

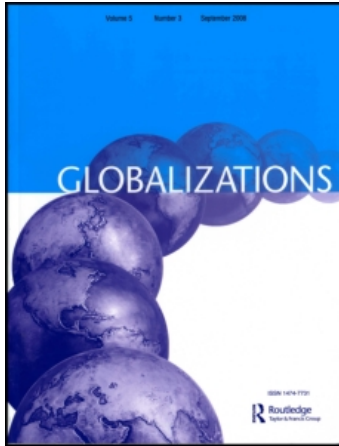
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The Return of Crisis in the Era of Globalization: One Crisis, or Many?

BARRY K. GILLS

Editor

This special issue of *Globalizations* addresses a real and present global financial and economic crisis, of the greatest severity in nearly a century, but also a much wider set of ‘multiple crises’ (Houtart, this issue), with aspects and repercussions that go well beyond the immediate economic climate. Although there is without question at present a quite serious economic ‘capitalist crisis’, which several of the contributors to this special issue analyze (Sassen, Hoogvelt, Patomäki, Thompson, and Amin) there is also acute awareness of the multidimensional aspects of the global crisis, i.e. an understanding that what is now happening goes beyond the boundaries of ‘global finance’ and economic contraction, and encompasses multiple spheres of society, politics, environment, and world order, all simultaneous and over-lapping. In this regard, we may speak of ‘multiple crises’ (Houtart, this issue), of ‘converging crises’ (George, this issue), of a ‘world systemic crisis’ (Gills, this issue), a crisis of neoliberal ideas and practices of ‘advanced’ global capitalism (Veltmeyer, Amin, Sassen, Bieler et al., this issue), a ‘crisis of globalization’ caused by globalization processes (Hoogvelt, this issue), a crisis of Western and Northern global hegemony (Munck, Murphy, and Pasha, this issue), a moral crisis of ‘Western capitalism’ (Karim, this issue), a comprehensive global environmental and climate change crisis (Falk, Bello, Bone, this issue), a crisis of world order, manifesting engrained hyper-violence and reflecting the failed design of the territorial sovereign states system (Mittelman, Falk, Buxton, this issue), a profound ‘civilizational crisis’ involving the combined imprints of neoliberal capitalism, Western hegemony, and the ‘global modern’ (Pasha, this issue), and a historic crisis, which challenges us to critically reflect on the *longue duree*, the fundamental premises and prevailing conceptual frames (Peterson, this issue), revealing the gender coding and hierarchical relations that both constitute and obstruct our way in this global crisis.

Due to the gravity of the recent global economic situation, it has once again become intellectually respectable within the mainstream to discuss ‘capitalism’, and even to invoke the idea of capitalism’s inherent crisis tendencies, whether from the tradition of Marx or that of Minsky. As James H. Mittelman (this issue) argues ‘Capitalism without crisis is an oxymoron.’ In this environment, it has also become possible to argue that ‘crisis’ and ‘systemic risk’ should be placed at the centre of economics as a social science, rather than relegated to a marginal or

unimportant problem. Going further, the study of ‘crisis’ phenomena, as many of the authors contributing to this special issue demonstrate, may be usefully extended beyond economics and financial or ‘capitalist crisis’, to address a plethora of other ‘crisis’ issues, and thus influence the shape of debate in other social sciences and more broadly inform the public debate on crisis and responses.

This special issue is also an overt attempt to analyze these multiple dimensions and manifestations of ‘crisis’ in relation to ‘globalization’, in both contemporary and historical perspective. Although there are many contending definitions and perspectives on the meaning of ‘globalization’, including as an expression of capitalism or ‘capital logic’, a telos of universal and linear economic liberalization or marketization, an evolutionary stage enabled by the advance of modern high technology and communications, and a historic step towards a new type of ‘global society’ or ‘world polity’ formation, with inherent and possibly defining cosmopolitan attributes (and the list could be continued), some of the contributors interrogate what relation ‘globalization’ has to the causes and eventual consequences of the present crisis (or crises), as both shaper, and that being shaped. Such is the purpose of this collection of essays, to begin to reformulate how ‘crisis’ affects ‘globalization’, and vice versa, both in theory and in practice.

Thus, it is also important that we analytically differentiate the present ‘financial crisis’ of 2007–2010 (and possibly years beyond) (Patomäki, and Gills, this issue) both from the deeper structural currents and causes of cyclical ‘capitalist crisis’ (though the two aspects are obviously inter-related), and from the other multiple ‘crises’ which confront humanity. It is by no means clear that this is a crisis of ‘capitalism’ itself, i.e. a crisis through which capitalism as a historical system would finally collapse and be superseded, though that may be a possibility, e.g. if the global environmental and climate change crisis fulfils the worst case scenarios later in this century (Falk, Patomäki, this issue). Likewise, it is important not to fall into the trap of simply conflating ‘neoliberalism’ (although there are many variants of this concept, they perhaps all share a strong commitment to the principle of the market as the best and most ‘rational’ allocator of resources) with ‘capitalism’ itself, or to assume that to solve the problem of ‘neoliberalism’ is to solve the problem of ‘capitalist crisis’ historically. The ‘problem’ it seems, is far deeper and more comprehensive, though inclusive of neoliberalism and its relation to really existing economic globalization.

Nor should we assume any natural or self-evident definition of ‘crisis’, which like all other useful concepts, demands first a clear formulation (Mittelman, this issue). Again, there are many and contending definitions of crisis, and some alternative concepts, e.g. ‘implosion’, ‘systemic failure’, and ‘dis-equilibrium’, and much depends upon these definitions in terms of our understandings of causes, responses, and consequences. This debate over the nature and causes of crisis is not merely academic, but has far-reaching human and historical consequences. At the most narrowly specific and ‘economic’ focus, many analysts are addressing the on-going global crisis of capital accumulation, in which the volatility engendered in recent global asset price inflation led inexorably to volatility in global asset price deflation, destroying trillions in value in the process. At its broadest level, other analysts (including some in this issue, e.g. Pasha, Peterson, and Gills) deploy the concept of crisis in a more comprehensive, world-historical and civilizational sense, in which, for example, there is a lack of correspondence and coherence between the trans-civilizational material (and economic) processes, and trans-civilizational ideational forms and currents, generating a global historical tension that is destabilizing world civilization as we now know it. That, of course, is the ultimate question posed by this crisis—i.e. what ‘difference’ will the experiences of the crisis make upon the

course of global history, how will the world be different ‘after the crisis’? The answer to that question, remains so far unknown, since the outcomes will depend upon the actions taken, at all levels of human society, to redress the multiple expressions of crisis in our present historical social and world order.

There are many theoretical and analytical controversies that must also be confronted when trying to make sense of the present global crisis. Firstly, there is the question of establishing the causes or ‘origins’ of this crisis, and therefore to understand the difference, and the relation, between long term historically embedded structural causes of the deeper malaise, and the short term (and possibly ‘epiphenomenal’) precipitate or immediate causes of the visible symptoms. These are not identical, despite much moral and political commentary on the outrages of improper, high risk taking behavior that so obviously has played a role and continues to do so also in the unfolding ‘theatre’ of crisis discourse and politics. Again, there is the danger here of permitting an identification of ‘crisis’ with the financial crisis alone, and by doing so, to obscure or omit all the other acute crisis phenomena and their long term historical causes from our perception and analysis.

Even when one allows that we will speak strategically about the ‘economic crisis’, there are in fact many possible ‘inflection points’ in the pre-history of this present global economic crisis that are variously invoked by analysts, including: the whole history of capitalism and capitalist development; the post 1945 reorganization of capitalism after the Great Depression and the Second World War (and, for example, the ‘Fordist’ outcome of that period of capitalist history); the ‘stagflation’ and ‘oil crises’ of the 1970s; the ‘debt crisis’, the North’s defeat of the South’s call for a ‘New International Economic Order’, and the subsequent onset of ‘neoliberal economic globalization’ from the early 1980s onward; the so-called ‘Asian financial crisis’ of 1997–1998 (though in fact this was more global also); the fall out of the dot-com bubble and various de-regulatory measures in capital and commodities markets undertaken by advanced capitalist economies (in particular the US and Britain) from about the year 2000, producing the ‘universal banking’ model and enormous acceleration in global financial asset price inflation and concomitant risk to the financial system; and last but not least, some argue that the ‘rise of China’ or of ‘emerging markets’ (or countries), or of the BRIC nations (Brasil, Russia, India, and China) are both part cause and part consequence of the present global re-ordering and its ‘structural imbalances’ (while the elite of virtually all major countries continue to call for more ‘free trade’).

Perhaps there is no right or wrong inflection point in the history of this economic crisis, but rather a choice of emphasis among a series of crisis manifestations. One thing may be observable in all this however, which is the thesis that, since the end of the great post-war economic boom (at least in the advanced or rich Northern countries) approximately dated circa 1967–1968, there has been a tendency for crises to become more frequent, more systemically and globally endemic, and gradually more severe and damaging, as well as more inter-dependent and synchronized, ultimately culminating in the present level of systemic risk and instability (see Sassen, Hoogvelt, and Patomäki, this issue). This pattern should tell us something about the role of ‘market self-regulation’ versus state intervention, regulation, and planning in the theories and practices of political economy, and about the great capacity capital has for de-stabilizing itself and for undermining the very social and political conditions necessary for its own existence and reproduction (Gills, this issue). This, at very minimum, is a lesson that should never be lost on us again, but always remembered. After all, even Alan Greenspan has admitted that he has ‘seen a flaw’.

The traditions of political economy and of economic thought on capitalism, capitalist development, and the proper political economy of the system (i.e. for its theoretical optimal functioning) is also a subject of central importance and interest in the present context of crisis

(see Solomon, Patomäki, Thompson, Murphy, and Munck, this issue). Mainstream and hitherto dominant ‘economic science’ has been widely condemned for committing such serious and fundamental errors of methodology and understanding, as to have made itself intellectually and practically discredited, at least for the time being. The tradition of political economy or ‘economics’ can conventionally be divided into three (heuristically speaking) ‘camps’: the ‘conservative’, the ‘reformist’, and the ‘radical’ traditions. These three correspond roughly to (in the same order): the classical, neo-classical, Austrian, monetarist and recent neo-liberal traditions, focusing on the subject of capitalist system maintenance and the centrality of the market mechanism; the Keynesian, social democratic, Minskyian, Prebisch, and more recent revisionist views of such leading (American) economists as Joseph Stiglitz or Paul Krugman, wherein the capitalist market is prone to imperfection (and crisis) and therefore requires prudent state interventions and regulation both to ‘discipline capital’, promote production, and sustain systemic stability; and the Marxist, Gramscian, Polanyian, socialist, radical feminist, and more recent currents, including the transnationalized social movements of ‘resistance’ to neoliberal and globalized capitalism, who all tend to critique or reject the capitalist system profoundly and demand its fundamental transformation. No easy compromise has ever been nor is now possible between these contending positions, and their practice bears very real and alternative consequences.

Nevertheless, the present crisis has not so far significantly altered this traditional organization of knowledge, debate, and practice, (at least in the mainstream discourse of politics) and it is still to these traditions that we (sometimes) turn for some inspiration and cumulative knowledge. Many may hope that we will find the philosopher’s stone, and devise a formula that will finally reconcile market and plan, without succumbing to the extremes or excesses of either. Perhaps they are right to hope. Others insist that we must not look to the past to find the answers for our future, given that what we are experiencing at present may well constitute a new and unprecedented situation of crisis, thus requiring entirely new thinking, new answers.

As this special issue was being prepared, the historic Copenhagen global summit on climate change was opening (it ended in failure to reach a new agreement, and prospects for reaching one in 2010 remain unpromising). It is the view of the vast majority of climate scientists, and even most governments, that the dangers to humanity’s future now posed by the man-made patterns of global warming constitute the greatest real historical danger we face, and perhaps have ever faced in the entire history of our species. It is almost impossible to over-state how serious the consequences of failure to act decisively to arrest these trends could actually be, and as early as the latter half of this century. In this global environmental crisis, including its profound relation to the fossil fuel basis of modern industrial and urban global civilization, the enormous and clearly unsustainable pressures this mode of social existence now places upon all ecological systems, including the soils, the forests, and the water of the planet, we see the real historic ‘limits to capital’ unfolding before our eyes. This unique and comprehensive crisis at planetary level both demands and propels into force a new radical critique of the foundations of our historical social structure and form of world order, including critique of the fundamental organizing principles of capitalism, ‘consumerism’, ‘limitless growth’ and all that is related to these values. Indeed, the global environmental and climate crisis calls for nothing less than a revolution, in both human thought and human action.

Finally, there are myriad concrete instances and examples of the present global crisis, and which instance any particular analysts focuses on is, once again, perhaps more a matter of analytical and practical choice, rather than clearly right or wrong. Some focus on the crisis of the paradigmatic ‘economic science’ which plays a central framework role in modern global capitalism; some see the concrete form of the ‘financial architecture’ as the central problem

and the cause of this crisis, and therefore focus on 'global financial regulation' as the main solution; others see the endemic internally generated and periodic crisis tendency of the capitalist system itself as the central problem, which requires a broad set of corrective and transformative measures, which must be historically permanent and not temporary if they are to be effective; some analysts emphasize the central role of the United States and US global hegemony in this crisis, focusing attention on the long decline of US power and the problems and perils of the interregnum and the management of US decline; others broaden this to include not merely the US, but Western or Northern hegemony, and see the answer in a recalibration of global power and the reform or reconstruction of the institutions of global governance to reflect the interests of the global majority; still others see a crisis of global modernity and of industrial and urban civilization, which takes expression in a multidimensional historical malaise, including mounting fragmentation, social conflict and violence, the decline of substantive democracy as politics succumbs to instrumental rationality adopted and imposed by the technocratic state, the increasing power concentration by the private corporations and financial classes, while global poverty, inequality and injustice continue to mount, producing an increasingly authoritarian and bureaucratized global (ir)rationality, and intensifying a comprehensive life-threatening environmental breakdown and possible catastrophe.

All of this leaves us with a set of great historical challenges, which is an understatement. Complacency, political immobilism, and passivity are still being engendered by many factors (George, this issue), including the global mass media (e.g. promulgating 'official optimism', see Patomäki, this issue) aligned to the interests of elitist power and wealth concentration and its system-maintainers. These forces share the desire to create a sense of return to 'normality' and 'business as usual', but in a world that is in reality beset by extremely acute multiple crises which require quite 'unusual', indeed extraordinary action. Reflexiveness and praxis are at the very heart of any progressive 'exit' from the global crisis (Peterson, and Amin, this issue). Our only real hope resides in progressive learning and action (Patomäki, this issue), at every level and scale, all over the planet. Time is running out. Quiet acceptance of the status quo is no longer an option. Only the human capacity for critical reflection and positive constructive action, individually and collectively, can help us to resolve these multiple global and civilizational crises. The only way that any society or civilization has ever recovered from a severe crisis is through some form of constructive regeneration, the form of which we cannot really know at the present, but which we know we can expect to make itself known, and about which we all have a real choice, a decision to make on how we each shall understand and act upon the present great and possibly historically unprecedented 'global crisis'. It is to the politics of the crisis that our attention now must turn, with a new sense of purpose and urgency. Thus, this special issue concludes with a set of critical reflections upon the character and direction of politics and especially 'radical politics' (Pugh, this issue).

This can only be a beginning, and indicative of what is already a vast and growing global discussion and debate concerning what 'answers' we give to the questions so profoundly raised by global crisis. Retreat from politics (and from the realities of 'global political economy' or any of the other very real manifestations of crisis phenomena discussed in this essay and special issue) into the individual comfort zones of apolitical isolation, consumerist hedonism, philosophical idealism and pure esthetics (Pugh, this issue), or any other form of present day escapism or a 'state of denial' we could choose to mention, are not really the answer, but in the view of this author at least, more symptomatic of the profound civilizational malaise and world-historical crisis in which humanity now finds itself. Words without action are empty indeed. It is not mere words that we most need now, but radical thought allied to radical

actions. It is only by such radical and ultimately solidaristic and political means, so I wish to conclude, that we can remake this world, and it is the crisis(es) that compels us to do so.

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