forces behind such a process? Consider the fact that the social-democratic type of state-reformism has definitely failed. It is totally impossible that such a process could emerge from inside the existing political institutions. What is needed, is a really new type of democratic politics, based on alternative political and social networks, projects, movements etc. Only in such a context the formulation of political and societal alternatives can be really expected, and only from there could originate the pressure which is needed to transform the institutionalized political system. These movements and networks must not be nationally fragmented, but would have to cooperate internationally. That is because of the fact that globalization has produced problems and relations which can

no longer be regulated on a national level, and because any real democratizing process must escape from the - "welfare chauvinist" - traps resting within the structures of the national competitive state. Institutional politics, dealing with parties, parliaments and public administrations, are not neglectible, but decisively can not more be the central field and starting point of democratic politics.

- If there should emerge a new concept for the structure and development of society beyond the limits of the national competitive state, a new social contract across the existing economic, social and cultural fragmentations needs to be elaborated. This cannot be achieved within the framework of the existing political institutions which are more and more based exactly on these fragmentations. Such a social contract can only be developed within independent political and cultural structures and networks which have - and that is of central importance - to practically recognize the demands for international solidarity without which no real democracy can be build on.

This looks, I am sure, very utopian. It really is. On the other hand, it should not be forgotten that such alternative structures already exist, e.g. in the context of the so-called new social movements and independent political projects on both a national and international level. It is not accidental that the so-called NGO`s are getting more and more political relevance in important fields of politics, such as third-world-development, ecology, womens liberation, the defence of human rights etc. For researchers on democracy it would be worth while looking on this - admittedly - very complex and contradictory field. It is much more important than the obviously eroding traditional institutional framework of liberal democracy. And not to forget, the future is still open!

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The argument sketched out in this lecture is based on the following papers:

Nation State, International Regulation and the Question of Democracy, in: Review of International Political Economy, Vol.2, Nr.2, Spring 1995, pp.267-284;

Globalization of Capital, National States and World Citizenship, Mimeo., Frankfurt 1995

For a more detailed and theoretically based version see: Der nationale Wettbewerbsstaat. Staat, Demokratie und Politik im globalen Kapitalismus, Berlin 1995.

