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Corporate Power, Class Conflict, and the Crisis of the New Globalization

Ronald W. Cox. Lanham, MD: Lexington Books, 2019, 172pp., Cloth \$90.00.
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Capital's relentless expansion makes it inevitable that both individual capitals and the circuits linking them will outgrow state boundaries. This is a fundamentally contradictory process, however, given that capital, as a social relation, is dependent on the state form (or a suitable regulatory substitute), notwithstanding its relentless pursuit of freedom from encumbrance. Advances in technology associated with automation and digitalization have greatly reduced the costs of production whilst transforming data processing capabilities and thereby the financial sector (Alt, Beck, and Smits 2018). As offshoring allowed producers in the core states to circumvent trade unions and other downwardly redistributive paraphernalia of the post-1945 social structure of accumulation, it also enabled capital to further penetrate and thereby more fully integrate the states of the Third World into the imperialist chain of value extraction. Already in the early 1970s Nicos Poulantzas foresaw the coming "structural adjustment" that was imposed on developing countries, and the accelerated hollowing out of the industrialized core states that followed the exhaustion of import substitution industrialization, the collapse of the New International Economic Order, and the ascendancy of credit as a means of policy discipline (see also Balibar 2013). This reconfiguration was "related above all to the social division and organization of the entire labour process" on a global scale (Poulantzas 1975: 66). Parallel work on the new international division of labor (Fröbel, Heinrichs, and Kraye 1977; Schoenberger 1988) and post-industrial society (Offe 1972; Gorz 1986; see also Barrow 2020, ch. 6) highlighted different aspects of the same phenomenon.

Much of this history and the efforts of Marxist writers to make sense of it are, to varying degrees, addressed in the book under review here. *Corporate Power, Class Conflict, and the Crisis of the New Globalization* by Ronald Cox places particular emphasis on the increasingly transnational nature of class agency during this period. Cox observes how certain hegemonic coalitions of capital have harnessed state power to drive a globalized system of enhanced value extraction, whose inherent short-termism is undermining its reproduction, all attempts at mitigation via punitive and authoritarian modes of governance notwithstanding, and all in the context of a crisis of global oversupply.

This regime change has been engineered in response to the declining rate of profit that set in around 1965 until 1982 (see also Roberts 2016), ushering in what Cox labels the “new globalization” (16). Its newness, despite the reversion to pre-1945 income and wealth distribution patterns, lies in the ascendancy of transnational corporations, the relocation of large segments of industry to the Global South, and the exploitation of capital’s almost complete global mobility as opposed to the confinement within borders and repression of labor. In this respect, Cox’s treatment of global production networks or value chains is consistent with that of Smith (2016), upon whose work Cox draws. Nevertheless, these authors differ significantly with respect to questions of state form, class agency and imperialism.

The book has six chapters. The first outlines the contours of the study and the perspective adopted. Thereafter follow chapters on the formation and development of transnational interest blocs since the 1970s; the nature and exercise of corporate power in global value chains; the associated subjugation and exploitation of labor in those value chains; and the crisis arising from these developments. A closing chapter consolidates and summarizes the theoretical content of the preceding text, together with a reflection on how the working

classes might mobilize in response. It is an ambitious agenda for a relatively concise book, and as such raises questions even as it seeks to provide answers.

Cox is a professor of politics and international relations (IR), and this book continues his investigation of the global economic restructuring of the past 40 years, placing corporate power and class conflict at the centre of his analysis (1; see also Cox 1996). Consequently, the limitations of realist and liberal treatments of IR or world politics, stemming from their shared, axiomatic separation of state and economy, are summarily dispatched: “Realists assume that a state’s security interest can be formulated as an independent expression of state policy. Instead, the security interests of states are very much a product of sectoral competition among transnational interest blocs” (150). Similarly, the “liberal approach to trade was always deeply flawed due to its failure to analyze the structural power of corporate actors to use their oligopolistic and quasi-monopoly power to dominate markets, a failure that is starkly magnified in the new globalization” (155).

Instead, there is greater focus on the development of a Marxist framework that takes account of both the state as maker, regulator and adjudicator of markets, and the globalization of production and finance. However, Cox stops short of arguing that, since the 1970s, there has formed a transnational capitalist class that is now hegemonic. Most prominent in advancing this controversial claim is the work of William Robinson, with whom Cox engages directly in positing his alternative concept of a transnational interest bloc, which is the key theoretical contribution of this book, in contrast to Smith’s focus on state-backed imperialism—incidentally, a concept that is notable for its almost complete absence from Cox’s book.

Robinson has refuted charges of Kautsky style “ultraimperialism,” of discounting the role of the state, or of ignoring core-periphery relations (Robinson 2014), and insists on the diachronic nature of his inquiry such that it “helps us to understand the direction of change” (Robinson 2018: 228). Nevertheless, even as capital strives to break free of institutional arrangements that tether it and thereby restrict it, accumulation cannot occur completely unfettered by such arrangements, and is therefore more efficaciously achieved in proportion to the effectiveness and reach of a suitable social structure of accumulation (SSA). While early work on SSAs highlighted how a SSA “alternately stimulates and constrains the pace of capital accumulation” (Gordon, Edwards, and Reich 1982: 25–26), it has been recognized since that SSAs, in facilitating certain strategies of profit making and accumulation more than others, simultaneously stimulate and constrain the accumulation process. The stability of the SSA takes precedence over the pace of accumulation (Wolfson and Kotz 2010). For this reason, the inherent instability of neoliberal globalization has effectively cancelled the “end of history” (Palma 2009).

The transnationality of class relations is subject to limitations analogous to those inferred in the gravity model of trade, as reflected in the regional proximity of the signatories to the most enduring multilateral trade agreements (Roberts 2004). Technological development, in the context of a politically favorable environment (the “unipolar” moment) enhanced capital accumulation’s transnational efficacy, but the fragility of the regime that supported that moment has since been laid bare, first via the financial crisis, followed by rising populist revanchism (Barrow 2020): “Sooner or later, people will figure out what is happening to them and rebel” (Greider 1997: 317). For these reasons, Cox’s concept of “transnational interest bloc” provides a somewhat less teleological, potentially more satisfactory means with which to make sense of the conjuncture, allowing for the reversal or, more accurately,

redirection and reconfiguration of transnationalization processes observed so far.

The transnational interest bloc concept has appeared in earlier work (for example, Cox 2008; 2012; Cox and Wartenbe 2018). It begins with recognition of the central role of transnational corporations, including their political mobilization (8), such as the establishment of the U.S. Business Roundtable in 1972 and, a year later, the Trilateral Commission. These came in the wake of soon-to-be Supreme Court Justice Lewis F. Powell's 1971 memorandum, "Attack on American Free Enterprise System" (Grewal and Purdy 2014). Thereafter coalitions with state actors were formed in the core industrialized countries, powering the globalization of production networks and penetration and ultimate subjugation of the Global South to corporate accumulation strategies (9–10).

However, while he acknowledges variegation in power configurations and blocs' cohesion (10), Cox tends to project upon organizations analogous to the U.S. Business Roundtable the same agenda as that informing Powell's memorandum. This is both a leap too far and undermines the potential of his key concept to provide empirically supportable explanations for the interest blocs' very fragility that is the rationale for Cox's rejection of a transnational capitalist class.

The European Roundtable of Industrialists was formed in 1983 at the initiative of Vice President of the European Commission, Etienne Davignon, and chief executive of Sweden's Volvo, Pehr Gyllenhammar. The struggle between different capital fractions over its direction reveals a much more complex set of forces than any *a priori* hegemonic aspiration to emulate an idealized "American free enterprise system" (van Apeldoorn 2002). The Japanese

Keidanren is even more markedly different with respect to agenda and function. Chalmers Johnson's groundbreaking study *MITI and the Japanese Miracle* (Johnson 1982) involved the development of a theory capable of explaining what neoclassical economics could not—Japan's economic success as a “developmental state.” Part of that developmental state apparatus is the Keidanren, which sits at the top of the private sector and “has the ability to process private sector priorities, and to enforce them” (Johnson 1989), quite unlike anything in the US or even Europe.

While degrees of convergence have taken place since the 1980s, more so in Europe than Japan, there remain significant differences. For example, European labor law remains largely intact (Aglietta and Rebérioux 2005). Meanwhile, decades-long efforts to enact reforms that would open up Japan to the global market for corporate control, shareholder value maximization and the full panoply of financialization have repeatedly failed. While today Japan's developmental state apparatus is unquestionably weaker (Whittaker et al. 2020), Japanese capital remains sufficiently autonomous as a national interest bloc to warrant particular caution with respect to treating it as a homogenizing, globalist neoliberalism's East Asian outpost (Lechevalier 2014; Lechevalier, Debanes, and Shin 2019; Harootunian 2015).

Similar elisions of other important empirical differences mean that the reader is advised to supplement this book with more historically detailed treatments. The lack of explicit engagement with any theory of imperialism is also a serious lacuna. Nevertheless, the slow unravelling of neoliberal globalization's SSA following the North Atlantic Financial Crisis of 2008, now accelerated by the coronavirus pandemic and other timely revelations of supply chain fragility (Pilling et al. 2021) alongside Brexit, the deterioration of US-China relations, and accelerating climate change, means that the responses, (re)configurations,

and even the survival, of transnational interest blocs will be of particular interest. Cox has provided a useful foundation for further research and theoretical development that would hopefully rise to these and related challenges.

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