

# **Challenging Globalization: An Alternative Model of Development - *Development by Popular Protection*<sup>1</sup>**

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**(This paper was presented to the *Second International Conference on Marxism and the Challenges of the 21<sup>st</sup> Century*, Havana, Cuba, 4<sup>th</sup> - 8<sup>th</sup> May, 2004.)**

## **Abstract**

This paper seeks to stimulate the debate on alternative approach to development, an approach that is based on the understanding of the current world order and one that challenges the validity of established forms of development and raises questions about their outcomes and feasibility.

The study assumes that the antagonistic relationship displayed between the center and the periphery (center/periphery) in the most applicable point for analyzing the World Order since it is the stage in which both development and underdevelopment take place. This relationship becomes more relevant after the collapse of a large portion of the 'socialist' block, which led to the domination of the capitalist center and its entrenched extension to the periphery.

The paper examines briefly the main characteristics of core-periphery relationship in each of its three stages: classic colonialism, imperialism, and the current stage of globalization. Emphasis is placed on a better understanding of the era of globalization. It discusses the main factors that led to globalization as a stage of capitalist development, the tools it utilizes in achieving hegemony, the inter-relations among imperialist powers, and the emergence of new forms of inevitable popular resistance.

Many other factors that are intertwined with the process of globalization and its growth are also examined and these include the impact of globalization on nationalism and national struggle, the defeat of social countries, the conflict between the US empire on one hand and the other imperialist powers on the other, and the function of war in the capitalist economy and the implementing the hegemonic policies of the countries of the capitalist core (COCC).

Based on the history and record of capital, the paper argues against the theory of peaceful relationship among imperialist powers. Competition among the capitalist imperialist ruling classes will remain the permanent feature of the struggle. It is not necessary, however, that this competition be manifested in or resolved through military confrontation. Since finance capital dominates the world today, we should expect more financial confrontations.

Finally, the paper concludes with a proposal of an alternative model of development: *Development by Popular Protection*. The author briefly elaborates the main characteristics of this model and the conditions required for its realization. This model is presented as a response to the policies and diktat of globalization.

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<sup>1</sup> Some of the concepts of this paper will be discussed in more depth in Chapter One in a new book by Adel Samara to be published soon. The book will be titled: *Beyond de-Linking: Development by Popular Protection vs. Development by State*.

## FULL TEXT

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#### **In the Conception of Development:**

The aim of this paper is to develop a new understanding for development. It will include a brief historical perspective of the development through the relationship between the countries of the capitalist center (COCC) and the countries of the periphery (COP) seeking to pave the way for a new development approach.

After the second imperialist world war (1939-1945) and with the emergence of non-allied movements throughout the globe, we saw a spread of developmental and socialist ideas throughout the COP. The world looked as if it was on the verge of a world-wide socialist victory. However, the deterioration and bureaucratization of the Soviet Union and the high costs of defending itself from aggression led by the capitalist core regimes resulted in the failure and disintegration<sup>2</sup> of a world-wide socialist movement. This failure opened the road for a new and fierce capitalist campaign called **globalization**. At the same time, this defeat has also opened the way for radical evolution and critique of Communist, Socialist, Marxist and Leninist discourse on development.<sup>3</sup> This development was coupled with a capitalist campaign to terminate socialist heritage in all its socio-economic and cultural aspects. This 'capitalist war' against development resulted in a two-fold 'victory': one specifically over labor and one more broadly over humanity. This 'victory' dominated the economic, social, cultural and political spheres. It went far to utilize socialist terminology and language pertaining to development. Nowadays, the World Bank, the IMF, the WTO, and the UNDP are using many socialist terms such as *development in place of modernization* and *sustainable development*. Until recently, all these terms were alien to the capitalist discourse and consequently viewed to be counterproductive to their aspirations. This abduction of terminology and language is one of the most dangerous acts, which implements that the capitalist system's 'victory' over labor is moving beyond the economical and social realms and creeping into labor discourse and aims to uproot the limited form of resistance that the popular classes have, therefore attempting to once and for all block all roads for the revolution.

#### **The Center/Periphery Relationship**

This paper assumes that the antagonistic relationship displayed between the center and the

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<sup>2</sup> Far from all defects of the USSR leadership, especially after Lenin, it should be noted here that the USSR was challenging the core of the world order depending only on its own sources while the core was using the extracted surplus from most of the world to put the USSR on its knees. Accordingly, the competition never was an equal one. But this is not the place to evaluate or judge if the USSR the Soviet Union chose this confrontation or managed it properly.

<sup>3</sup> The first aggression against Iraq (January 1991), and later against Serbia (March 1999), and the current occupation of Iraq (March 2003), are just examples and obvious evidence that the world capitalist order is repeating colonialism.

periphery<sup>4</sup> is the most applicable point for analyzing the World Order since it is the stage in which both development and underdevelopment takes place. This relationship becomes more crucial following the collapse of a large portion of the ‘socialist’ bloc<sup>5</sup>, which led to an expansion of the capitalist center’s domination and its entrenched extension to the periphery.

In the next section, I will briefly review the relationship between the components of the world capitalist system (center/periphery) in its three main stages: classic colonialism, imperialism and its current stage of globalization.

## **Part I: Capitalism in the Era of Colonialism**

The center/periphery relationship began as the developed European capitalist countries conquered other non- and/or pre-capitalist socio-economic formations in other areas of the globe turning them into colonies and began to plunder their wealth and resources: directly, or at later stage indirectly through unequal exchange, an exchange that took place under military threat. The result was an **unequal exchange** that obstructs the economic development of the colonies and integrates their markets into world capitalist markets, which are dominated by the center. This colonial policy prohibited colonies from developing their home markets. Although colonial powers in that era were engaged in an internal rivalry and colonial wars, the conflict among them did not reach the fierce level that it reached in the second era, the era of imperialism.

In that era, the center deliberately invested the wealth it drained from the colonies into its own economies and later, in the industrialization of white settlements (the United States, Canada, South Africa, Australia, New Zealand (Emmanuel: 1972, 1974)) and later the Ashkenazi/Zionist entity, Israel in 1948. This is a white capitalist polarized development very much related to the content of capitalism’s polarity.

In the era of classic colonialism, the state’s role was limited by the Laissez-Faire policy that discourages the state’s intervention in the economic process. Most of the capitalist literature emphasized free competition, free markets, and the rejection of protectionism even though, in practice, protectionism was and still is the main feature of the literature and policy of COCC.

## **Part II: Capitalism in the Era of Imperialism**

During the era of imperialism (last decades of the 19<sup>th</sup> to the last decades of the 20<sup>th</sup> century), the capitalist center continued the policy of polarity, and intensified the exploitation of the sources of wealth in the colonies. Capitalism in this era maintained the false pretension of free market competition and the non-intervention role of the state, while in practice the applied policies were of protectionism of an interventionist state. This era witnessed severe and brutal wars among the capitalist imperialist powers.<sup>6</sup> In this era, the center reaped the fruits of the industrial revolution that was characterized by mass production, monopolies, and the emergence of multinational

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<sup>4</sup> The Center/Periphery model was produced by the Swedish citizen, Galtung, to describe the world capitalist order as being comprised of two components: the center and the periphery. Galtung’s model shows that there is a relationship between the elites of the center and the periphery. The latter allows the former to exploit its peoples and accepts in return a lower share of the sucked surplus of his country. This form of relationship has its roots in the colonial era when the capitalist class in the core countries built its relation with the traditional, tribal, aristocratic, and merchant leaders in these colonies. Today, the essence of this relationship remains unchanged from the early stages of colonialism.

<sup>5</sup> It is not clear whether the rest of the socialist block will resist or collapse, i.e. China, Cuba, Vietnam, North Korea...etc. As for China, the largest socialist state, the class struggle between the socialists and the capitalist roaders still hot.

<sup>6</sup> For instance, Boer war in South Africa 1895 and the First and Second imperialist World Wars in 1913-1918 and 1939-1945 respectively.

corporations. In addition to being a source of raw material and cheap labor, the countries of the periphery became huge markets with consumption exceeding that of the era of colonialism. These world markets, their re-division, and their control were the reason behind the capitalist savage wars among the competing imperialist powers.

This era witnessed two main developments. The **first** was the Bolshevik Revolution in the Russian Empire, which built the first socialist system in human history and set the corner stone for the creation of the Second World: the socialist block. The **second** was the rise and struggle of colonized peoples against the colonial powers, a struggle that was crystallized in the national liberation movements, or the second world wave of nationalism, the nationalism of the periphery.

In this era, the free competitive capitalism in the core countries was replaced by monopoly capitalism; unfortunately unequal exchange and development continued. The colonies became known as the Third World, and international trade continued in favor of the center as it sought to diminish and deteriorate with respect to the periphery.

Inside the center, the class struggle between capital and labor persisted. Although capital continued to maintain its power, labor was able to achieve many gains in terms of working hours, better wages, women employment, high employment rate, healthcare benefits, social security, economic regulation, and a limited form of public sector. This has been termed the *luxury state*. This relatively 'internal social peace' in the capitalist center however, was financed by the continuous drain of surplus from the periphery.

By the mid of the 20<sup>th</sup> century and after the two World Wars, the economy of the United States became the strongest and most developed world economy in both, the civil and military industries. This was the beginning of US world domination that set the premises for the US Empire. Under the leadership of the United States, world capital became more globalized.<sup>7</sup> It has transformed from its national identity to a global one; while the center of decision and management remained limited to the United States and to a certain extent the EU and Japan. The core capitalist countries became more aggregated by forming large blocs, while the periphery witnessed further fragmentation.

### **Part III: Capitalism in the Era of Globalization**

The era of globalization came as a result of a global economic crisis in the COCC, COP, and the socialist camp. However, the core capitalist countries were able to weather the storm, albeit with some serious social and economic injuries. The management of this crisis was characterized by many aspects that included: (a) the campaign against labor rights and achievements and women employment, and (b) the return of right wing political parties to power as well as the revival of fundamentalism in which the clergy became an *organic intellectual* for the capitalist class. Globalization has to be viewed, therefore, not only as a 'victory' of capital over labor, but also over the popular classes in both the center and the periphery. This new globalized predicament might give rise to a *People's War Revolution* that does not only include the working class and perhaps this is the new composition of the world revolution.

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<sup>7</sup> The United States under Reagan and the UK under Thatcher moved towards the policies of neo-liberalism that included privatization, deregulation, terminating the achievements of the luxury state, minimizing workers rights, advising women to be 'good mothers' by staying home to raise their children...etc. The same neo-liberal policies were applied to the COP, but in a more pungent manner. Nearly one hundred percent of the countries that applied the re-structuring prescriptions known as the Structural Adjustment Policies (SAP) of the IMF and World Bank fell into debt traps that increased their poverty.

In the era of globalization, the development in production in the core countries (mass commodity, information, communications, and infrastructure), bred a parallel development within the nation state as well as the globe. The revolution of the forces of production enabled the financial capital to move on an international scale and was ultimately supported by a crystallized superstructure as manifested in the ideologies of the *Global village*, *Liberalization of trade*, *privatization*, *re-adjustment*, and *open door policies*.

### **Globalization is a Process in the Making**

Beginning in the 1970s, capitalist classes in core countries began investing in some areas of periphery to extract raw materials and exploit cheap labor to meet the needs of the new industries. The transfer of some industries however, did not negate the fact that the center's chief investment is still concentrated on the three main blocks of the center (United States, Europe, and Japan). This reminds us of the fact that capitalism in the era of globalization, as other capitalist eras, is a polarized system. The world witnesses **two forms of globalization**: one for the center and the other for the periphery. The transfer of factories to the periphery is to build production sites as close as possible to the resources of raw materials, the markets, and to the abundance of cheap labor. These transferred industries further pollute the environment, therefore not only degrading the periphery's economic and social structure, but its environmental one as well. This transfer actually demonstrates the limited role of geography<sup>8</sup> or space and state sovereignty in the periphery.

This process divides the working classes of the COP into two groups: (1) an 'elite working class minority' employed by the new Western capitalist companies that are built in the COP and, (2) a local working class majority that is employed in local economic sectors for low or minimal wages. It should be noted that both working classes are prohibited from any form of labor rights, particularly the right to organize trade union. Workers of the periphery who are employed by foreign companies accept wages exceedingly lower than the demanded wages of workers in the center.

After political independence of the COP, the exchange between the two components of the world order in the eras of imperialism and globalization was structured on unequal exchange. This unequal economical exchange has blocked the development of peripheral countries.

It should be noted that as the EU and US Empire expand, they will certainly expand the capitalist relations of production in some regions of the periphery, an expansion aimed at encouraging consumerism whose eternal aim is to encourage the COP's capacity of consuming. This expansion will dismantle national borders and further exploit the popular classes in the COP. This, in turn, will weaken the possibility of national independence or development policies independent from the world market. For these countries, there are **two alternatives**: either to struggle for a socialist development or to accept the capitalist policy of integrating them into a larger capitalist block.

- If the capitalist domination ensues, then the entire world will be divided on class basis: the world wide capitalist class challenging a worldwide popular class.
- If other socialist countries collapse (as the USSR did), and the failure to achieve popular social revolution becomes the norm for a new world revolution, then the hastening of the capitalist

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<sup>8</sup> "Often lost in the rhetoric about growing world trade is the fact that, since the early 1980s, global firms have done much more business through their foreign-based affiliates than by exporting goods from their home countries. In order to grab a share of foreign markets, in other words, they more typically set up shop there, rather than ship goods to the intended market". David McNally, *Another World is Possible: Globalization and Anti-Capitalism*, Arbeiter Ring Publishing, Winnipeg, Canada 2001, P. 38.

domination and exploitation on both, class and nations' levels, is what we can expect.<sup>9</sup> Until this worldwide revolution occurs, the heaviest burden of exploitation will fall on the shoulders of the popular classes in the countries of the periphery. These classes will be under both, local repression and international exploitation. The COP bourgeois will stay continuously lagging behind that of the core. The core's share of the world surplus will continue to be larger than that of COP alongside with the margin of authority and sovereignty. This privileged status of the proletariat in the COCC will hinder their readiness for radicalization. This brings us to the question of where should the center of the world revolution lay? The most justifiable answer is that as long as the dissemination of class-consciousness is equal in both, the core and the periphery, through education, the periphery should be the most likely place for fostering and dissemination revolution. This should come as no surprise since it is in the periphery that brutal exploitation takes place. Ideally, it is also expected that the popular classes in the core will begin to realize that their current form of civil society hinders change and revolution and that neo-liberalism is using the popular classes as a force of conquer and occupation on a world scale. The ideology of civil society will therefore be examined on a world scale not just a national one. Accordingly, the new anti-war and globalization movement should develop to challenge the compromise practiced by the civil society organizations towards capital, i.e. to insist that the role or mandates of civil society organizations is beyond the national state. This movement might develop to become a movement that practices revolution on a world scale.<sup>10</sup>

### **Some Characteristics and Features of Globalization**

**Globalization and Military Occupation:** The NATO invasion of several Balkan countries, NATO's role in several failed coup d'états against president Hugo Chavez of Venezuela, the stationed 5,000 US troops in Colombia, the hundreds of thousands troops in Arab oil fields, and the recent occupation of Afghanistan and Iraq are enough evidence that the phase of globalization witnesses the repetition of direct military capitalist occupation as was seen during the colonial era. The main difference here is that it is now under the leadership of the main imperialist empire, the United States. This US Empire dominates the world by its military might not its economic strength as seen in recent surveys. The US real economy lags behind the economies of EU and Japan since the 1990s.<sup>11</sup>

**Speculation as a 'New Usury':** During the colonial era, the industrial capital subjugated the agricultural capital and investment in mines. In the imperialist era, capital export expanded so much that commodities were not the only things being exported to the COP; factories now became the favored export. In the era of globalization, however, financial capital began to manifest itself in money laundering, speculation, and short run investment to in such profound ways that some countries, such as Russia, became controlled by the mafia! The departure of financial capital from the development of real economy to the lending of money liquidity for non-production activities in the **periphery** is in fact a modern usury model.

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<sup>9</sup> This is already seen when one looks at the current relationship between the bourgeois class of the COP and the core.

<sup>10</sup> Since the 1970s, as the former Soviet Union started losing its peripheries in the Third World, the core capitalist countries began replacing the Soviet Union even inside the Soviet bloc. By the 1990s, the entire Soviet bloc was dominated by capitalist classes with open markets for the core countries, competing to become members in the aggressive NATO pact. Will the former Soviet Union, i.e. Russia, become a capitalist core? This depends on its development and just how much of an interest it is to the capitalist core. What was unobvious until now is that the core countries, especially those of the EU, need the Russian and East European markets and cheap labor. Because this is the case, the relations of those countries with the EU will still be ruled by polarity.

<sup>11</sup> See Adel Samara, *Epidemic of Globalization*, 2001, Chapter One.

**Globalization and Media:** The media monopoly is one of the main aspects of a high concentration of media power in the hands of capitalists who are also owners and partners in the political power of the state. This is the biggest concentration of power that has ever existed in history. Behaving in the same pattern as capital, media gain victories over the class and political consciousness of popular classes that do not have their own alternative media machine. As capital's partner, the media's role is to preach free market ideology, liberalization of trade, neo-liberalism, and the 'fantastic' American way of life to name but a few. The media argue for a modernization approach to development, readjustment policies, and austerity in COP. This is the mental and psychological artillery of economic and political globalization. During the imperialist era, humanity was educated to believe that there are several trajectories for development; the capitalist or socialist or the so-called mixed ideologies of development. However, in the current era of globalization, media propaganda is devoted to create an image that there is absolutely no alternative for human development other than capitalism. What has enabled the core capitalist media to create this image is that the information/communication revolution has been monopolized by the capitalist to assure a one sided representation for human development.

**The Intellectual Property Right:** Intellectual property right is a new tool that the COCC use to drain the surplus and maintain the blocked development of the COP.

**Global Exploitation but National Decision:** Globalization activities and the movement of capital have yet not crystallized into a unified global consensus. Although capital moves geographically throughout the globe, its management is still based in the core countries, especially the United States. The sucked surplus from the world ends up in the core rendering the movement of surplus to be unidirectional: from the periphery to the center.

**Taxing People for Capital:** As integration between state and the capitalist class increases, we will begin to see an increase in the subjugation of popular class by the state. In the global era, we have unfortunately witnessed the phenomenon of *surrendering state power*. The state has allowed some transnational corporations to move into its boundaries of power and control, while keeping at bay other corporations. The facilities, access and direct support of money liquidity to the companies came from the collected tax of other classes. In the case of the COP, the ruler's competition for providing 'generous' access and facilities to the FDI has to be seen as more than an economical openness, but rather as a termination of national boundaries and sovereignty.

**Protecting the Capitalist Core and Opening the Door to the Periphery:** The international financial institutions, World Bank, IMF and WTO, are the main vehicles of globalization and its policies such as privatization and readjustment. Despite the fact that the WTO publicly states that it is devoted to the 'liberalization of trade', it proves time and time again that its inception and purpose is nothing more than to serve as a mere tool for the core countries.<sup>12</sup> According to the *New York Times*, US colonialist self-professed ruler Bremer, has insisted that Iraq "pry open" most of its "industries for foreign investment." According to a memo from Bremer to the US appointed Iraqi Ruling Council, the *Times* reported that, Iraq "must create an open economy in a region long protective of its domestic markets" and dominated by "socialist economic dogma." The nation's "future prosperity" depends on "how successfully it [can] attract foreign investment." By overcoming "socialist" and "protectionist" legacies of the Iraqi state, Bremer feels, Iraqis will "open a new lifeline for an economy starved of capital during Saddam Hussein's regime"

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<sup>12</sup> The collapse of the WTO meeting in Cancun-Mexico (September 2003) is a good indication that the rulers of the COP have found themselves unable to further compromise the interests of their countries by implementing developmentally unfavorable economic policies.

therefore, forcing Iraq to "democratize" its economy. Bremer's proposal, as the *Times* notes, will "permit foreign investors to take their profits out of the country, with no requirement of reinvesting their money there."<sup>13</sup>

**The Right Wingers Jumps to Power:** In the era of globalization, especially after the end of the post-war boom (1950-1973), the extreme rightwing faction of the capitalist class arrived to power in most of the core countries, specifically in the United States and Britain. The social democrats and labor parties in Britain and US adopted policies such as privatization, deregulation, and minimizing the state's role in social security, health, and education. This proves that when capitalism falls into crisis, the difference between its right and left wings easily vanishes.<sup>14</sup>

**The Defeat of Socialist Countries:** Despite its deterioration into bureaucracy, the Soviet block served as a buffer zone between the aggressive capitalist-imperialism and the new independent COP trying to prevent its re-colonization. Accordingly, the collapse of the Soviet Union opened the road for the COCC to re-colonize countries of the periphery. The rise of this new capitalist polarity has left the freedom of the world dependent on the victory of socialism.

**One Empire Subjugates Several Imperialist Powers:** Another characteristic of globalization is the decline of imperialist pluralism: the competitive battle among imperialists over control of the periphery. That competition no longer exists and has been replaced by one emerging superpower. There is no more equal re-division of the world to competing imperialist powers. There is one superpower, one empire, that of the United States that is able to distribute the shares of the sucked surplus among other second-class powers.<sup>15</sup> Sometimes the share of *second-class imperialism* might not be equal to the cost of its role in an aggression as was the case in the 1991 war against Iraq. This is one of the main reasons why the same imperialist, i.e. France and Germany, which joined the 1991-aggression against Iraq, opposed the repetition of that aggression in 2003.<sup>16</sup>

The invasion and re-colonization of Iraq (2003) show that wars in the era of globalization are characterized and mainly initiated by white settler colonial capitalist ruling classes as was seen in the 1991 and 2003 invasions where the United States, Britain, Australia and Israel were the main cohorts of those aggressions. While some old imperialist powers did not participate with the United States and its allies against Iraq in 2003, *they were unable to prevent that war, even if it will harm their own imperialist interests.* This example raises the necessity to create a world of multilateral powers, an issue that is still being ignored, at least for the present time.<sup>17</sup>

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<sup>13</sup> Richard A. Oppel, Jr., "U.S. Seeking Foreign Investment for Iraq," *New York Times*, August 26, 2003. A10

<sup>14</sup> The alliance of the British Labor Party with the right wing US Republican Party in the invasion of Iraq is a striking example.

<sup>15</sup> According to a high level strategy paper prepared for top officials of the Bush (senior) Administration envisioned a world in which the U.S. would be able to dominate its European and Japanese allies, isolate its adversaries and sustain its client regimes. The U.S. would be the undisputed world power capable of securing absolute control over strategic resources and a privileged place in the world market. "Defense Planning Guidance for the Fiscal Years 1994-99", *New York Times*, March 8, 1992, p. 14.

<sup>16</sup> The wars against Iraq (1991) and Yugoslavia (1999) are good examples. The Cold War between the two super powers had been replaced by 'hot' wars against several COP.

<sup>17</sup> The US is the only country that was able to remove itself from being obligated to sign the 1972 Antiballistic Missile Treaty, Kyoto Protocol, and the Global Warming Treaty. It has forced the International Criminal Court and the United Nations Security Council to grant its citizens temporary immunity from UN jurisdiction in punishing war crimes. It has also refused to honor the Geneva Convention on the treatment of POWs and rejected verification measures for the Biological Weapons



**Creation of the Globalized Capitalist Public Sector (GCPS):** Following neo-liberal policies such as privatization and the elimination of the luxury state or the ‘public sector’, a new sector has been created in the core countries, especially in the United State. This new sector is the globalized capitalist ‘public’ sector (GCPS).<sup>18</sup> The tools for this sector are: the state as the political/power that acts on behalf of the ruling capitalist class, the multinational corporations as the economic tool, and the Foreign Direct Investment (FDI) as the financial one. If all of these tools fail to permit this sector to work freely and facilely in the periphery, or if the economic crisis becomes uncontrollable in the core, as is the case in the United States today, the state will launch a direct military aggression against the naturally endowed COP, like Iraq.

The surplus drained by this sector, the GCPS, is spent and invested according to the needs of the core countries. Part of this wealth is used to offset its financial deficit and another part of it is to pay, in the form of salaries, its troops that are scattered throughout the globe.<sup>19</sup> This is why we can be rest assured that the US troops sent to the Arab Gulf will be stationed there for a long period of time. If capital is scarce, the salaries of the soldiers will still be paid. How? The puppet regimes in the Arab Homeland will pay most of their costs; however they will never disclose this to their public for the obvious response that it will provoke. Thus, war becomes an economic project and the state becomes more than just a representative of the capitalist class, it becomes a tool for this class. It is not only an interventionist state, but also a state that impoverishes the working and middle classes for the sake of maintaining a rate of profit. Therefore, revolutionaries, and in particular those of oppressed nations, should not dream of a just world even if a new superpower emerges, especially if this new superpower(s) are capitalist. This will recreate a world of multi-capitalist imperialist countries that was seen before the 1917 victory of the Bolshevik Revolution.

### **Nationalism in the Era of Globalization**

While the 19<sup>th</sup> century was named by the Europeans the ‘*century of nationalisms*’, this name was applicable only to Europe and was referred to as the **first** of three waves of nationalism. The 19<sup>th</sup> century, however, was the century of colonizing the periphery whose age of nationalism arrived in the 20<sup>th</sup> century. This is known as the **second wave**, the wave of *national liberation movements* in the Third World. Both waves of nationalism were progressive.

Some of the significant differences between the two waves of nationalism can be summarized as follows:

(i) The first wave of nationalism was limited to Europe and ended by representing a colonial attitude and culture. Europe took the imperative of attempting to generalize the *age of nationalism* and ultimately history, suggesting that European history represents world history. Other peoples of the globe will not be considered unless their development follows the European route, which was blocked by capitalist Europe and later by the US itself. The second wave that of the 20<sup>th</sup> Century, on the other hand, represented the rise and struggle of colonized peoples against colonial powers, which was crystallized in the national liberation movements: nationalism of the periphery.

(ii) The nationalist movement in the capitalist center was characterized by internal conflict between the local social classes and powers (the dying feudal powers and the emerging bourgeois forces or classes), while nationalist movements in periphery were mainly less developed or

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Convention. What this creates in essence is a world with an open stage for the new global empire to act as it wishes.

<sup>18</sup> See Adel Samara, *Epidemic of Globalization*, Chapter One, 2001.

<sup>19</sup> See Adel Samara *Epidemic of Globalization*, Chapter One, 2001.

polarized in class terms since their development was blocked by the colonial powers, and they were oriented against an external enemy, the imperialist powers.

(iii) In the center, the nationalist movement was motivated by the needs of industrial economic development which requires the unification of domestic markets, while the nationalist movement in the periphery was a social formation that was predominantly pre-capitalist, non-capitalist and integrated into the world capitalist market in a dependant fashion. After their political independence, those countries entered the era of economic independence, an area in which most of these countries failed.

The third wave of nationalism is the most recent one that began during the last decade of the Twentieth century and is highly controlled and directed by the global empire.<sup>20</sup> This new wave of nationalism was born simultaneously with the era of globalization. It is the wave of comprador nationalism: a dependent nationalism that is being exploited by global powers, especially the United States. The regimes of this wave are reactionary and separatist particularly those in the Balkan region and the former Soviet Union. Imperialist ruling classes in the center supported these 'nationalist' movements with the intention of weakening the former socialist block, to fragment the countries of the periphery, and prepare them for future integration into the EU or NATO. It should be noted, however, that these new nations who are allies of the US Empire are different from those in the Third World who are or have achieved liberation.

### **Globalization and the Comprador Class in Third World Countries**

The failure of economic development strategies of many bourgeois nationalist post-colonial regimes encouraged them to move towards a comprador role that abandoned development, especially industrialization policies, protectionism, national sovereignty...etc.

This change in itself shows how destructive this comprador regime is, especially during the world's deterioration towards globalization. Free movement of capital, goods, and services was witnessed on a world scale to the extent that the world economy fell, since 1970s, into a supply-side crisis. Labor mobilization was subjected to severe restrictions that manifested itself through a racist agenda in the era of globalization. The labor force will always be the wealth of periphery, whereas the goods, capital, and services mainly belong to the core. This was not the case at the beginning of the imperialist era (1870s-80s), and began to take this shape when the capitalist center, as a result of the large number of victims during the two imperialist World Wars, began importing cheap labor from the periphery to re-build its demolished infrastructure.<sup>21</sup> Launching war, demolishing, re-building, and circulating capital are the prime movers of the capitalist system.

### **Is There an Ultra-Globalization?**

What is obvious at present is that capital is defeating labor on a world scale. The working class is not in the position to support the industrial over the financial capital. Furthermore, both industrial and financial capital are controlled by banks, the same capitalist class that labor is struggling

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<sup>20</sup> The relationship between the ruling classes of the core capitalist countries in the era of globalization and the bourgeois comprador segments in areas such as the dismantled Yugoslavia, Russia and many leaderships of ethnic groups in Iraq and other Arab countries, is a good example for the role of these elites. This role is represented by their attempt to comply for the sake of servicing the new wave of colonialism and they have used ethnic, national, and religious discourse to cover and justify their function in the service of the ruling capitalist classes in the core countries.

<sup>21</sup> This era wasn't a free movement of labor from periphery to center. It was a controlled movement according to the core's needs for a black labor to re-build its infrastructure that was destroyed during the wars. Accordingly, labor movement, never had the chance to move freely compared to that of capital, goods and services.

against. If capitalist conflicts are mainly contrived and pursued for the highest rate of profit, then these conflicts will take the form of (i) direct military war against some COP (as it is the case now and several parts of the world), and (ii) economic wars among the imperialist powers themselves (the economic competition between the US and EU is an example of this economic war albeit it is on a low profile).

It is certain that in the past, imperialists have always tried to solve their economic problems at the expense of the COP by the direct occupation of their land blundering their wealth and mines, monopolizing their markets, blocking their development...etc. They did not try to do this jointly, but instead, opted for the competitive path. That is why the colonial era witnessed many wars between the European colonial armies in the colonies. The Boer war in South Africa is a striking example. Kautsky argued, in his theory of ultra-imperialism, that imperialism might reach an era of internal peace. Social Democrats found in this theory ammunition to argue against the 1917 socialist revolution in Russia.

For nearly six decades after World War II, we witnessed relative peace among imperialist powers. Although imperialist countries did not engage in direct military war, economic wars were defiantly implored. Of the reasons that created the relative peace are the prosperity that followed the World War II, liberation movements in the COP, and the rise of the socialist camp which, at least hampered the capitalist desire for re-colonization.

With the collapse of the Soviet Union and the victory of comprador regimes in the periphery, re-colonization became possible again. The 'truce' among imperialist powers was a result of the economic crisis in the core countries and the failure of Europe to compete the United States in the military level, in addition to the new developments that are taking place such as the division of the WTO members into those of center and periphery and the world unified popular protest that we are witnessing against war and globalization (the case of Iraq is a clear example).

The final arguments against Kautsky's theory of peace among imperialist powers are:

(i) Competition among the capitalist imperialist ruling classes will never end. This competition does not necessarily need to be manifested or resolved through military confrontation. It is the finance capital that dominates the world now, and as such, we should expect to see more financial confrontation. The might of the US is not due to its successful economy, but rather to its military and finance capital. For example, during the 1960s the US GDP measured one and a half times the combined total for the EEC's 12 countries, including Japan. However, by the early 1990s, the ratio was only half as large.

(ii) The history of capital is a history of wars: the last decade of the 20<sup>th</sup> century witnessed several wars against COP, and the 21<sup>st</sup> century started with the occupation of Iraq and threats to expand into countries such as Iran and North Korea. These wars are against COP and most of the imperialist countries either participate in or approve these aggressions. This form of wars demonstrates the attempt of the core countries to manage their internal crisis, as they did during the eras of colonialism and imperialism, at the cost of the COP. These wars are different from the old colonial wars since they take place relatively jointly, not competitively, by imperialist countries. No body could judge, however, that these wars will not turn into an internal war in the COCC as was the case during World War I and II. This reassures those of us who suspected that globalization would result in a globalization of war: complete chaos. This is a big challenge for humanity. Our response to it should be the People's War against capital.

### **Resistance: The Only Possible Response**

Globalization is a phase that can propel itself only when the world revolution is defeated. The issue here however, is not whether or not to solemnly submit to a defeat that the capitalist empire is trying to publicize, but rather to ask ourselves what are the mechanisms of resistance? Is there a power that is able to challenge the internationalization of capital either on its economic scale or military might, and push forward the only alternative that will create a just world: labor, popular

classes, and socialist internationalism? It is only the People's War that is able to challenge capital and its army. This People's War should be comprised of the anti-globalization movement, civil disobedience, guerilla war, city war, anti-war movement as well as the Development by Popular Protection movement. This People's War might succeed at the national level as long as the nation-state is still there, and might work on a world level since the world is dominated by a semi-unified capitalist regime. The existence of all these popular movements is important in telling us that the majority of humanity is against capitalism. The internal social normalization between labor and capital must be replaced by the culture, education, ideology, and practice of class struggle. This is the larger goal of the People's War.

It is in the era of globalization that we witness people around the world flood into the streets protesting against colonial war and globalization. Peoples began protesting the invasion of Iraq even before it took place. This is a strong indication that humanity is protesting against capital and it is highly motivated to restore its true face.

### **An Alternative Model: Development by Popular Protection (DBPP)**

Development by Popular Protection not controlled by the state and as such does not possess the characteristics attributed to state controlled development. Generally, state controlled development is used to service a particular class. Although in its best-case scenario it aims to depict itself as a "formally neutral" apparatus placed to be beneficial over all social classes, in actuality state controlled development indirectly aims to only service a particular class. While one must acknowledge that in any capitalist social formation, led by its relation to production, class issue is a determinant factor, and the pivotal issue that actuates development is class, I agree that development must be cohesively applied to all aspects of life (economical, political, cultural and social).

### **DBPP and the Failure of Regimes in the COP**

How can the periphery challenge this dangerous capitalist project? What means can the periphery utilize to break the polarity in the world system? Are all regimes in the periphery compradoric, non-nationalist and unable to transcend the blocked development? Is the popular alternative the only hope? All these questions suggest that an official alternative, implemented by the regimes of the COP, is **impossible**. The hope is the popular alternative. Yet, the popular alternative is hampered by many obstacles. For instance, there is the bourgeois national state in the periphery which lost its expected role of achieving national development. In addition, capital through NGOs, had deformed many organic intellectuals in the societies of the periphery, thereby emptying the periphery of its ideological, moral and cultural power as an essential part of a prime motivating factor for transformation.

The experience of national liberation in the Third World and formal political independence ended when comprador regimes lost even the formal control over their own sovereignty. All calls for a new world economic order in the 1970's and cries for the lost decade of the 1980s are a memory.<sup>22</sup>

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<sup>22</sup> The experience of the "15 countries" which began in 1990 has yet to deliver. Even today, the last adjustment of oil price might decline. The price of oil is still \$27-30 per barrel. Based on an inflation of 25% from 1992 until 2000, it should be in the range of \$27, which is the current price. However, Saudi Arabia, Mexico, and Kuwait have succumbed to U.S. pressure to increase oil production as the traditional way of reducing prices. The experience of Malaysia tells a different story. Malaysian Prime Minister Mahatir Mohamad enacted currency and capital controls in order to protect Malaysia from speculative assault. These measures are contrary to IMF prescriptions, yet they had fast and positive effects, and preserved the possibility of resistance though not from a socialist perspective. Imperialist capitalists launched bitter attacks against Malaysia.

## Conditions and Characteristics of DBPP

The arguments of self-reliance and the de-linking school of thought do not tell us how to ensure that these models can be conducted and maintained without being betrayed by renegades or used by bureaucrats. The alternative to the wishful thinking of self-reliance under a comprador regime is ***Development by Popular Protection*** (DBPP). The concept of DBPP is based to a large extent on the Self-reliance and De-linking model, but must transcend that model according to the needs in the socio-economic field. It is a model that is derived from the experience of the Palestinian *intifada-1987*. Certainly, this model is not complete because it was betrayed by PLO's subjugation to Oslo Accords.

1) By definition, DBPP is a **spontaneous popular initiative**. Masses do not need a bureaucratic party to teach them the fundamentals of this model. It, therefore, functions **far from the ruling class of the COP**. It assumes that this ruling class is against it, and in the best case scenario, might be neutral towards it. The fundamentals of this model can be understood and developed through popular activities (by labor movement, grassroots organizations, and women's unions, student, and youth movements). All of these forces voluntarily adopt and develop the position of economic and social '***Internal Withdrawal***'.<sup>23</sup>

2) The second condition of DBPP is the **consumption of local products**, not those imported from the imperialist center.<sup>24</sup> Popular classes will give priority to the products of the Third World. In this instance, regional self-reliance consumption could work. Pressure is placed on the regime to import Third World products; it is in the best interests of the merchant class to import according to the masses' demands.

3) **The formation of cooperatives** is the **third condition**. The purpose of these cooperatives is to meet the needs of the popular masses and is also the beginning of **Internal Withdrawal** productively: the process of re-shaping the deformed structure of production of the national economy. Each member in a cooperative is required to invest financially in it, thus ensuring that he/she is a builder, financier, worker, and a consumer. This popular monopoly is the most important guarantee.

4) To abolish the merchant's monopoly, cooperative members must also be part of the **marketing network**.

5) The **fifth condition** eliminates dependence on foreign or non-governmental finance which denotes dependence and the demise of the DBPP. Revolutionary assistance, however, will be accepted after thorough investigation.

6) This model necessitates the development of the **consciousness of consumption** as its **sixth condition**. This involves several activities: (i) the control of consumption on an individual level, and (ii) this requires boycotting the products of the class and national enemies, including the local capital that cooperates with foreign capital, either as an import agent or in the form of a joint venture, or as a subcontractor.<sup>25</sup>

7) **DBPP and the Political Party**: Only if the political party is able to practice its role popularly, in a pioneering and democratic manner and without imposing itself in a bureaucratic

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<sup>23</sup> In the case of the Palestinian intifada, Palestinian masses withdrew from working in Israeli industries and consuming Israeli products and turn to consuming locally produced products.

<sup>24</sup> The Palestinian popular classes in the West Bank and Gaza Strip continued to boycott Israeli products until the so-called Madrid-Oslo Peace when the Palestinian Authority (PA) aborted the popular effort.

<sup>25</sup> Of course this is a long-term process. Nobody claims that changing the economic, political, and cultural structure and mentality, in any society, will take place quickly and by command from above. Until this level, the comprador political authorities may not be able to harm this model. It will ultimately force the capitalists to re-orient their production to acquiesce to popular demand.

fashion, this party will be empowered by peoples' support. The revolutionary party, a Communist one, is necessary for this model: (i) to develop the popular model, (ii) to educate the popular classes, (iii) to support women's struggle, and (iv) to assist in creating its own economy as a beginning of a DBPP on the national scale. Once that is achieved, the party absorbs development conditions from below, i.e. from a **popular parliament** that is representative and composed of the popular masses.

8) **The Popular Parliament:** will be responsible for the design of appropriate economic policies through an annual national conference. The revolutionary party, whether in power or out of it, should popularize dialogue and the decisions of the conference, playing a pivotal role in advancing plans into practice.<sup>26</sup>

9) In a later step of its development the DBPP model moves to absorb the informal sector. This is the **ninth condition** of DBPP. All the above steps assure that this model far from the economic policy of the ruling class.

10) **DBPP and Class Struggle:** The model of DBPP requires that a social force stands behind the economy to defend it against bureaucracy, dependency, and open door policy. This force constitutes a form of social pressure on the ruling class that adopts open door policies. It is a class struggle against those social classes that benefit from dependency and it is the embryo of a genuine socialist system, a socialist system from below.

11) **DBPP and the State:** In case of a national state regime that has a ruling socialist party, this model works in cooperation with, or separate from, the state, depending on whether and to which extent the state economic policies, economic plan, and social policies are in harmony with those of the DBPP. It depends on how much the state marginalizes the popular classes in both, decision-making and production planning at the work place. DBPP applies pressure on the state to re-distribute the social surplus in the interest of the popular classes, including land reform, work guarantees, more spending on infrastructure, consistent wage increases, protection of the national economy, ending repayment of debts...etc.

12) **DBPP and Democracy:** DBPP is a democratic choice, in which the role of the state is to serve and protect the economy, not to subjugate it to the market laws or the bureaucracy. This is why this model goes beyond the de-linking model, which depends on the national state and its ruling party (which leads to bureaucracy). When this project realizes that the state's policy is closed to its concepts and practices, the time will be ripe for cooperation and interdependence with similar countries on a regional and international scale.

13) **DBPP: A Third World Necessity:** Without the DBPP and the standards that it requires as mentioned above, the Third World countries will succumb to endless adventures brought about by ever-increasing globalization. This model does not preclude cooperation among states, international cooperation, and joint struggle of popular classes on a world scale. Finally, there is no other alternative but to, continuously, challenge international capitalism by developing a system inspired by Communist Internationalism.

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<sup>26</sup> The Palestinian *first intifada* (1987), itself, is a good example of a popular democratic environment since it was initiated, politically and economically, far from any regime or political party leadership.