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Public Culture, Volume 12, Number 2, Spring 2000, pp. 351-374 (Article)

Published by Duke University Press

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Towards a Critique of Globalcentrism: Speculations on Capitalism's Nature

Fernando Coronil

The end of a millennium is a time that invites speculations about the future as well as reckonings with the past. In his *Confessions*, Saint Augustine suggested that it is only at the end of a life that one can apprehend its meaning. The current fashionable talk about the end of History, of socialism, even of capitalism—or at least the long-announced demise of its familiar industrial form and the birth of an era defined by the dominance of information and services rather than material production—suggests that the close of the millennium is generating fantasies inspired by a similar belief. In a striking coincidence, the end of the millennium has also marked the victory of capitalism over socialism after a protracted confrontation that polarized humanity during much of the twentieth century. Its triumph at this time makes capitalism appear as the only valid social horizon, granting it a sacralized sense of finality that conjures up what Sylvia Thrupp identified as the millennial expectation of a “perfect age to come” (1970: 12).

As an expression of this millennial fantasy, corporate discourses of globalization evoke with particular force the advent of a new epoch free from the limitations of the past. Their image of globalization offers the promise of a unified humanity no longer divided by East and West, North and South, Europe and its Others, the rich and the poor. As if they were underwritten by the desire to erase

I would like to express my deep gratitude to the members of my graduate seminar, Globalization and Occidentalism, winter 1999, for their helpful comments on this essay and stimulating discussions throughout the semester. I greatly appreciate the detailed comments by Genese Sodikoff, Elizabeth Ferry, and María González. My thanks also to Julie Skurski and David Pederson for their keen obser-

the scars of a conflictual past or to bring it to a harmonious end, these discourses set in motion the belief that the separate histories, geographies, and cultures that have divided humanity are now being brought together by the warm embrace of globalization, understood as a progressive process of planetary integration.¹

Needless to say, discourses of globalization are multiple and far from homogeneous. Scholarly accounts generally contest the stereotypical image of an emerging global village popularized by the corporations and the media. These accounts suggest that globalization, rather than being new, is the intensified manifestation of an old process of transcontinental trade, capitalist expansion, colonization, worldwide migrations, and transcultural exchanges, and that its current neoliberal modality polarizes, excludes, and differentiates even as it generates certain configurations of translocal integration and cultural homogenization. For its critics, neoliberal globalization is implosive rather than expansive: it connects powerful centers to subordinate peripheries, its mode of integration is fragmentary rather than total, it builds commonalities upon asymmetries. In short, it unites by dividing. From different perspectives and with different emphases, these critics offer not the comforting image of a global village, but rather the disturbing view of a fractured world sharply divided by reconfigured relations of domination.²

While I too am drawn by the desire to make sense of capitalism's history at the millennium's end, I will explore its life not so much by chronicling its biography from the vantage point of the present, as Saint Augustine suggests, but by discerning its present configuration and speculating about its future in light of its dark colonial past. My brief sketch of capitalism will be highly selective, drawing on certain strands in order to paint, with broad strokes, a rough image of its

ventions, and to the editorial committee of Public Culture that, through Jean and John Comaroff, offered me valuable suggestions. An earlier draft of this essay benefited from discussions at the Coloniality Working Group at SUNY Binghamton.

1. The mass media have been a major avenue for celebratory discourses of globalization, from corporate advertisements to songs. This trend gained currency with the expansion of multinational corporations in the sixties and was intensified by the breakdown of the socialist world and the ensuing hegemony of neoliberalism.

2. It is impossible to do justice to the vast scholarly literature on globalization. Although not all authors agree on what characterizes it or on its newness, most are critical of the celebratory discourses on globalization and suggest different ways in which the processes commonly identified by this term are conflictive or exclusionary. For example, see Amin 1997 and 1998; Appadurai 1996; Arrighi 1994; Corbridge, Martin, and Thrift 1994; Dussel 1995; Greider 1997; Harvey 1989; Henwood 1997; Hirst and Thompson 1996; Hoogvelt 1997; López Segrera 1998; Massey 1999; Quijano and Wallerstein 1992; Robertson 1992; Sassen 1998; and Weiss 1998.

changing dynamics at this time. To bring forth this image as I see it emerging at the millennium's end, I will trace some links between the colonial past within which capitalism evolved and the imperial present within which neoliberal globalization has gained hegemony. Needless to say, there is a risk in referring to capitalism by a single word (and in the singular) and attributing to it features that may give the impression that it is a bounded or self-willed entity, rather than a complex, contradictory, and heterogeneous process mobilized by the actions of innumerable social agents. Against the opposite danger of missing the forest (or forests!) for the trees, I opt for the risk of producing what may be no more than a caricature of the capitalist jungle, in the hope that it can help us recognize defining features of its evolving configuration.

Nature, Globalization, and Occidentalism

Our familiar geopolitical map of modern world—defined by such classificatory devices as the three-worlds scheme, the division between the West and the non-West, and the opposition between capitalist and socialist nations—is being redrawn by a number of processes associated with the hegemony of neoliberal globalization. These include (1) the recomposition of temporal and spatial relations through new forms of communication and production, (2) the increasing tension between the national basis of states and the international connections of national economies, and (3) the growing polarization of social sectors both within and among nations, together with the concentration of power in transnational networks. As a result of these changes, peoples and natural resources that have been treated as external domains to be colonized by capital increasingly appear as internal to it, subjected to its hegemonic control. In accordance with the *Communist Manifesto*'s famous anticipation, capital, mobilized by its relentless and tireless dynamics, seems to be melting all solid barriers that have stood in its way, expanding its reach over our familiar material world, propelling it toward ever more immaterial domains, and subjecting all realms under its power to ever more abstract forms of control. My aim is to catch an image of capital's expansive dynamics throughout planet Earth as well as into cyberspace in order to explore the significance of its expansion for the organization and representation of cultural differences.

Inspired by the speculative spirit of millennial thinking, I wish to suggest that the current phase of neoliberal globalization involves a significant reordering and redefinition of geohistorical units. Dominant discourses of globalization recast the centrality of the West/Other opposition that has characterized Eurocentric repre-

sentations of cultural difference. Previous Occidentalist modalities of representation have been structured by a binary opposition between the Occident and its others. As I argue elsewhere, Occidentalist constructs obscure the mutual constitution of “Europe” and its colonies, as well as of the “West” and its postcolonies, through representational practices that separate the world’s components into bounded units, disaggregate their relational histories, turn difference into hierarchy, and thus help reproduce asymmetrical power relations (Coronil 1996: 57).

My argument in this essay is that dominant discourses of globalization constitute a circuitous modality of Occidentalism that operates through the occlusion rather than the affirmation of the radical difference between the West and its others. In contrast to the Western bias or Eurocentrism of previous Occidentalisms, what I call the globalcentrism of dominant globalization discourses expresses the ongoing dominance of the West by a number of representational operations that include: the dissolution of the “West” into the market and its crystallization in less visible transnational nodules of concentrated financial and political power; the attenuation of cultural antagonisms through the integration of distant cultures into a common global space; and a shift from alterity to subalternity as a dominant modality for constituting cultural difference. These changes entail a consolidation of the economy as the neoliberal age’s “cultural dominant,” which I see, building on Fredric Jameson, as a structuring principle that counters notions of random difference while allowing “for the presence and coexistence of very different, yet subordinate features” (Jameson 1991: 4–6). As an “economic” cultural dominant, discourses of neoliberal globalization coexist with celebratory discourses of cultural diversity, as well as with warnings concerning the coming “clash of civilizations”; they subsume the world’s multiple cultures, and competing discourses about them, as subordinate elements within an encompassing, planetary economic culture.

At a time when capitalism parades as most universal and independent of its material foundations, I hope to show that a focus on its relation to nature helps to render visible an emerging imperial cartography of modernity occluded by increasingly abstract modalities of domination.

Nature, Capitalism, and Colonialism

A central dimension of post-Enlightenment discourses of modernity has been the establishment of a radical separation between “culture” and “nature.” These discourses of historical progress typically assert the primacy of time over space and of culture over nature. The separation of history from geography and the

supremacy of time over space has the effect of producing images of society cut off from their material environments. Dominant views take for granted the natural world upon which societies depend. Despite the significant work of geographers, feminists, and ecologists who have examined the intimate relation between the social and natural domains, nature is insufficiently theorized in the discussion of capitalism.

Among Western theoreticians of capitalism, Adam Smith, David Ricardo, and Karl Marx were exceptional in the detailed theoretical attention they paid to the social significance of the natural foundations of social production. Building on Smith's and Ricardo's insights, Marx employed the category "land/rent" as a way of conceptualizing the role of socially mediated natural powers in the construction of capitalism. Yet his analysis of capitalism tended to privilege the capital/labor relation and to assume that "land" (by which he meant all the socially mediated power of nature) would be absorbed by capital. In critical dialogue with liberal and Marxist discussions of natural resources, I have suggested that a fuller recognition of nature's role in the making of capitalism expands and modifies the temporal and geographical referents that have framed dominant narratives of modernity (Coronil 1997). I wish now to present a brief version of this critique in order to frame my examination of the role of nature during the present phase of neoliberal globalization.

Marx claimed that the relationship among capital-profit, labor-wages, and land-ground rent "holds in itself all the mysteries of the social production process" (1981: 953). As if wishing to evoke simultaneously a celestial mystery and its earthly resolution, he called this relationship "the trinity form." Yet few analysts, Marx included, have seriously applied this formula to resolve the enigma of the role of "land" in the making of capitalism. Looking at capitalism from a European standpoint, Henry Lefebvre is unusual in both noting this neglect and suggesting ways of examining the role of the social agents associated with land, including the state, in the making of European capitalism (1974).³ Lefebvre, however, confined

3. Some Marxists, however, have noted the significance of ground rent with respect to certain aspects of capitalism, such as urban real estate, but few have used it to reconceptualize the development of capitalism. Reflecting on the Marxist theorizing of ground rent, Jean-Claude Debeir, Jean-Paul Deléage, and Daniel Hémerly have noted that the relationship "society/nature was considered only in the framework of purely economic theory, that of ground rent" (1991: xiii). Their own effort is directed at seeing this relationship in terms of a more general conceptualization of energy use. In my view, "land-ground rent" (just as labor-wages and capital-profit) should not be reduced to "purely economic theory." A holistic analysis of ground rent would reveal its many dimensions, which include, as they have shown in their work, historical transformations in energy use but also the formation of the historical agents involved in the production of "land" as an economic category.

his vision to Europe, and did not see the implications of his insight for recasting the relationship between capitalism and colonialism.

Given the importance of the (post)colonies as providers of natural resources that continue to be essential for the development of capitalism, a view of capitalism from the (post)colonies helps modify conventional understandings of capitalism's dynamics and history in two respects.

First, it helps theorize more fully the role of nature as a constitutive dimension of modern wealth, rather than simply as a form of "natural" capital—as is the common view among liberal economists—or as capital's necessary condition of existence, a limitation to its growth, or a source of entropy—as some Marxists have argued (see O'Connor 1994). Even thinkers like Marx, who recognize nature's role in the formation of wealth, often forget their own insight in their analysis of capitalist production. Drawing from William Petty (and reproducing a common identification of culture with man and nature with woman), Marx argues that wealth must be seen as the union of labor ("the father") and nature ("the mother") (1967: 43). Yet in an influential section of *Capital*, Marx argues that the physical properties of commodities have "nothing to do with their existence as commodities" (1967: 72). In his effort to demonstrate that labor power is the only source of value and therefore that a commodity's value resides in the inscription, not in the object, Marx neglects his own insight that labor inscribes value through a material medium, and that wealth is the joint result of labor and nature. This neglect of nature by capitalism's major critic has obscured the dynamics of capitalist wealth formation. A recognition that a commodity is inseparable from its physical materiality, and that as a unit of wealth it embodies both its natural and its value form, presents a different view of capitalism. This perspective makes it possible to view the specific mechanisms through which capitalist exploitation extracts surplus labor from workers as well as natural riches from the earth under different historical conditions. It also makes it possible to see lines of continuity and change between modes of appropriating nature under colonial and neoliberal regimes of domination.

Second, a "grounded" view that complements the recognized importance of labor with the neglected but no less fundamental significance of nature in capitalism's formation reinforces works that have sought to counter Eurocentric conceptions that identify modernity with Europe and relegate the periphery to a pre-modern primitivity. By bringing out a neglected structuring principle of capitalist development, this perspective helps us to see capitalism as a global process rather

than as a European phenomenon.⁴ Since for Marx *land* stands for *nature* in its socialized materiality rather than in its independent material existence, “bringing nature back in” recasts the social actors directly associated with it. Instead of restricting these agents to vanishing feudal lords or declining landowners (the emphasis in *Capital*), they may be expanded to encompass the social agents that since colonial times have been involved in the commodification of what I have called “rent-capturing” or “nature-intensive” commodities, to distinguish them from commodities whose exchange value predominantly reflects labor power rather than ground-rent. In (post)colonial nations, these agents include the states and social classes that directly own natural resources or regulate their production and commercialization (Coronil 1997). Deciphering the mystery of the “trinity form” involves seeing the dialectical play among capital, labor, and land in specific historical situations.

A perspective that recognizes the triadic dialectic among labor, capital, and land leads to a fuller understanding of the economic, cultural, and political processes entailed in the mutual constitution of Europe and its colonies, processes that continue to define the relation between postcolonial and imperial states.⁵ It helps to specify the operations through which Europe’s colonies, first in America and then in Africa and Asia, provided it with cultural and material resources with which it fashioned itself as the standard of humanity—the bearer of a superior religion, reason, and civilization embodied in European selves. As the Spanish notion of “purity of blood” gave way in the Americas to distinctions between superior and inferior races, this superiority became variously incarnated in biological distinctions that have been essential in the self-fashioning of European

4. For example, Ortiz 1995, Dussel 1995, Mignolo 1995, and Quijano 1993. My use of the word *grounded* is influenced by the conference Touching Ground: Descent into the Material/Cultural Divide, organized by the students of the doctoral program in anthropology and history, University of Michigan, 2 April 1999. The conference sought to overcome, as its statement of purpose indicates, a “pre-existing habit of dividing the analysis of the cultural from the economic and the symbolic from the material. Textual and discursive analyses, even when invoking a material context for readings of cultural content, still tend to avoid engaging directly with the study and theorization of such phenomena as work, the structure and practice of political domination and economic exploitation, and the material organization of patriarchy.”

5. Within anthropology, the works of Sidney Mintz (1985) and Eric Wolf (1982) have significantly contributed to illuminating the role of colonial primary commodities in the making of the modern world. I have sought to develop this perspective by building upon the work of Fernando Ortiz (Coronil 1995, 1997).

colonizers and continue to inform contemporary racisms.⁶ Just as the colonial plantations in the Americas, worked by African slave labor, functioned as protoindustrial factories that preceded those established in Manchester or Liverpool with “free” European labor (Mintz 1985), the American colonies prefigured those established in Africa and Asia during the age of high imperialism. Colonial “primitive accumulation,” far from being a precondition of capitalist development, has been an indispensable element of its ongoing dynamic. “Free wage labor” in Europe constitutes not the exclusive condition of capitalism but its dominant productive modality, one historically conditioned by “unfree labor” elsewhere, much as the “productive” labor of wage workers depends on the ongoing “unproductive” domestic labor of women at home. Instead of viewing nature and women’s labor as “gifts” to capital (for a critique of this view, see Salleh 1994: 113), they should be seen as confiscations by capital, as part of its colonized others, as its dark side. If colonialism is the dark side of European capitalism, what is the dark side of globalization?

Globalization and Occidentalism

There has been much discussion about globalization, its origins, its various phases, and its current characteristics. There seems to be agreement that what distinguishes the present phase of globalization is not the volume of transnational trade and capital flows, for these have occurred in similar proportions in other periods, particularly during the three decades preceding World War I (Hoogvelt 1997; Weiss 1998). What seems significantly new since the 1970s is that a transformation in the volume, character, and concentration of financial flows (enabled by new technologies of production and communication) has led to a contradictory combination of new patterns of global integration and a heightened social polarization within and among nations.

I will use two remarkable accounts of globalization to discuss these changes. I have chosen them because they are public statements, grounded in scholarly research, that address globalization in terms of its political effects from opposite political positions. Perhaps inspired by millennial numerological spiritualism, each one of these documents uses seven subheadings to present its image of globalization.

6. Numerous theorists have examined the relationship between colonialism and racialization. These comments draw in particular on the work of Anibal Quijano (1993), Walter D. Mignolo (1999), and Ann Stoler (1995).

The first is a 1997 report of the United Nations Conference on Trade and Development (UNCTAD) that documents rising worldwide inequalities. The report analyzes in detail seven “troublesome features” of the contemporary global economy and argues that they pose a serious threat of a political backlash against globalization. I will identify these features briefly, without summarizing the evidence that supports them:

1. Slow rates of global economic growth.
2. The gap between the developed and developing countries, as well as within countries, is widening steadily [As supporting evidence, the report offers a revealing statistic: In 1965 the average GNP per capita for the top 20 percent of the world’s population was thirty times that of the poorest 20 percent; by 1990, it had doubled to sixty times].
3. The rich have gained everywhere, and not just in relation to the poorest sections of society, but also in relation to a hallowed middle class.
4. Finance has gained an upper hand over industry, and rentiers over investors.
5. Capital’s share of income has increased over that assigned to labor.
6. Employment and income insecurity are spreading worldwide.
7. The growing gap between skilled and unskilled labor is becoming a global problem.

The second document, titled “The Fourth World War Has Begun,” is an article written from the mountains of Chiapas, Mexico, by Subcomandante Marcos, the leader of the indigenous Zapatista movement EZLN (Ejército Zapatista de Liberación Nacional), and published in *Le Monde Diplomatique* (1997). Since Marcos’s argument is both more complex and less familiar than the one presented in the UNCTAD report, I will summarize it more extensively.

According to Marcos, neoliberal globalization must be understood “for what it is,” that is, as “a new war of conquest of territories.” He thus creates a new typology of twentieth-century world wars that decenters metropolitan conceptions of contemporary history. Marcos renames the Cold War “the Third World War,” both in the sense that it was a third global war and because it was fought in the Third World. For the Third World the so-called Cold War was really a hot war, made up of 149 localized wars that claimed 23 million deaths.⁷ The Fourth

7. The category *Third World* emerged out of the process of decolonization connected with World War II, as a result of which the Third World became the military and ideological battleground between the capitalist First World and the socialist Second World. Now that this contest is over for all practical purposes, the countries of what used to be called the Third World are no longer the prized objects of competing political powers, but struggling actors in a competitive world market. For an illuminating discussion of the three-world schema, see Pletsch 1981.

World War is the current neoliberal globalization that, according to Marcos, is claiming the lives of vast numbers of people subjected to increasing poverty and marginalization. While World War III was waged between capitalism and socialism with varying degrees of intensity in dispersed localized territories in the Third World, World War IV involves a conflict between metropolitan financial centers and the world's majorities taking place with constant intensity on a global scale.

According to Marcos, World War IV has fractured the world into multiple pieces. He selects seven of these broken pieces in order to put together what he calls the *rompecabezas* (puzzle) of neoliberal globalization. I will briefly list them—some of the titles are self-explanatory—omitting most of the data he offers to support his claims.

1. "Concentration of wealth and distribution of poverty," which synthesizes well-known information concerning the extent to which global wealth is being polarized among and within nations.
2. "The globalization of exploitation," which discusses how this polarization goes hand in hand with the increasing power of capital over labor worldwide.
3. "Migration as an errant nightmare," which reveals not only the expansion of migratory flows forced by unemployment in the Third World, but also by local wars that have multiplied the number of refugees (from 2 million in 1975 to over 27 million in 1995, according to United Nations figures).
4. "Globalization of finances and generalization of crime," which shows the growing complicity between megabanks, financial corruption, and hot money coming from the illegal traffic in drugs and arms.
5. "The legitimate violence of an illegitimate power?," which answers this question by arguing that the "striptease" of the state and the elimination of its welfare functions have reduced the state in many countries to an agent of social repression, transforming it into an illegitimate protection agency at the service of megaenterprises.
6. "Megapolitics and Dwarfs," which argues that strategies directed at eliminating trade frontiers and at uniting nations lead to the multiplication of social frontiers and the fragmentation of nations, turning politics into a conflict between "giants" and "dwarfs," that is, between the megapolitics of financial empires and the national policies of weak states.
7. "Pockets of resistance," which claims that in response to the pockets of concentrated wealth and political power, multiple and multiplying

pockets of resistance are emerging—ones whose richness and power reside, in contrast, in their diversity and dispersion.

Despite their contrasting perspectives, both accounts view neoliberal globalization as a process driven by increasingly unregulated and mobile market forces that polarize social differences among and within nations. While the gap between rich and poor nations—as well as between the rich and the poor—is widening everywhere, global wealth is concentrating in fewer hands, and these few include those of subaltern elites. In this reconfigured global landscape, the “rich” cannot be identified exclusively with metropolitan nations; nor can the “poor” be identified exclusively with the Third and Second Worlds. The closer worldwide interconnection of ruling sectors and the marginalization of subordinate majorities has undermined the cohesiveness of these geopolitical units. Although it also has an impact on metropolitan nations, this weakening of collective bonds undermines more severely Third World countries as well as the ex-socialist countries of the moribund Second World (China requires separate attention).⁸ Particularly in the less populated or less resourceful countries, the polarizing effects of neoliberalism are heightened by a steady process of capital expatriation, denationalization of industries and services, brain drain, and the intensification of migratory flows. The privatization of the economy and of public services, or what Marcos calls the “striptease” of the state, has led not only to the reduction of bureaucratic inefficiency and in some cases to increased competitiveness and productivity, but also to the demise of projects of national integration and the erosion or at least the redefinition of collective attachments to the nation. The social tensions resulting from these processes often lead to a racialization of social conflict and the rise of ethnicities (Amin 1997).

For example, in Venezuela the repression of the 1989 riots against the imposition of an IMF (International Monetary Fund) program was justified in terms of a discourse of civilization that revealed the submerged presence of racist prejudices in a country that defines itself as a racial democracy (Coronil and Skurski 1991). Since then the ideal of racial equality has been eroded by intensified practices of segregation and discrimination, including apparently trivial ones that show how racial boundaries are being redrawn, such as the exclusion of darker-skinned Venezuelans from upper-middle-class discotheques. The same polarizing process, with similar racialized expressions, is taking place in other Latin Amer-

8. The two reports on globalization I examine here present evidence that shows the existence of a growing gap between the rich and the poor in metropolitan nations. A revealing response to this polarization is Reich 1991, which argues for the need to integrate the internationalized and the domestic sectors of the U.S. population.

ican countries, such as Peru, where the Supreme Court recently judged in favor of the right of a club that had excluded dark-skinned Peruvians.

As has occurred in many Third World countries, neoliberal globalization may promote economic “growth” and yet erode a sense of national belonging. In Argentina the privatization of the national petroleum company led to massive layoffs (from 5,000 to 500 workers) as well as to a significant increase in profitability (from losses of \$6 billion between 1982 and 1990 to profits of \$9 million in 1996). This typical combination of economic growth that benefits a few private (often foreign) pockets and economic dread for large domestic sectors has transformed the way many Argentinians relate to their country. In January 1998 the *New York Times* reported that one of the workers who was fired from the oil company now feels alienated from a nation that offers him few opportunities: “I used to go and camp or fish, but now I hear that Ted Turner is here, Rambo there, the Terminator somewhere else. And I say, no, this is not my Argentina.”

Subordinate sectors commonly respond to their marginalization from the globalized market with a deepening involvement in an “informal” local economy, which in its speculative aspects recalls the unproductive dynamics of what Susan Strange calls “casino capitalism” (1986). The proliferation of schemes and scams intended to make money with money as well as the commodification of anything that can be sold have become not just regular economic practices but agonistic survival strategies. For many who find themselves at the mercy of market forces and yet have little to sell, the “market” takes the form of drug trade, black markets, sex work, and the trade of stolen goods or even of body parts. This anomic capitalism is often accompanied by discourses of “crisis,” the spread of moral panics and the deployment of magical means to make money in “occult” economies (Comaroff and Comaroff 1999; Verdery 1996). While the increasingly unruly commodification of social life offers possibilities for some people, it turns the world into a risky and threatening environment for vast majorities.

In contrast, for the corporate sectors whose business is to make money out of risks, the unregulated expansion of the market turns the world into a “landscape of opportunity.” Corporate control of highly sophisticated technologies permits companies to intensify the commodification of nature and to capture for the market such elements as genetic materials or medicinal plants. From a global corporate perspective, some countries of the world are seen as sources of cheap labor and natural resources.

A striking example illustrates how new technologies make it possible to deepen the appropriation of nature in tropical areas for an ever more exclusive

market. In Gabon, through a blimp-and-raft device used to scour the treetops of rain forests, Givaudan and Roure, one of the leading corporations in the “big business” of fragrances and tastes, appropriates natural aromas and sells their components to companies such as Balmain, Christian Dior, and Armani. “As nature in cooler climates has been fully explored, the search for new molecules has moved to the tropics” (Simons 1999: 59).⁹ Advanced technologies can also be used not just to discover natural products, but to create new ones, changing nature into what Arturo Escobar calls “technonature” (1997). While these human-made natural products blur the distinction between the natural and the cultural, they extend the significance of nature as a market resource.

For many nations the integration of their economies to the free global market has led to a heightened reliance on nature-dependent activities and to the erosion of projects of state-promoted national development. Nature, in the form of traditional or new natural resources and of ecotourism as nature-dependent tourism, has become their most secure comparative advantage. The growth of sex tourism as a source of foreign exchange and of prostitution as a strategy of individual survival reveals a link between the naturalization of market rationality and the perverse commodification of human beings through the transformation of what are generally considered “natural” functions or private activities into a marketed form of labor power. As Chile’s “success” story demonstrates, even when natural resources become the foundation of a neoliberal model of development based on the expansion of related industries and services, the price—despite relatively high rates of economic growth—is social polarization and denationalization (Moulian 1997).

In some respects we could view this process of reprimarization (as a return to a reliance on primary export products) as a regression to older forms of colonial control. Yet this process is unfolding within a technological and geopolitical framework that transforms the mode of exploiting nature. If under “colonial globalization” (by which I mean the mode of integration of colonies to the global economy) direct political control was needed to organize primary commodity production and trade within restricted markets, then under neoliberal globalization the unregulated production and free circulation of primary commodities in the open market requires a significant dismantling of state controls previously oriented toward the protection of national industries. Before, the exploitation of primary commodities took place through the visible hand of politics; now it is organized by the ostensibly invisible hand of the market in combination with the

9. My thanks to Genese Sodikoff for sharing this article.

less prominent, but no less necessary, helping hand of the state (for an argument concerning the ongoing centrality of the state, see Weiss 1998).

Prior to this period of neoliberal globalization, postcolonial states sought to regulate the production of primary commodities. During the post–World War II period of state-promoted economic growth (roughly the 1940s to 1970s), many Third World nations used the foreign exchange obtained from the sale of their primary products to diversify their productive structures. Primary production, often defined as a “basic” national activity, was carefully regulated and brought under domestic control. However, as the market has become the dominant organizing principle of economic life, it has imposed its rationality on society, naturalizing economic activity and turning commodities into narrowly “economic” things, stripped of their symbolic and political significance. In countries like Argentina or Venezuela, there is increasing pressure to turn resources like oil, previously defined as a national patrimony, into mere commodities subjected to the free play of market forces.

Wealth and Neoliberal Globalization

A telling symptom of the growing dominance of market rationality is the tendency not just to treat all forms of wealth as capital in practice, but to conceptualize them as such in theory. For example, while the World Bank has in the past followed conventional practice in defining “produced assets” as the “traditional measure of wealth,” it now suggests that we also include “natural capital” and “human resources” as the constituent elements of wealth. In two recent books, *Monitoring Environmental Progress* (1995) and *Expanding the Measure of Wealth: Indicators of Environmentally Sustainable Development* (1997), the World Bank proposes that this reconceptualization be seen as a paradigm shift in the measurement of the wealth of nations and the definition of development objectives. According to the World Bank, expanding the measure of wealth entails a new “paradigm of economic development.” Now development objectives are to be met by the management of portfolios whose constituents are natural resources, produced assets, and human resources (1997: v, 1–3). Ironically, as nature is being privatized and held in fewer hands, it is being redefined as the “natural capital” of denationalized nations ruled by the rationality of the global market.

It could be argued that this new “paradigm” only rephrases an older conception according to which land, labor, and capital are the factors of production. In my view, what seems significantly new is the attempt by leading financial institu-

tions to homogenize these factors, to treat natural resources, produced assets, and human resources directly as capital. By disregarding their differences and subsuming them under the abstract category of “capital,” these resources are treated as equivalent constituents of a “portfolio.” The treatment of people as capital leads to their valorization strictly as a source of wealth. In effect, the second report’s opening line emphasizes this: “Natural resources count, but people count even more. This is the main lesson from the new estimates of the wealth of nations contained in this report” (1997: 1). Yet people may “count more” or “less” than natural resources only in terms of a perspective that equates them; the value of people can be compared to the value of things only because both are reduced to capital. The definition of people as capital means that they are to be treated as capital—taken into account insofar as they contribute to the expansion of wealth, and marginalized if they do not. The same criteria apply to the treatment of “natural resources” as capital. They are valued as sources of profit. As human beings and nature are defined as capital, the logic of capital comes to define their identity as “assets.”

The notion of *portfolio* already entails the requirement to maximize profits: development objectives are to be met by the management of portfolios by experts, rather than through an inherently political process involving social contests over the definition of collective values. Market technique replaces politics. The World Bank’s current development “paradigm” posits development agents as investment brokers and development as a kind of gamble in risky markets rather than as a predominantly political concern and moral imperative.¹⁰

This redefinition of wealth as a portfolio of various forms of “capital” acquires new significance in the context of the neoliberal global market. In an insightful book that examines the joint evolution of the market and the theater in England from the sixteenth to the eighteenth centuries, Jean C. Agnew (1986) argues that the “market” evolved during this period from a place to a process—from fixed locations in the interstices of feudal society to fluid transactions dispersed throughout the world. In this shift from place to process, the market remained placed, as it were, within the limits of really existing geographic space.

Analysts of globalization have noted how its contemporary forms result not in the extension of the market in geographic space, but instead in its concentration in social space. As international capital becomes more mobile and grows detached from its previous institutional locations, Ankie Hoogvelt argues, “core-

10. I am grateful to Genese Sodikoff for these formulations.

periphery is becoming a social relationship, and no longer a geographic one” (1997: 145). This shift from a geographically expanding capitalism to an economically imploding one is propelled by “financial deepening,” that is, the growth but also the concentration of financial transactions and their dominance over trade in material goods (1997: 122.)

Confirming this analysis, the February 1999 *New York Times* set of articles on globalization also highlights the significance of the growing detachment of financial transactions from the trade of real goods. As one of these articles pointed out, “In a typical day the total amount of money changing hands in the world’s foreign exchange markets alone is \$1.5 trillion—an eightfold increase since 1986, an almost incomprehensible sum, equivalent to total world trade for four months.” The article quotes a Hong Kong banker: “It is no longer the real economy driving the financial markets, but the financial markets driving the real economy.” According to the article, the amount of investment capital has “exploded”: in 1995 institutional investors controlled \$20 trillion, ten times more than in 1980. As a result, “the global economy is no longer dominated by trade in cars and steel and wheat, but by trade in stocks, bonds, and currencies.” This wealth is increasingly stateless, as national capital markets are merging into a global capital market. It is significant that these investments are channeled through derivatives that have grown exponentially: in 1997 they were traded at a value of \$360 trillion, a figure equivalent to a dozen times the size of the entire global economy (Kristof 1999: A10).

In my view, financial deepening implies a significant transformation of the market: not just its concentration in social space and its ever larger control over material space both at the geographical and subatomic levels, but its extension in time. Now capital travels beyond the constraints of existing geographical boundaries into cyberspace—that is, in time. This temporal expansion of the market, or if you prefer, its extension into cyberspace—perhaps a further development of what David Harvey and others describe as the transformation of time into space—gives new significance to the redefinition of nature as capital. Thus, it is not just that fewer private hands, largely unconstrained by public controls, hold more wealth, but that in these hands wealth is being transformed through a process of growing homogenization and abstraction.

I have come to think of this process as the transmaterialization of wealth. By this I do not mean the “dematerialization of production,” that is, a purported decline in the intensity of raw material use (Kouznetsov 1988: 70; for an alternative view, see Bunker 1989), but the transfiguration of wealth through the ever more abstract commodification of its elements across time and space. An article

from *Time* magazine on the future of money highlights the significance of both new forms of wealth and new ways of thinking about them (Ramo 1998). Wealth, according to this article, is increasingly treated by investors and bankers not as tangible commodities but as risks assumed on them, such as derivatives. The Magna Carta of this new form of conceptualizing wealth, the author suggests, is a speech delivered in 1993 by Charles Sanford, then CEO of Bankers Trust.

In this impressive document, titled “Financial Markets in 2020,” Sanford recognizes the novel complexity of the present situation. While acknowledging that reality is moving faster than our categories, he self-confidently proclaims that through a combination of art and science the corporate world, including its own universities, will produce theories capable of accounting for the changes that are now taking place in the world. He uses the number 2020 to express his expectation of perfect vision and the estimated date when it will be achieved. Despite the blurred vision of the present, Sanford anticipates that this perfect vision will entail a radical shift in perspective: “We are beginning from a Newtonian view, which operates at the level of tangible objects (summarized by dimension and mass) to a perspective more in line with the nonlinear and chaotic world of quantum physics and molecular biology.” Building on this analogy with quantum physics and modern biology, he calls this theoretical reconceptualization “particle finance” (Sanford 1994: 6).

Particle finance will allow financial institutions to consolidate all wealth and investments into “wealth accounts,” and to break down these accounts into particles of risk derived from the original investment, which can be sold as bundles in a global, computerized network. To help us visualize the nature of the change, Sanford says: “We have always had transportation—people walked, eventually they rode donkeys—but the automobile was a break from everything that came before it. Risk management will do that to finance. It’s a total break” (cited in Ramo 1998: 55). Echoing Sanford, the author of the *Time* article observes that derivatives, one of the main modes of managing risk, “have changed the rules of the game forever” (Ramo 1998: 55).

In order to imagine the new game, he asks us “to think of the world as a landscape of opportunity—everything from distressed Japanese real estate to Russian oil futures—marketed and packed by giant banks like Bankamerica or by fund companies like Fidelity Investments and the Vanguard Group” (Ramo 1998: 55). The examples of “distressed Japanese real estate” and “Russian oil futures” are general tropes—they could represent as well Gabon aroma futures, Cuban tourism, Nigerian foreign debt, or any thing, fragment, or aroma of a

thing that can be turned into a commodity. Echoing Sanford, *Time's* Joshua Cooper Ramo states that "E-(lectronic) cash, wealth accounts, and consumer derivatives will have made these firms as essential as cash itself once was." These changes will make these capitalist firms so indispensable as to render them eternal: "If business immortality can be purchased," the article concludes, "these are the people who will figure out how to finance it. And they will be doing so with your money" (Ramo 1998: 58).

A Utopian Critique of Globalcentrism for the Coming Millennium

While this corporate vision may be hyperbolic and reflect the changes it wishes to bring about from a partisan perspective, it helps visualize the transformations in global power I have discussed so far. In my view, two related processes are shifting the commanding heights of imperial power from a location in "Europe" or "the West" to a less identifiable position in the "globe." On the one hand, neoliberal globalization has homogenized and abstracted diverse forms of "wealth," including nature, which has become for many nations their most secure comparative advantage and source of foreign exchange. On the other hand, the deterritorialization of Europe or the West has entailed its invisible reterritorialization in the elusive figure of the globe, which conceals the socially concentrated but more geographically diffuse transnational financial and political networks that integrate metropolitan and peripheral dominant social sectors. As the West disappears into the market, it melts and solidifies at once. The ascent of Euroland should not obscure its close articulation with Dollarland through financial circuits that link dominant sectors from both "lands." As many critics have noted, the "transparency" demanded by proponents of the free market does not include making visible and accountable the new commanding heights of global economic and political power.

These two interrelated processes are linked to a host of cultural and political transformations that redefine the relations between the West and its others. The image of a unified globe dispenses with the notion of an outside. It displaces the locus of cultural difference from highly Orientalized others located outside metropolitan centers to diffuse populations dispersed across the globe. Nations have become increasingly open to the flow of capital, even as they remain closed to the movement of the poor. While the elites of these nations are increasingly integrated in transnational circuits of work, study, leisure, and even residence, their impoverished majorities are increasingly excluded from the domestic economy and abandoned by their states.

It is likely that even under these conditions, nations will remain fundamental political units and sources of communal imaginings in the years to come (particularly metropolitan nations), but supranational and nonnational “cultural” criteria are already playing an increasingly large role as markers and makers of collective identities. In poorer nations, the emergence of ethnic movements is the expression not only of their growing strength, but also of the weakness of integrationist nationalist projects. At stake is the redefinition of the nation-state, rather than its decline. Central American nations are being reconceptualized as multiethnic communities both by their states and by international financial institutions. In some cases, states that engaged in a “striptease” are being forced to put on new clothes by the pressure of discontented subjects or the threat of political upheaval. Growing concern with the political effects of global poverty at the highest level of the international system, as expressed in the UNCTAD report and in the recent meetings of the World Bank, IMF, and G7, may yet give states a renewed role as central agents in the construction of national imaginaries.

Since the conquest of the Americas, projects of Christianization, colonization, civilization, modernization, and development have shaped the relationship between Europe and its colonies in terms of a sharp opposition between a superior West and its inferior others. In contrast, neoliberal globalization conjures up the image of an undifferentiated process without clearly demarcated geopolitical agents or target populations; it conceals the highly concentrated sources of power from which it emanates and fragments the majorities which it impacts. While neoliberal globalization entails the subjection of non-Western peoples, their subjection, like the subjection of subordinate populations within the West, appears as a market effect, rather than as the consequence of a Western political project.

Unlike other Occidentalist strategies of representation that highlight the difference between the West and its others, discourses of neoliberal globalization evoke the potential equality and uniformity of all peoples and cultures. Insofar as globalization works by reinscribing social hierarchies and standardizing cultures and habits, it is a particularly pernicious imperialist modality of domination. But insofar as it decenters the West, effaces differences between centers and margins, and postulates, at least in principle, the fundamental equality of all cultures, globalization promotes diversity and represents a form of universality that may prefigure its fuller realization. Just as the formal proclamation of human equality during the French Revolution was taken at its word by Haitian slaves and given fuller content by their actions, forcing the abolition of slavery and expanding the meaning of freedom (Dubois 1998), globalization’s professed ideals of equality and diversity may open spaces for liberatory struggles (just as they may give rise

to conservative reactions). In social spaces organized under neoliberal global conditions, collective identities are being constructed in unprecedented ways through a complex articulation of such sources of identification as religion, territoriality, race, class, ethnicity, gender, and nationality, but now informed by universal discourses of human rights, international law, ecology, feminism, cultural rights, and other means of respecting difference within equality (Sassen 1998; Alvarez, Dagnino, and Escobar 1998).

The current modality of globalization is unsettling not just geographical and political boundaries, but also disciplinary protocols and theoretical categories, rendering obsolete approaches polarized in terms of oppositions between the material and the discursive, political economy and culture, wholes and fragments. More than ever, just as so-called local phenomena cannot be understood outside the global conditions under which they unfold, global phenomena are unintelligible when the local forces that sustain them are not accounted for. Hopefully, the effort to make sense of the relationship between localization and globalization in the context of globalized conditions of knowledge production will decenter Western epistemologies and lead to more enabling visions of humanity.¹¹

If the critique of globalcentrism is to be a response to the connection between colonial and postcolonial violence, it must address the new forms of subjection of postcolonial empires. While the critique of Eurocentrism has sought to provincialize Europe and to question its professed universality, the critique of globalcentrism should seek to differentiate the globe and show its highly uneven distribution of power and immense cultural complexity. A critique that demystifies globalization's universalistic claims but recognizes its liberatory potential may make less tolerable capitalism's destruction of nature and degradation of human lives and, in the same breath, expand the spaces where alternative visions of humanity are imagined, whether in "pockets of resistance" to capital, in places still free from its hegemony, or within its own contradictory locations.

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11. There is always the risk that "localization" and "globalization" will be seen as a reified binary rather than as a dialectical relationship. For a critique of the local/global binary, see Briggs 1999, Eiss 1999, and Pederson 1999.

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