Copyright of Full Text rests with the original copyright owner and, except as permitted under the Copyright Act 1968, copying this copyright material is prohibited without the permission of the owner or its exclusive licensee or agent or by way of a licence from Copyright Agency Limited. For information about such licences contact Copyright Agency Limited on (02) 93947600 (ph) or (02) 93947601 (fax)

200307263

WHAT HAPPENED IN GLOBALIZATION ?

Humphrey McQueen

> I still have faith that globalization will make us better off, but it's no more than faith (Robert Z. Lawrence, Harvard economist, *Business Week*, 3 February 2003).

Although capitalism, imperialism and globalization are three of a kind, the paths by which imperialism as monopolizing capitals might have moved to a newer phase are still not clear. Without that map we cannot know whether we have seen the start of a qualitative change to the totality, just more of the same, or little beyond hype. The answer needs to be based on the mechanisms through which capital expands, in particular, the application of labour-time during the circuits of money, commodity and production. Those practices are integrated when money provides a measure of labour-time, commodity-capital becomes one of its embodiments, and production-capital is the locus for its value-adding.

This article continues the questioning of whether the recent changes labeled globalization are a distinctive phase in capital growth (Went, 2002). Of course, new things happen, otherwise capitalism would never have come into being and there would be no chance for socialism. So it is possible that the past twenty years have brought a qualitative difference to capital expansion, just as its monopolizing did a century ago. Imperialism need not be the last stage just because Lenin's "*novishii*" was translated as the "highest" rather than "newest"stage of capitalism. Alternatively, recent amendments, such as the unraveling of tariffs as the prime form of protectionism for manufactured goods, may prove to be only a blip within that monopolizing.

Globalising Capitals

> … it is colonies that created world trade, and it is world trade that is the precondition of large-scale industry….Thanks to the application of machinery and of steam, the division of labour was able to assume such dimensions that large-scale industry … depends entirely on the world market, on international exchange, on an international division of labour (Karl Marx, *The Poverty of Philosophy*, 1847).

Although the expansion of capital across the past 600 years has always had a global dimension, neither capital's extended reproduction nor its spatial spread has been uniform. In establishing a world system for accumulation, the three forms that capital assumes have moved geographically at varying rates. Money-capital went first, though often tied to commodity-capital through trade. The transfer of instruments for production came later, to remain the least pronounced (Palloix, 1975). More common has been the dispatch of money and commodities to start up production. In addition, a primitive accumulation of capital has persisted in various zones up to the present. These shifting practices will be sketched around changes in the labour-process, notably the triumph of the wage-labour relationship.

For thousands of years before capitalism, the class division of labour had separated those who must work for their living from who can live without working. Probably for just as long, a social division of labour had divided farmers from pastoralists, and both from craftspeople. With the spread of traders and the growth of cities, the exchanges between food producers and manufacturers added more "trades" to the social division of labour (Childe, 1958). Much later, the widening moat between town and country also re-jigged class relations away from feudal lord and serf towards capitalist and wage-labourer. These practices provided the matrix for the first two phases of Globalization.

Globalization Mark I, with its plundering of resources at home and in the new worlds, centered on Merchant's capital (commercial and money-dealing). To surpass the putting-out system that supplied a single merchant, capitalists began to produce for their entire market. Most

labour remained forced, often enslaved, despite more craftsmen operating outside the guilds.

Mark II was a Mercantilist era when more free, that is, dispossessed laborers encountered the discipline of clock-time. Machinery in factories challenged manu-facture that relied on tools. Particularization introduced a new, technical division of labor. The capitalist allocated labour to each part of a product and then to each of the steps required to fashion each part. For instance, some shirt-makers would work on nothing but collars, and among that group one would do all the cutting-out and another all the stitching (Beamish, 1992: ch.4). Gathered together, labourers on each task were driven to work at the same pace as each other. That rate became universal around each factory's locale, and then across entire industries in a national market.

Mark III was the free-trade interlude in the nineteenth-century with widespread casual labour in the metropolitan economies and indentured labour throughout the colonies. Slavery in the Americas and serfdom in Russia were being replaced by other forms of bonded labour (Tinker, 1974; Peck, 2000). Britain sacrificed its agriculture to get cheap grains that would lower the costs of reproducing factory labour. A new international division of labour saw British cotton mills supplying India with piece goods that had previously been spun and woven by villagers.

Mark IV (Lenin's Imperialism, or monopolizing capitals) saw the dominance of free-trading Britain drive its rivals towards protectionism. Meanwhile, because the financial might of The City of London derived from overseas banking, British manufacturers missed the benefits of the Finance-capital, and were devastated by a return to the Gold Standard in 1925 (Kynaston, 1999). Aristocracies of labor were challenged by the beginnings of Fordism within the application of continuous flows in production. Helmholtz's calibration of physiological response intervals in 1850 had allowed for the control of fractional units of labour-time, opening the way to book-keeping as time-keeping, epitomized by Bundy clocks and Taylorism.

In 1915, N. Bukharin recognised that the "vertical concentration and centralization of production" (oligopolisation) meant, "on the one hand a diminution of the social division of labour, since it combines in one

enterprise the labour that was previously divided among several enterprises; on the other hand, it simulates the [technical] division of labour inside the new production unit" (Bukharin, 1972: 70). Bukharin also appreciated the significance of the mass migrations that were redistributing "the main factor of economic life, the labour power". Throughout the twentieth century, the mobility of labourers around the USA, along with immigrations to the USA, has been as significant for varying and equalizing the rates of profit as have returns from US investments in China or Mexico. As Bukharin observed:

> By and large, the whole process ... reduces itself to ... widening reproduction of the relations between two classes – the class of the world proletariat on the one hand and the world bourgeoisie on the other (Bukharin, 1972: 39 & 27).

This claim was truest in terms of the proletariat as a class-in-itself because colonizers were depriving their subjects of their means of subsistence and so more of them had to sell their labour-power. Bukharin accepted that the international division of labour was based, not just on the "production of different use-values", but on different production costs, which were "reduced, through international exchange, to socially indispensable labour on a world scale" (Bukharin, 1972: 23-27). That equalization of wage-scales and of normal minimums for capital allowed for an equalizing of profit rates (Marx, 1957: 258).

The closest that Lenin came to discussing labour-power in his *Imperialism* was when considering the aristocracy of labour. He argued that this privileged sector of workers had become possible only because of an aristocracy of capital, that is, a stratum of firms which could achieve higher-than-average rates of profit, whether by monopolizing. swindles or plunder. These super-profits could arise between sectors or firms within a nation-market-state, as much as derive from colonies (Lenin, 1975: 9-10, 127-32, 151-52).

Within Globalization "Mark V" (in inverted commas because a question mark hangs over the recent past), one hope has been to install, for every commodity, labour-times that will apply across the globe. The flexible accumulation that some commentators take as the crux of "Mark V" has had to become even more flexible in its application, both more rigid and

more fluid. To eliminate variations in quality, Intel has just adopted a factory design of "Copy Exactly", down to the colour of the workers' gloves. Standardisation is more essential than ever with nano-measurements. The fantasy that everyone could work from home, indeed from anywhere across the planet, has been abandoned. The limitations of on-line exchanges have been acknowledged and the necessity for face-to-face encounters in many situations accepted. Business researchers report that the Internet is likely both to increase agglomeration (Leamer and Storper, 2001), and should not "reduce the importance of locational clusters" (Zaheer and Manrakhan: 2001). Nonetheless, a new kind of reserve army of labour exists in the Third World. US firms import computer specialists from India after the expense of producing their skilled labour-power has been met. In an unequal exchange, IT corporations began by exporting routine tasks to India. The operation of call centers from the sub-continent has been followed by the dispatch of digitalized CT-scans for diagnosis.

If Globalisation "Mark V" has been more than "a catch-word of the day" (Hopkins, 2002: 1), the substantial changes began from a restructuring of production-capital, notably the world car in the 1970s. At first, tariffs had secured monopoly profits for vehicle-makers. When those corporations faced competition from Japan, and then retooling costs to deal with oil-price rises, the automobile oligopolies negotiated new protective arrangements (McQueen, 1981). Regimes where different countries performed only some of the steps in the production-stage went beyond autos onto computers. More of the growth in world trade since 1945 has been attributed to this vertical specialization than to tariff cuts (Yi, 2003). Globally-integrated production encouraged financial deregulation to facilitate the transfer of investment funds and a reflux of profits. Despite the association of Globalization 'Mark V" with intangibles such as banking and 'infotainment', its seedbed was in meeting the needs of rust-bucket industries. These shifts in production erupted as balance-of-payments crises, leading to floating exchange-rates (Bryan, 1995; Bramble, 1996 and 2001).

At the least, "Mark V" overthrew what remained from the *ancient regime* of skilled craftsmen. Their status has not been transferred to the screen jockeys – those masters of the new economy – who far surpassed the

skilled manual labourers in terms of income differentials but have never been ennobled because their careers have been as short as their work practices are nasty and brutish.

Whatever the truth about a fifth phase of Globalization, the recent expansion of capital has carried forward its monopolizing competitiveness. Indeed, oligopolization has become ever more extensive and intensive for automobiles, communications, finances, oil and pharmaceuticals (McQueen, 2001: 105-9). Coca-Cola's consolidation of its Latin American bottlers late in 2002, reacting against a similar consolidation by the Pepsi Bottling Group, is another instance of how competition contributes to monopolizing (*Wall Street Journal*, 24 December 2002: A3 & A5). Mergers among oligopolies have been a feature of recent years because businesses must either consolidate or disappear. Meanwhile resource corporations are forming on-line purchasing pools to benefit as monopsonies. According to the *Harvard Business Review*, managers need to perfect their acquisition skills because "merger competence is paramount" (December 2002: 20-21).

Information Technology is never neutral. For instance, Microsoft engineers write code that "will tilt the playing field in their direction" (*New York Times*: 1 July 2001: WK3). Nor did the collapse of the dot.coms level that field. On the contrary, such contractions trigger fresh bouts of centralization (*Forbes*, 11 November 2002: 45-48). The substantive dynamics in each phase of globalization have to be distinguished from their technologies. The Internet is no more Globalization "Mark V" than the telegraph was Lenin's Imperialism. In that first round of monopolizing competition, the railroads and electricity speeded up the three circuits of capital. Railroads allowed the movement of larger volumes of commodities at faster rates over longer distances inland than had wagons or barges; financing railroad construction contributed to the centralization of banking; building the rolling stock and the tracks encouraged consolidation in the US steel industry (Lenin, 1975: 116-8). Electricity delivered an equal variety of opportunities: transmission lines permitted production at a distance from the generation of power; electric light completed the erasure of distinctions between day and night work. Comparable complexities flowed from the internal combustion engine and petro-chemicals. All four technologies became

highly oligopolized and permitted a massive expansion of values (Bukharin, 1972: 28-29 & 56). Today, the paucity of new realms for productive-capital is one reason for doubting the distinctiveness of "Mark V'. The "good-will" that spewed out as a book-keeping entry by AOL is a long way from the wealth once generated at General-Motors, AEG, ICI or Mitsubishi.

The need to lift productivity has required ever more investment in the most advanced machines. That approach for extracting a greater surplus is never isolated from an intensification of the effort. A German textile worker described their interplay in 1903: "Whereas a loom used to give forty-five shots per minute, the new looms have raised this to 105 shots per minute and now three hundred thousand shots are demanded each week from a worker on a new loom" (quoted in Biernacki, 1997: 383). Indeed, the more complex the machine the more the remaining operators have to stay awake. Alertness is often the prime skill. The simpler the new devices are to operate, the closer its functionary's "attention is forced to be" (Marx, 1958: 178). All technologies alter work-procedures. Hard technologies, that is, new machinery will be accompanied by soft technologies, that is, a reorganization of work practices. Capital seeks to reduce the times taken to implement job redesign from months down to weeks in order to pay for investment on equipment. Hence, managers enforce employee participation, whether with TQM prayer meetings or Human Relations therapy sessions.

From the 1970s, the adoption of computer-aided design and computer-aided manufacture (CAD-CAM) reshaped not only the labour-process but also marketing, a shift which soon feed back into the structures of production. The initial advantage to capital from CAD-CAM was a reduction in down-time because lathes and their highly paid operators did not have to be idled for so long in order for the machines to be reset. The next benefit was the deskilling of certain operations which made it easier to replace skilled militants at lower rates of pay.

The marketing consequences of the new machines followed because they also made shorter production runs profitable. Hence, the range of models on offer could be increased. That possibility has installed a built-to-order nexus between marketing and manufacturing. Dell's customized computers provide the best-known case. Here, the advantage has been to

cut the costs of having capital tied up in product as well as supplies. Just-in-time now applies to both ends of the chain. This expanding international trade in semi-finished goods (vertical specialization) has combined with new production technologies to move the wage bill away from higher-paid skilled workers (Egger and Steher, 2003).

The cost-cutting depended on a reorganization of transport. Freight companies have re-branded themselves so that trucks promote "Mayne Logistics". Geo-positioning satellites allow the firms to track each order around the globe, much as punch-cards did for cartoons inside warehouses fifty years ago. Faster and more reliable deliveries are not enough. The services delivered by logistics firms affect how production is conducted. What began as a twist to outsourcing will reshape manufacturing, giving greater significance to continuous flow inside factories (*Economist*, 7 December 2002: 69-70). Down-time falls on part-time casuals, not the assembly line.

No managerial innovation for the application of labour-times since the 1970s, however, so far has had as much impact as continuous flow itself, or the micro-time controls introduced during Mark IV. Instead, the era of the most advanced technologies has been accompanied by pushing up the rate of exploitation through the crudest devices of exacting unpaid labour-time in the service sector, and by intensification everywhere. The success of these measures was possible because of the disorganization of the working class, shadowed by fears of dismissal, now rampant in the airline industry.

Labour-times

> Capital itself is the moving contradiction, [in] that it presses to reduce labour-time to a minimum, while it posits labour-time, on the other side, as sole measure and source of wealth (Marx, 1973: 706).

Although our perceptions of time's passing are affected by the micro-management of the working day, subjective responses – tedium or delirium - cannot alter the nature of cosmological time (*contra* Stahel,

1999). Nor can time be produced, have value added to it, or be sold. At most, a firm can manufacture and market devices to tell us the time of day. Hence, to lament the commodification of time is a nonsense, even from the pen of E. P. Thompson (Thompson, 1967: 91). Commodification is the preserve of labour-times.

At issue, therefore, is how firms structure the working-time they buy from their employees. Labour itself cannot be bought. All that can be bought is a worker's capacity to add value. Having hired that labour-power, bosses still have to apply it to raw materials, semi-finished goods, or services. In short, the firm has to keep its workers at it. Max Weber opened his 1904 account of the Protestant ethic, not with the spirit of the capitalists, but by arguing that their success depended on their workers performing each task

> ... as if it were an absolute end in itself, a calling. But such an attitude is by no means a product of nature. It cannot be evoked by low wages or high ones alone, but can only be the product of a long and arduous process of education (Weber, 1958: 62).

"Once in the saddle" (to use Weber's phrase), the managers can seek more value by demanding longer hours for no more pay, or by enforcing a faster output within the existing working-day, notably by mechanization (Marx, 1958: 312-21). These drives will operate whether the bosses assume their employees' contribution to values as 100 percent, or only some portion thereof.

Until the twentieth century, a firm's achievement of the prevailing ULT could be confirmed only after profits had been reported. Even that index was rough-and-ready because book-keeping remained rudimentary. Moreover, the realization of any part of the surplus depended on the employer's ability to sell his workers' output, a result only indirectly proportionate to labour-time. Taylorism sought to move beyond this *post hoc* calculation of the success at matching – and besting - the labour-times at the competition (McQueen, 2003).

Labour-time takes two forms – concrete and universal - and assumes a third - abstract. Concrete labour-time is the interval that a worker takes to complete a task, and so varies with each operator: "The amount of

labour-time contained in a commodity, and therefore its exchange value, is consequently a variable quantity, rising or falling in inverse proportion to the rise or fall of the productivity of labour" (Marx, 1970: 37). Hence, the duty of every overseer is to drive all concrete labour-times towards the most efficient labour-time then prevailing, known as universal labour-time (ULT). ULTs are, therefore, a smaller multitude of actual lengths of time than concrete labour-times. The "universal" is a mobile measure which capitalists must pursue if their firms are to survive, "not a ready-made prerequisite, but an emerging result" (Marx, 1970: 45). Universal labour-time is at once a standard and a compulsion to exceed that standard: universalized and universalizing. A related task for managers is to speed up the ULTs in order to beat the times achieved at competitors. As a result, capitalism is a perpetual acceleration machine. To rephrase Marx, utopia for capitalists is labour without labour-time (Marx, 1973: 630-31).

Abstract labour-time involves a different level of analysis than is applied to the chase after universal labour-times. Concrete labor-times have no conceptual equivalent, being confined to the production of use-values. Because "abstract labour ... is the source of exchange value" for the system as a whole, it can not adhere to a specific use-value (Marx, 1970: 36). The pursuit of universal labour-times arises only with exchange-values, the sale of labour-power, not just of its products, as in feudalism. Universal and abstract labour-times remain distinguishable. The former are social practices whereas the latter is the equivalent that enables money, by acting "as reification of labour-time", to provide both the measure and the medium for the fluent exchange of all other commodities (Marx, 1970: 47).

The price of labour is tied to the costs of its reproduction on an hourly and generational basis. Those costs rise and fall with the bargaining power of the workers, as is shown when they organize to reduce hours, improve conditions and safety, as well as to lift real wages, and pressure governments for a larger share of tax-funded spending. The conflict between that range of demands and the profit-chasing by their employers is therefore multi-layered. In Nike's case, a 1995 breakdown of the costs of producing and delivering a pair of shoes to a retailer showed that production-labour amounted to only $2.75 out of $29.00 outgoings

before profit (Atkinson and Connor, 1996: 7-8). Thus, holding down wages becomes only one part of how corporations secure the maximum from the labour-power they buy. Starvation wages are of little help if the product is too shoddy to sell, the warehouse is burnt down during a strike, or the value of the local currency see-saws.

Managers, in order to set all the rules to suit their production schedules, may concede higher wages for stricter time controls. Such increases are recouped by shifting other costs – for example, of downtime - to its workers through casualization. The race is not a sprint to the bottom where the prize is the lowest wage, but a triathlon for reducing all the costs of production per unit, predominantly through the direction of labour-time.

Of course, firms prefer both time-controls and wage-cuts. Chrysler's plan for a new factory at Windsor, Ontario, will slash its capital outlays and trim labour. Suppliers will be required to invest 60 percent of the construction costs and transfer their lower wage-rates into the auto maker. The Canadian Autoworkers Union bowed to the deal after the loss of 15,000 jobs since 1999, a further confirmation that wages are determined within the relative strengths of the contending classes (*Forbes*, 23 December 2002: 20-21).

The animal spirits that stalk investors rarely distract the calculators of labour-time. Mass sackings are one form of its control. Hence, the1990s exuberance will mean, as *Business Week* has spelt out,

> far more pain for workers ...To get [corporate] earnings up – without accounting tricks – executives are going to have make deep cuts in payrolls and productive capacity ... The road to higher profits will be a painful one. To meet their profit targets, companies will cut costs again and again, shuttering factories and offices and shedding unprofitable lines of business.

Business Week estimated that "in order to boost operating profits by 12% during the next year, companies in the S&P 500 may have to cut some 900,000 jobs, or 4% of their workforce" (4 November 2002: 107 & 110). The total for the whole economy will be twice as great, with 300,000 shed in February 2003 alone. These dismissals come on top of the half-a-million from the IT/Telco sector during 2001 and 2002. Chief

Information Officers have been switched from spreading knowledge through their corporations to cutting budgets (*Business Week*, 3 February 2003: 50-60).

The background to this latest assault was the spurt in real wages during the final phase of the 1990s boom. Earlier and actual increases in profitability had followed the driving down of labour costs throughout the 1980s. Many of those savings had come by slashing staff levels in the advanced economies, glamorized as flexibility. Some firms started up in locations with few inhibitions about the ill-treatment of workers. Both tactics were part of the centuries-long trimming of unit labour costs. Hence, post-war affluence is best understood as a "trough in unemployment", not as a norm to which we are forever about to return (Korpi, 2002).

The pressure on labour costs has also driven the restructuring of the service sector, a feature of the recent past so ubiquitous that many people equate it with Globalization "Mark V". Almost by definition, corporate and state services will be more labour intensive than manufacturing, mining or agriculture because mechanization can more readily improve productivity in those sectors. By contrast, the quality of care is harder to split from the labour-time spent by professionals (Baumol, 1985). In addition, advances in treatment can add to the hours required per patient, as heart surgery increased the call on intensive-care wards, partly met by early discharges. In the case of "attention and affection", Neo-liberals face the problem of commodifying demands which, fortunately for humanity, "have no close market substitutes" (Jellal and Wolff, 2002: 645).

Until the early 1970s, the mounting cost of these provisions was met by expanding tax revenues. Avoidance and evasion by corporations and by the self-employed, put paid to that solution, exacerbating a fiscal crisis of the state. One solution has been to reduce administrative overheads by electronic transfers, or by making customers and clients wait. The budget airline, Ryanair, cut its administrative "costs by 62 percent by selling more than 90 percent of its tickets online" (*New York Times*, 17 March 2002: BU5). Despite the adoption of administrative and delivery systems which shift costs from the service-providers, the pressure has continues to hack into state-provided services themselves on the grounds that all

government spending bolsters interest rates, thereby making corporate debt less competitive in a world-wide money market. These attacks on the welfare system to appease the financial markets show how the expansion of capital binds together seemingly discrete experiences, in this case linking labour-times to money-capital.

Money-capital

> Hence, it is only in the markets of the world that money acquires to the full extent the character of the commodity whose bodily form is also the immediate social incarnation of human labour in the abstract. Its real mode of existence in this sphere adequately corresponds to its ideal concept (Marx, 1958: 14).

Money provides the universal equivalent for the labour-time embodied in the commodities that emerge from capital's production-stage. Money-capital expands through this metamorphosing because, although money is "a physical object with distinct properties", it "represents a social relation of production" (Marx, 1970: 35). That relationship is between labour-power and capital, although the power of the latter has to be buttressed by the state (de Brunhoff, 1976). Unless a state can also enforce a symbolic currency, the medium for the equivalent of the universal labour-time in commodities must remain another commodity, historically gold.

The dematerialization of money has advanced far beyond 1867 when, "for the sake of simplicity", Marx could explicate money in terms of gold (Marx, 1958: 94). The world economy is now six times larger than in the 1930s. To match this multiplication, money circulates with ever greater velocity. This pace puts ever greater distances between money as a medium of exchange and its material form of gold. When the world economy wobbles as it has recently, the gold price increases as a currency of flight. Nonetheless, these hoards are now built up through book-keeping entries far more often than as physical transfers of the "barbarous relic" (Cochrane, 1980-81). Globalization will have become as absolute as promoters of "Mark V" have been wont to claim only if money is freed from its commodity form. Until then, gold will hover

back-stage because no nation-market-state will be strong enough to impose its "imaginary money", "tokens", on world markets (Marx, 1958: 125-29).

Despite this gap in the newest order of the world, the might of the US economy has kept its dollar as the lodestar for navigating storms in the flows of commodities and finance. By 1945, no rival came within a country mile of US power – military, financial or industrial. During the First World War, the masters of the nineteenth-century universe in The City of London lost ground to Wall Street. In 1944, Keynes lost the second battle for Britain when, at Bretton Woods, he bowed to the installation of the IMF as an instrument of US Treasury. Since then, "[t]he advantages from controlling the world economy's currency reserve", known as *Seigniorage*, have accrued to the US of A because its trading partners have needed to hoard its dollars (Nordhaug, 2002: 518). Most Japanese foreign trade and overseas investments are in US dollars. Almost all oil purchases are settled in US dollars. Because commodities move money more than money moves commodities, the changing status for the US dollar's role as "world money" has registered movements in its military might and trade.

Although Washington ensured markets for US products via the 1948 Marshall Plan, the US started running trade deficits from the late 1950s. This threat to the convertibility of the dollar accompanied the decline of Britain and the resurrection of Germany and Japan. The Japanese would transform their economy from third-world status in 1950 to one of the pillars of Trilateralism by 1975. The post-war financial settlement fractured as commodity trade returned to a multi-polar pattern. Britain devalued again in 1967 while Japan maintained an artificially low exchange-rate to underpin its exports. A round of trade wars proved as potent as the Kennedy Round of the GATT. In the late 1960s, the US attempted to finance its shooting war against the Indo-Chinese by flooding the world with devalued dollars. Rebellion against that imposition led to the collapse of Bretton Woods in 1971. From late 1973, the tide of petro-dollars, and then Britain's resort to the IMF in1977, encouraged governments to float their exchange-rates as one strand in the financial de-regulation subsequently associated with Globalization "Mark V'.

The Plaza Accord of September 1985 drove down the US dollar in order to revive its economy. The result was "Black Monday", 19 October 1987, when the New York Stock Exchange plummeted after Japanese investors dumped assets denominated in the declining dollar. In Tokyo, the Ministry of Finance then instructed Japan's financial titans to buy US securities to underwrite the world economy (Minami, 1986). The "reverse Plaza" of 1995 pushed up the US dollar to help out Japan and Germany. The current devaluation of the US dollar risks repeating the October 1987 crash at a time when Japan Inc. is incapable of rescuing itself, let alone the rest of the capitalist system.

Long-term credit had been vital for the start of capital in the fifteenth century when turnover times were so long (Sacks, 1991: 30, 83-84). A primitive trade in futures (the commercial face of Merchant's capital) quickened accumulation by reducing the number and duration of interruptions to the circuits of capital (Marx, 1959: 267-80). In the 1970s, the need to service the turnovers of capital combined with the disappearance of a global standard to help money-dealers jostle aside the old futures traders for the prime positions in the finance sector. Derivatives spun out of futures-trading, continuing a little of its impetus to the acceleration of turnover times but allowing ever more space for swindles. Mechanisms for acceleration have multiplied the opportunities for capitalists to rob each other, which is a less expensive undertaking than making their workers go harder and faster. As Marx observed: "All nations with a capitalist mode of production are therefore seized periodically by a feverish attempt to make money without the intervention of the process of production" (Marx, 1957: 56).

Financial Goliaths such as Citigroup became gigantic by bending the law to ride the waves of funds far in excess of the investments needed for productive capacity. Whenever the output of corporate mines, farms and factories exceeds the demand from those who can afford to buy, the result must be fewer opportunities to invest in the expansion of capital. Hence, the most innovative domain from the 1970s became the financial sector.

By the 1990s, the paucity of profitable stocks in the old economy spurred a stampede into telecommunications, the base for the high-tech start-ups. That rush, in turn, carried excess capacity into the New Economy. Only

2.5 percent of the sixty-five million kilometers of fibre-optic cables criss-crossing the US is being used (Brenner, 2002: 21-22). The toppling of the Telcos and the ITs has left fund managers with even fewer places to invest. Outside mainland China, excess capacity in production-capitals stands at one-third. One response by traders is to do nothing for fear of making another mistake and thus attracting a pink slip. Their alternative has been to take even bigger risks than before, if only to collect a broker's fee. The slump in share prices since 2001 has increased the churn in stocks that was the blight of the 1990s.

The dealers also fed off business debts in the US of A which rose from $2,000bn in 1984 to $7,200bn by 1994 before shooting past $17,700bn for 2001. Since then, they have stabilized as another sign of recession, or worse. Most of the later *tranche* was incurred for mergers and acquisitions, which is the growth that performance-paid executives pursue when they can't achieve growth. Not only must these debts be serviced at compound rates of interest but a bout of deflation would increase the effective outstanding principals.

One late investment opportunity was in electricity production after the California power failures. As a result of that torrent of funds, the sector now expects excess capacity to last till 2006. If the projected expansions proceed, there would be 56 per cent over-capacity in the eleven Western States. Duke Power has cut its forward prices from $51 per megawatt hour in 2003 to $39 for 2005. Calpine Corp. has cancelled $3.4bn in its construction spending by for 2003-05 (*Wall Street Journal*, 12 February 2003: A13). This glut is doubly depressing, first on profits through lower prices and indirectly on suppliers by slashing orders for equipment.

The institutional investors swerved away from making profits out of production and towards the arranging of financial deals. Their endeavours were facilitated by the invention in the 1970s of discount brokerage, indexed funds, cash-management accounts, junk bonds and spreadsheets. These instruments marshaled the retirement savings of employees. The amounts required for a secure old age grew with longevity, the interval between retirement and death, and the socially necessary costs of dying. After the 1960s, the fiscal crisis of the state had led governments and employers to encourage workers to contribute to superannuation schemes. Instead of planting these savings in government

bonds or gilt-edged securities, the fund managers chased the highest nominal rates of return. In turn, the companies chased quarterly returns, slashing staff, R&D, and inventory. The vastness of these savings added to the turbulence at a time of excess capacity.

Swathes of these deferred incomes were invested in their employers' businesses. Workers were soon advancing money-capital as well as labour-power to their bosses (Blackburn: 2002). For instance, at The Coca-Cola Company, four-fifths of the US$401(k) retirement assets of employees had been invested in company stock, the value of which slumped by 30 percent in the three years to late 2001 and a further 20 percent during 2002. The CEO who presided over the start of that slide exited with $US17m. on top of his stock options which had already siphoned value out of his employees' assets. Since 2000, Japanese corporate and government funds have sunk into negative territory, causing firms to renege on their commitments (*Nikkei Weekly*, 17 February 2003: 4).

This depletion of retirement provisions represents a transfer from the workers' earnings on top of the expropriation of their surplus value at the point of production. The German middle-class was bankrupted in 1923 by inflation that stripped the purchasing power from their bank deposits and government bonds. Today, working people are in danger of a similar fate, this time by a deflation of their savings held in shares.

Where have all the losses gone? Some went nowhere because they never were more than paper. Investors who got in early had only nominal fortunes because the number of their shares was multiplied by the price of the latest trades. To see where the actual losses went we need to distinguish "lost" from "transferred". None of the actual losses is missing in the sense that Lasseter's Reef can no longer be located. Many have been transferred to whoever was smart enough to get out early, to vote themselves share options, or otherwise strip assets. To fund takeovers, sectors of the target company will be cast aside. Its book value is then worthless. On top of the paper losses, the semi-legal transfers and the frauds, much physical stock, not to mention intangibles such as goodwill, has been stripped of its use-value. Warren Buffett, the renowned US investor, is dead right to stress that the worth of a stock is not how much

money has already gone into a firm but how much dividend can still be taken out.

Buffett is portrayed as the good capitalist whose personal style is modest and who invests for long-term growth, not speculative plunder. These attributes are compared favorably with the excesses of Dennis Kozlowski at Tyco who bought $6000 shower curtains, or with the havoc that George Soros wrecks on entire economies by betting against their exchange-rates. Yet, from the standpoint of the expansion of capital, Buffett's behavior is more exploitative than any speculator's. The surplus that he reinvests, rather than lavishes on himself, extracts ever more value from workers at the firms into which he has put his clients' money. The morality of capitalism is to be judged by its logic of expansion, not the fables of its folklorists.

Apologists for capitalism cannot make up their minds whether the recent round of corporate crimes results from a few bad apples or should be sheeted home to all of human nature, genetically determined. In practice, greed is stimulated by the expansion of capital far more than the other way around. If avarice were all there was to the multiplying of wealth, it would rarely grow. Instead, the surplus either would be hoarded, or squandered on consumption which did not extend its reproduction.

Commodity-capital

Although money itself need not be a commodity, money must maintain a position in the exchange between commodities. A commodity has not fulfilled its function as a commodity until its buyer's money is in the hands of the seller. Profits must be realized through all the three circuits of capital, that is, from money going into the production stage and thence as commodities on to the market. Only by selling those products at a price above the costs of their production and distribution, and then getting as large a share as possible of those earnings back to the firm's bank account, is it possible for capitalists to maximize the profits out of which to fund their next round of expansion.

That growth of production requires ever more consumption. The importance of sales was shown by a 1997 survey which asked managers

to rank thirteen criteria for deciding whether to invest in a foreign market. The size of the foreign market and a need to exclude rivals were towards the top of the list. Quality of labour came fifth, with labour costs down in ninth position (Kucera, 2002: 35). Inadequate transport or poor communications disrupt these priorities. Mobile phones leapt over the poor landline system in Thailand, but getting a crate from a Bangkok factory to its airport can still be trial - a job for logistics.

The primary commodity for capital expansion is labour-power which becomes useful only when alienated in the double sense of sold and estranged. On being purchased, labour-power is transformed into commodity-capital. Its new owners will lavish every attention on their possession throughout the production-stage to ensure that labour-time is applied as efficiently as possible.

An alternative approach to understanding why the control of labour-times is central to capital's expansion is to ask why excessive hours have returned as a problem for so many workers. In the mid-1950s, the panic had been that automation would re-instate mass unemployment. By the 1970s, the concern was that there would be a social crisis as people failed to cope with an avalanche of leisure. One commentator proposed in 1974 that "if everyone did a short stint of factory work each year, it would be possible for everyone to be free from such work for most of the year" (Weiss, 1976: 110). The reverse has happened because no firm or national economy could survive against its monopolizing competitors if it gave up so much of the values added in labour-time. Everywhere and at all times, the expansion of capital is necessitated because of the twin conflicts between labour and capital on the one hand, and among rival capitals on the other.

Employees are now more reluctant to accept a shorter working week if that reform reduces or constrains their earnings. They must maintain that income to match the ever increasing costs of reproducing their labour-power. Capital induces those mounting expenses in order to absorb the over-production that results from competitiveness (Lebowitz, 1977-78). Demand levels are set by the relations of production, not within the domain of consumption. The pattern of consumption is a consequence of the ratio of wages to profits (Marx, 1959: 181-2). The expansion of capitals has provided enough material wealth for everyone to live in

more than frugal comfort, yet that abundance cannot be distributed because the proletarianization of the populace precludes the effective demand required to consume the surplus. The irrationality of capitalism is manifest in the contradiction between its socio-technical capacity to grant much reduced hours and the socio-economic impossibility of its doing so. Expansion is suspended, and the system approaches crisis, if the commodities do not encounter a user who can also afford to buy. In that case money-capital is fallow (Marx, 1957: 76).

One of the ways in which money-capital speeds the turnover is by credit. Just as free labour can, without paradox or oxymoron, be called wage-slavery, so consumer sovereignty can be re-branded as credit-card peonage. A peon has to return to work each season to pay off debts to the company store, whereas free laborers are bound to the entire mass market by the loans, advances and mortgages necessary to meet the capital-induced socially necessary costs of reproducing their labour power (McQueen, 2001: ch. 14). The growth of household debt carries us back to the core of this analysis. As living costs increase, so must real wages. But because of competition, capitalists must reduce labour costs per unit. The cheapest way to achieve that result is through an acceleration of universal labour-times, though that intensification is often achievable only when allied to the expense of new machines.

Commodity-capital is more than it seems to a suburban shopper armed with a Visa card. The bulk of commodities such as steel, petro-chemicals, grains are traded in bulk and often outside the market. One-third of US exports and a half of its imports take place inside multi-national corporations (*Foreign Policy*, Jan/Feb 2003: 169). Other bulk items, such as electricity, are auxiliary to the production-stage. Raw materials, semi-finished goods, final products and labour-power are all outputs from one industrial cycle and the commodities for the next.

Production-capital

> Production is thus as the same time consumption, and consumption is at the same time production (Karl Marx, *A Contribution to the Critique of Political Economy*, 1857).

A failure to distinguish the three circuits of capital's expansion permits the chatter about the mobility of capital as the crux of Globalization "Mark V". Money-capital can now go at near the speed of light along a fiber-optic cable, and some commodity-capital close to the speed of sound in a cargo jet. Meanwhile, production-capital shifts at walking pace. The costs of uprooting equipment from one site to another remain prohibitive. When plant is moved it is often commodity-capital on its way to being installed for its purchaser. A sign that "Mark V" may possess substance is that equipment is moving as much as it does. Even so, very few firms have transferred existing buildings and machines from one nation-market-state to another. Mostly, businesses start up in green fields. The idea that functioning production-capitals can slip across borders like a backpacker is believable only if you have never run anything bigger than a photocopier.

Nike, for instance, does not move any production-capital between countries. The burdens of relocation have been carried by its suppliers, who must recoup them from their workforce, or by swindling other business partners and governments. Nike appears "weightless" by externalizing the cost of relocation. Even contracting to a new supply house is never easy, as Nike found when it tried to work with state enterprises in mainland China. Nike can switch its orders around between competing producers once they are up and running. Even then, delays and disruptions will arise from forging new chains of supply, thereby incurring expenses at both Nike and its contractors.

The worth of Nike's suppliers remains sunk in their physical properties. To abandon those facilities before they have passed their use-by-dates would be to risk bankruptcy, or crippling debts. Once machinery is installed in Bangkok, the costs of moving it lock, stock and barrel to Hanoi could have the same result. A supplier, however, could follow Nike's example and hire the machines as well as renting a factory. The costs of moving would then be passed down the line to the machine-makers. Either way, the expense of capital's production-state has to be borne, though it can be reduced by designing equipment and buildings able to be assembled with a minimum of labour-time. These relocation costs spur firms to seek relief from government regulations and imposts, and to demand tax-funded subsidies.

The significance of the production-stage in the expansion of capitals is never confined to their current owners and controllers. Access to the resources to meet one's needs is at the root of the social relationship that is capitalism. This class division of labour is determined by the want of productive property, which is why the vast majority of us must offer to sell our labour-power. In terms of the ownership of productive property, all workers are always the working poor.

That deprivation is also the ground on which to decide whether the poor have got poorer, or more numerous, during Globalization "Mark V". The expropriation of communal or familial resources has been more significant than income shifts because that loss is absolute, not relative, and almost always final. A recent survey across the past 500 years argues that the imposition of imperial institutions and the destruction of indigenous ones reversed the relative wealth of areas colonized by Europe. Australia, for instance, moved upwards while Peru went down the scale (Acemoglu, Johnson and Robinson, 2002). Erstwhile land-owners are reduced to potential wage-labourers – swelling a reserve army of the under-employed. In addition, separation from the capacity to grow or gather one's own food leaves the landless more dependent on store goods, which are more expensive and less nutritious. The costs of reproducing labour-power thereby increase, while health deteriorates. The loss of productive resources also disrupts family-based welfare whereby the aged could be sustained by their children. Without traditional production resources, the family becomes subject more to the vagaries of commodity-, money- and labour-markets than the weather.

Wages are a limited measure for shifts in inequality, though the easiest to compute. Moreover, wages are only part of income. Total earnings involve tax transfers and access to health and education. Nor is monetarizing that mix in the standard of living the same as evaluating the quality of life. These limits have to be remembered when judging contrary claims about patterns of equity. A long-run study of incomes indicates that inequalities within countries widened from the 1820s until the Second World War; since then, the spread has been between countries (Bourguigon and Morrisson, 2002). A survey of incomes alone for only the past thirty years concluded that "global inequality increased slightly during the 1970s, declined during the 1980s and went back up

during the 1990s" while "within-country inequality has increased monotonically" (Sala-i-Martin, 2002: 29). An investigation of twentieth-century incomes in the USA shows that the working rich have overtaken rentiers, and that the top-wage shares are now higher than before World War II (Picketty and Saez, 2003).

Attributing a greater spread of earnings in the First World to Globalization "Mark V" may rest on a mistaken belief that full employment and welfare spending had improved social equity through the immediate post-war years. As early as 1963, Richard Titmuss had concluded that the British Welfare State "had not led to any significant redistribution of income and wealth in favour of the poorer classes". On the contrary, social democrats had "gravely under-estimated the growing strength of the forces working in the other direction" (Titmuss, 1965: 360-62). If the apologists for free trade and deregulation are right to claim that First World inequalities of income have not worsened recently, perhaps the reason is that circumstances had remained worse than a previous conventional wisdom had allowed.

Irrespective of the accuracy of any of these estimates, changing levels of poverty or inequality cannot be discerned from comparative earnings alone (*contra* Galbraith & Berner, 2002). More potently, people in subsistence economies are being stripped of their access to soil and waters (Barlow and Clark, 2002). Dams, factory ships and pollution from mines are three of the indirect means by which proletarianization is being accelerated. These assaults are enacted by the police and the army, not by executives from the corporations that will take over the forests or other resources. In Columbia, the thefts are perpetrated under the guise of poisoning coca crops. In Bolivia, the police kill peasants protesting the takeover of municipal water by Vivendi (Finegan, 2002).

The arms trade is pivotal in this impoverishment. Dictatorships sell bulk natural resources at or below the costs of production to generate revenues to purchase weapons to maintain their dominance (Galbraith and Berner, 2002: ch.10). This unequal exchange enriches First World arms manufacturers and pleases the Pentagon because these weapons of destruction suppress resistance to exploitation, a defence of property rights denigrated as terrorism. The definition of the nation-market-state as attempting "for capital what its managers cannot achieve through

corporations" continues to be written in blood (McQueen, 2001: 4). The chill hour of the last instance does arrive, not at the economic level, but at the political where class struggles are ultimately decided.

The Nation-Market-State

Ellen Meiskins Wood explained the endurance of the nation-*market*-state in terms of the uniqueness of how the surplus is expropriated under capitalism. In "other systems of exploitation", she noted, "classes or states extract surplus labour from producers by direct coercion" (Wood, 2002: 30). By contrast, the capitalist relies first on the propertilessness of others to oblige them sell him their labour-power. Their lack of resources is the outcome of earlier interventions by the state to separate them from the means of reproducing their lives. The capitalist then uses all manner of controls inside workplaces to extract advantage from the labour-power they have purchased. A few of these tactics look back to feudal arrangements, with private militias or model townships. Either way, force is integral to the class divisions of capitalism. Its distinguishing feature is that the relation between exploiter and exploited is one of impersonal exchanges of money-capital to transform labour-power into commodity-capital.

Because capital expands by separating the moment of appropriation from the moment of realization, a space exists between the economic and political. The more globalized the circuits of capital become, the wider that gap and the more capital's expansion must rely on state apparatuses to close the breach. Commentators on the impact of Globalization on the nation-market-state render themselves irrelevant by denying its basis in class conflict. The nation-market-state has the twin tasks of maintaining a regime for the expropriation of the surplus at home and aiding its realization everywhere. Success at the former is decided by the relative strengths of the contending classes. Achievements in the latter follow from that domestic contest but encounter opposition from other states, especially the imperial ones.

These rivalries are now concentrated between the three economies – the USA, Europe and Japan – on which the latest round of expansion was

built. The impasse at the WTO over agriculture and intellectual property is matched by the division in the United Nations Security Council over Iraq. Compliance to the dollar hegemon has never been complete as is apparent again with the creation of the Euro and Tokyo's concurrent attempts to install a Yen block in East Asia. Meanwhile, Iran and Iraq were selling oil for Petro-Euros. These disputes show how far capitals are from forming a mega-corporation and hyper-state which can dominate the planet (Kautsky, 1970).

As the circuits of capital expansion have become wider, risks grow, and their management encounters ever more diseconomies. In an effort to compensate for the absence of a global-*market*-state, several organizations have attempted to facilitate the extension of each of the forms assumed by capital: money-capital through the IMF and World Bank; commodity-capital through the GATT and the WTO; and production-capital in multinational corporations. The rules of those bodies are enforced - and resisted - by nation-market-states. Criss-crossing these alliances and disputes have been efforts to integrate the three circuits and smooth the rival claims. As the post-war settlement fell apart, David Rockefeller initiated the Trilateral Commission in 1973. The World Economic Forum (first meeting at Davos in 1970) provided a sorting house for a select group of Europe's CEOs until it became another gab-fest. These bodies also concern themselves with labour-costs when the IMF and World Bank attach codes of labour flexibility to the granting of loans to governments.

The expanded reproduction of capital continues the reordering of power among nation-market-states and the reallocating of their functions between central and regional authorities. The major beneficiary has been the US in its reach for global dominance. In the late eighteenth century, a section of North Americans fought to get the English out of the Thirteen Colonies. Throughout the nineteenth century, the USA developed the Monroe Doctrine to justify clearing all kinds of Europeans out of the Western Hemisphere, thereby making more room for US capital from Alaska to the Argentine. Shortly after the founder of *Time-Life*, Henry Luce in 1941 had proclaimed the twentieth century as "The American Century", the US imperialists conquered Western Europe and Japan, militarily, financially and industrially. In the 1990s, US corporations

charged into the disintegrating Soviet Bloc. For the twenty-first century to be another American Century – as the Bush strategists pledged in their 1997 manifesto – the US imperium will have to suborn a uniting Europe, police an unstable Latin America and restrain a potent East Asia. In the medium-term, the US will also have to shift the burden of its economic crisis onto its dominions. The magnitude of these tasks indicates how far the expansion of capital is from any end to nation-market-states. The US hyper-power must impose its *Pax*, validate its token money, and back capital against labour.

Hegel believed that understanding could not be attained until after the "real" had been fulfilled as the "ideal". Marx had this assumption in his sights when he concluded his doodles on Feuerbach by remarking that while philosophers had interpreted the world, the point was to change it. This aphorism is itself misunderstood when limited to a call to arms. The changes that Marx had in mind involved all human activities: science, production and social life as much as politics. He meant that we change the world, including ourselves, through the totality of actions we call history. Equally significantly, Marx had proposed in his previous ten jottings against Feuerbach that we could understand the world - "the real" - only by working to change the subject of our investigation. On those grounds, the above appraisal of Globalization "Mark V" cannot be advanced without further No-Global protesters and anti-war activists. Yet, activist-interpreters will not make the most out of the actualities that we expose without thinking beyond "the real" towards "the ideal". That pursuit will carry us even deeper into the continuities and disjunctures that score capital's controls over labour-time to accelerate the circuits of its self-expansion.

References

Acemoglu, Daron, Simon Johnson and James A. Robinson (2002), "Reversal of Fortune" Geography and Institutions in the Making of the Modern World Income Distribution", *The Quarterly Journal of Economics*, CXVII (4).

Atkinson, Jeff and Tim Connor (1996), *Sweating for Nike: labor conditions in the sports shoe industry*, Community Aid Abroad, Fitzroy.

Barlow, Maude and Tony Clarke (2002), *Blue Gold*, New Press, New York.

Beamish, Rob (1992), *Marx, Method and the Division of Labor*, University of Illinois Press, Urbana.

Baumol, W. J. (1985), "Productivity policy and the service sector", in Robert P. Inman (ed.), *Managing the Service Economy*, Cambridge University Press, Cambridge.

Blackburn, Robin (2002), "The Enron Debacle and the Pension Crisis", *New Left Review*, 14 (2nd Series).

Biernacki, Richard (1995), *The Fabrication of Labor, Germany and Britain, 1640-1914*, California University Press, Berkeley.

Bourguigon, Francois and Christian Morrisson (2002), "Inequality among World Citizens: 1820-1992", *American Economic Review*, 92 (4).

Bramble, Tom (1996), "Globalization, Unions and the Demise of the Labourist Project", *Journal of Australian Political Economy*, 38.

Bramble, Tom (2001), "Social Tariffs", *Journal of Australian Political Economy*, 28.

De Brunhoff, Suzanne (1976), *Marx on Money*, Urizen Books, New York.

Bryan, Dick (1995), *The Chase Across the Globe, International Accumulation and the Contradictions for Nation States*, Westview Press, Boulder.

Bukharin, N. (1972), *Imperialism and the World Economy*, Merlin, London.

Childe, V. Gordon (1958), *The Prehistory of European Society*, Penguin, Harmondsworth.

Cochrane, Peter (1980-81), "Gold: the durability of a barbarous relic", *Science & Society*, XLIV (4).

Egger, Peter and Robert Steher (2003), "International Outsourcing and the Skill-Specific Wage Bill in Eastern Europe", *The World Economy*, 26 (1).

Finegan, William (2002), "Leasing the Rain", *New Yorker*, 8 April.

Galbraith, James K. and Maureen Berner (eds) (2002), *Inequality and industrial change: a global view*, Cambridge University Press, Cambridge.

Jellal, Mohamed and Francois-Charles Wolff (2002), "Insecure old-age security", *Oxford Economic Papers*, 54 (2).

Kautsky, Karl (1970), "Ultra-Imperialism", *New Left Review*, 59.

Korpi, Walter (2002), "The Great Trough in Unemployment: A Long-Term View of Unemployment, Inflation, Strikes and the Profit/Wage ratio", *Politics and Society*, 30 (3).

Kucera, David (2002), "Core Labor Standards and Foreign Direct Investment", *International Labor Review*, 141 (1-2).

Kynaston, David (1999), *The City of London, Volume III, Illusions of Gold, 1914-1945*, Chatto & Windus, London.

Leamer, Edward E. and Michael Storper (2001), "The Economic Geography of the Internet Age", *Journal of International Business Studies*, 32 (4).

Lebowitz, Michael (1977-78), "Capital and the Production of Needs", *Science and Society*, 41 (4).

Lenin, V. I. (1975), *Imperialism, the Highest Stage of Capitalism*, Foreign Languages Press, Peking.

McQueen, Humphrey (1981), "What is Good for General Motors?", *Journal of Australian Political Economy*, 10, June.

McQueen, Humphrey (2001), *The Essence of Capitalism*, Sceptre, Sydney.

McQueen, Humphrey (2003), "Making Capital Tick", *Overland*, 170.

Marx, Karl (1957), *Capital*, II, Foreign Languages Publishing House, Moscow.

Marx, Karl (1958), *Capital*, I, Foreign Languages Publishing House, Moscow.

Marx, Karl, (1959), Capital, III, Progress Publishers, Moscow.

Marx, Karl (1970), *A Contribution to the Critique of Political Economy*, Progress Publishers, Moscow.

Marx, Karl (1973), *Grundrisse*, Penguin, Harmondsworth.

Minami, Ryosin (1986), *The Economic Development of Japan, A Quantitative Study*, Macmillan, London.

Nelson, Anitra (1999), *Marx's Concept of Money, the God of Commodities*, Routledge, London.

Nordhaug, Kristen (2002), "The Political Economy of the Dollar and the Yen in East Asia", *Journal of Contemporary Asia*, 32 (4).

Palloix, C. (1975), "The Internationalization of Capital and the Circuit of Social Capital", in Hugo Radice (ed.), *International Firms and Modern Imperialism: selected readings*, Penguin, Harmondsworth.

Peck, Gunther (2000), *Reinventing Free Labor, Padrones and Immigrant Workers in the North American West, 1880-1930*, Cambridge University Press, Cambridge.

Piketty, Thomas and Emmanuel Saez (2003), "Income Inequality in the United States, 1913-1998", *Quarterly Journal of Economics*, 118 (1).

Sacks, David Harris (1991), *The Widening Gate, Bristol and the Atlantic Economy, 1450-1700*, California University Press.

Sala-i-Martin, Xavier (2002), "The Myth of Exploding Income Inequality in Europe and the World", Henryk Kierzkowski (ed.), *Europe and Globalization*, Palgrave, Basingstoke.

Stahel, Andri W. (1999), "Time Contradictions of Capitalism", *Capitalism, Nature, Socialism*, 10 (1).

Thompson, E. P. (1967), "Time, Work-discipline and Industrial Capitalism", *Past and Present*, 38.

Tinker, Hugh (1974), *A New System of Slavery, the export of Indian labour overseas,* 1830-1920, Oxford University Press, Oxford.

Titmuss, Richard (1965), "Goals of Today's Welfare State", in Perry Anderson and Robin Blackburn (eds), *Towards Socialism*, Fontana, London.

Weber, Max (1958), *The Protestant Ethic and the Spirit of Capitalism*, Scribner's, New York.

Weiss, Donald D. (1976), "Marx vs. Smith on the Division of Labour", *Monthly Review*, 28 (3).

Went, Robert (2002), *The Enigma of Globalization: a Journey to a New Stage of Capitalism*, Routledge, London.

Wood, Ellen Meiskins (2002), "Global capital, national states", in Mark Rupert and Hazel Smith (eds), *Historical Materialism and Globalization*, Routledge, London.

Yi, Kei-Mu (2003), "Can Vertical Specialization Explain the Growth of World Trade?", *Journal of Political Economy*, 111 (1).

Zaheer, Srilata and Shalini-Manrakhan (2001), "Concentration and Dispersal in Global Industries: Remote Electronic Access and the Location of Economic Activities", *Journal of International Business Studies*, 32 (4).