As its title signals, *The Making of Global Capitalism: The Political Economy of American Empire* provides a counterpoint to the predominant interpretations in critical political economy of the relationship between capitalist empire and globalization. These interpretations have repeatedly read the growing international economic competitiveness that lies behind increased trade and capital flows as both reflecting the decline of US economic power and as constituting a challenge to American hegemony. In doing so, they fail to appreciate the degree and significance of the integration of capitalism as a global system. This was the central theme of Hardt and Negri’s famous book *Empire*, which suffered, however, from its conflation of the political and economic dimensions of global capitalism. Among those critical scholars who have focused on the development of a transnational capitalist class, Bill Robinson—with whom we had a number of interesting and comradely encounters over the decade we were researching and writing our book—has been the most prominent in insisting that this political dimension needs to be conceived in terms of the development of a transnational capitalist state. Unfortunately, the animus that Robinson now displays in his review for our not having used his template undermines rather than contributes to a constructive discussion of both our book and his own alternative views.

**The Question of Theory** Robinson says that our book is “impressive and exhaustively researched,” yet claims at the same time that it says “nothing new” compared to the much less exhaustively researched publications of his own that he cites here. In fact, his review largely ignores the actual historical investigation we undertake in our book—in a manner all too common among Marxist sociologists, philosophers, and economists who, despite their
allegiance to the method of historical materialism, show little interest in history. Robinson concentrates instead on our alleged “failure to define empire,” not to mention “globalization, global capitalism, the state, and so on.” This is really quite astonishing because our book begins by setting out carefully and concisely how we understand capitalist globalization and the capitalist state, including our distinctive use of the concept of “the internationalization of the state,” while citing the theoretical lineage as well as our extensive previous writings on these concepts. Then a discussion drawing the distinction between “the age-old history of empires as involving the political rule over extended territories” and the “imperialism of free trade” pioneered by Britain in the mid-nineteenth century is followed by our definition of the distinct type of informal empire the American state became through the course of the twentieth century, understood in terms of its “responsibility for creating the political and juridical conditions for the general extension of and reproduction of capitalism internationally.” 3

Far from being “pre-theoretical,” our book was in fact the applied product of much theoretical work on our part, going back almost 20 years, with many of our key theoretical publications cited in the endnotes. We did not want to recycle these in the book, as so many academics do, but what makes especially bizarre Robinson’s identification of our approach with International Relations (IR) theory (in which our book has in fact no grounding) is that we begin the book by saying explicitly that we are building on earlier Marxist attempts to develop a theory of the capitalist state. To be sure, we deliberately congealed this theorization in tight conceptual formulations designed to be operationalized in what Gramsci once called for by way of “empirico-historical” study. Our concern to place a clear narrative on the table and to bring a wider audience to our historical materialist understanding of the making of global capitalism led us to open the book with a brief and tight articulation of our theoretical orientation, and then embed the theory in the historical explanation that followed.

What really seems to be bothering Robinson is that we did not pay sufficient attention to his own approach to a theory of global capitalism. Of course, the entire book might be read, if one were so inclined, as showing what is inadequate about this, but it seems a bit much to say that we “utterly
caricature” it when we write that proponents of the thesis of the “transnational capitalist class” present it as “loosened” from state moorings because “loosen” does not mean “detached,” as he claims. As for the notion that this putative class is “about to spawn a transnational state,” this can hardly be caricature because Robinson now proudly claims this notion as his own. In fact, the endnote that so exercises Robinson asks readers only to “bear in mind” counterevidence to the transnational capitalist class thesis, and in this regard it actually echoes Bill Carroll’s own admonition to Robinson on “the need for nuance in theorizing global capitalism.” Indeed, Carroll points out that his own research offers support for “only a qualified version of Robinson’s thesis that a transnational capitalist class has actually formed… most corporate networks remain national in their directorships.”4

Perhaps what triggered Robinson’s ire initially as he sat down with our book was our use on page three of a quote from Philip McMichael, derived from his critique of Robinson’s 2001 essay on “Social Theory and Globalization.” This quote says that “globalization is not simply the unfolding of capitalist tendencies, but a historically distinct project shaped, or complicated, by the contradictory relations of previous episodes of globalization.” McMichael contrasts this with those who treat history as:

A process of progressive commodification of social life, which allows one to state that ‘Globalization is not a new process.’ This is Robinson’s tack. The other way is to historicize theory and problematize globalization as a relation immanent in capitalism, but with quite distinct material (social, political, and environmental) relations across time and time-space…5

Clearly, there are some big methodological differences between us. There are choices to be made in presenting an argument, each with advantages and disadvantages. We did not claim to be putting forth a general principle for how to write a book; for some purposes, a more theoretical exercise might be better. That said, for various reasons we decided explicitly to not undertake an exhaustive “review of the literature” (which is what usually passes for theory in much academic work). First, we chose not to do so because we wanted to reach an audience that is understandably bored (as those who write for their disciplinary peers and their graduate students
cannot afford to be) by that stale academic format. Second, there are already plenty of places where this type of literature review can be found, including some of our own previous writings, and in any case a great deal of the relevant literature is in fact cited and sometimes briefly critiqued in the endnotes of our book. Third and above all, we are suspicious of the kind of theory that takes the form of long elaborations—“this school says this” and “that school says that” but “we assert the other” —and then claims to sustain these assertions on the basis of only a few selected and usually quite superficial empirical “examples.”

It is that kind of sensibility that led us to integrate theory and history in the particular way we did. Whatever may be gained from theorizations that spend much time defining concepts is too often lost by way of functionalism or teleology (the “unfolding” of history, the “logic” of capitalism). It does not help to simultaneously declare in the abstract that history is rooted in contradictions, indeterminate class struggles, and the conditional development of capacities only to then ignore all this by moving on to the end point and virtually skipping over the process and historical contingencies of how we got there.

The dichotomy that Robinson posits by his insistence that “the fundamental contradiction of the global capitalist system is the disjuncture between a globalizing economy and a nation-based system of political authority” suffers precisely from being ahistorical. It occludes an understanding of how it came to be that the globalization of capitalism has been fostered and superintended by the American state in conjunction with other states that also take responsibility within their territorial jurisdictions for international accumulation alongside, and as part of, their national responsibilities.

Rather than engaging with the conceptual formulations that we do set out at the beginning of our book, Robinson simply pretends that they are not there. Yet this is a pretence he cannot maintain. When he quotes from page 11, he actually employs our concepts (introduced and defined in the previous 10 pages) to contrast “territorial expansion along the lines of old empires” with the American state’s “larger remit of creating openings for or removing barriers to capital in general” to sustain his own particular claim that this is “not a US empire but an empire of global capital.”
Of course, in the real world, rather than in the world of concept-spinning, it is not a matter of either-or, but of the former constituting the latter.

**Periodizing Globalization** Robinson chastises us for not clearly periodizing world capitalism all the way back to 1492. We hope we may be forgiven for beginning our investigation only in the mid-nineteenth century. Indeed, for the purposes of this book we deliberately set aside the heated academic debates regarding how much of the world was capitalist before that (although it should be quite clear that we are personally sympathetic to the critique of world systems theory’s “neo-Smithian Marxism”). And although we note that Marx was very prescient when he wrote in 1848 that capitalism’s competitive drive led it to “nestle everywhere,” our book is concerned with the fact that the barriers and interruptions to (including revolutions against) capitalism’s globalizing tendencies actually meant that it took until the late twentieth century before Marx’s prediction that the bourgeoisie would make the whole world in its own image was realized.

The labels “world economy” and “global economy” that Robinson himself deploys to get at his periodization are so loose that they conceal all sorts of temporal ambiguities. For our part, pace Robinson, we never actually employ the notion of “waves of globalization,” let alone build our argument from Hirst and Thompson, as he suggests. Moreover, his (and their) claim that it was the intensification of trade that characterized the late nineteenth century misses the great insight of the Marxist theories of imperialism at the time, which, as our book points out, was the emphasis put on the export of capital. On the other hand, the emphasis that Robinson places on the “qualitative distinction” between the decades since the 1980s and everything that went before them has the effect of occluding the changes in production, finance, and states throughout the twentieth century that led to today’s world.

Our historical analysis demonstrates the relationship between US foreign direct investment (FDI) and the internationalization of American state from the beginning of the twentieth century (especially in its own hemisphere) through to the 1920s (when GM and Ford had already taken over much of the German car industry). And it shows how, through the Great Depression
and World War II, the American state developed the commitment and capacities to lay the foundations for restoring and fostering the conditions for global capital mobility. It is in fact Robinson who stresses the quantitative economic transitions occurring in the 1980s, whereas we try to show how this developed on the basis of earlier qualitative changes in terms of the internationalization of states, production, and finance that were already well in train by then.

Indeed, the contradictions in the Keynesian welfare state—exhibited in domestic class struggles between labour and capital by the 1960s, which we argue were the primary determinant of the crisis of the 1970s—cannot be understood apart from the internationalization that had already occurred. It was then that the institutional foundations were laid for how the 1970s crisis was cooperatively managed by the leading capitalist states so as to allow for the acceleration rather than interruption of capitalist globalization, as had happened in the crisis of the 1930s. We also try to explain the current crisis through a similar historical materialist perspective. We do this by showing both that it was rooted in the contradictions produced by the increasingly asymmetric balance of class forces, and how the institutional foundations established for “failure containment” in the Treasury and Federal Reserve (the Fed) as well as in the G7 and G20 have forestalled a return to trade protectionism or capital controls.

**Classes and States** Robinson apparently sees capitalists as having been primarily embedded in, and represented by, nation-states until the 1980s, but then entering into a transition, not yet completed, to becoming a transnational capitalist class (TNC). Robinson refuses to contemplate the possibility that transnational production can co-exist with capitalist classes that retain a distinct national identity, including distinct ties with their respective states. This displays an abstract and mechanistic approach to the relationship between classes and states. Ford, for example, is one of the more internationalized multinational corporations, as it makes more than half of its sales abroad. This, however, doesn’t negate the capitalists who run it from remaining part of the American social formation. As we have argued for many years, a multinational corporation (MNC) like Ford also repre-
sents a class force within other social formations, such as the United Kingdom and Germany, which rank second and third in terms of Ford’s global sales. But this does not diminish Ford’s deeper ties to the United States, where its sales are still more than eight times those of its next largest market and where most of its research and development takes place. Indeed, this is where 75–80 percent of the research and development (R&D) of all US-based MNCs occurs.6

Similarly, we interviewed Dieter Zetsche for the book in 2003 when he was head of Daimler-Chrysler in the United States. He went to great lengths to stress that he was heading an American corporation, which obviously had to do with widely expressed doubts about this in Congress. When he took over as CEO of Daimler-Benz, while Chrysler was disposed of, he was not only confirming his own German identity, but also demonstrating that Daimler could retain its primary political linkage to the German state without there being any “fundamental contradiction” with it being an MNC. Even without the pretense of Daimler being an American corporation, it still remained part of “the American system [which] is now more or less a world-wide system,” as Zetsche said in our interview.

One needs to be far more nuanced about the link between economic internationalization and the capitalist class formation and identity, in which personal, social, cultural, and political dimensions are deeply involved. Nation-states have always been, and remain, not only central to reproducing the conditions for capital accumulation but also central to the formation of capitalist classes. As critical as the impact of globalizing production has been, it does not do away with the need to analyze the continuing relevance of the distinctive national identity of capitalist classes as actual social groups. Corporations may be transnational but the people who own and control them, and those who invest in them let alone work for them, do not thereby discard their national identities.

Robinson’s approach to this still seems rooted in a crude base-superstructure conception. For all of his echoing Poulantzas by insisting that states are a “derivation of social and class forces,” he commits the very mistake that Poulantzas nailed when he insisted that political forms and class
struggles remain distinctively national even with a globalizing capitalism:

The problem we are dealing with cannot be reduced to a simple contradiction between the base (internationalization of production) and a superstructural cover (national state) which no longer ‘corresponds’ to it…In point of fact, the ties between the state and nation are not broken, and the basic sites of reproduction and uneven development are still the national social formations, in so far as neither the nation nor the relation between state and nation are reducible to simple economic ties.\(^7\)

Our own earliest theorizations of the relationship between state and globalization and the new imperial state were founded on this recognition and they inform the historical analysis we undertook in this book.\(^8\)

One of Robinson’s most puzzling pronouncements is that class is not to be found in the book. In fact, in asking how the American state came to play such a central role in the making of global capitalism in the twentieth century, we trace this back, in Chapter One on “The DNA of American Capitalism,” to the class matrix of the United States in the nineteenth century, including farmers as independent commodity producers in competitive commercial agriculture and a high wage proletariat. Throughout the rest of the book, we examine the changing capacities and practices of the American state in direct relation to the balance of class and other social forces in American society, and indeed in the societies of the states that it brings into its imperial orbit. It is because of the clash of these forces that we conclude the book with the statement that “the political fault-lines of global capitalism run within states rather than between them.” Robinson’s claim that we are “state-centric” in the sense of ignoring social and class forces is not only unsubstantiated, it is unsustainable.

**Reifying the State?** Robinson charges us with “reification” when we speak of the state as an actor. Yet Robinson himself often speaks of corporations as actors. Of course it is actual people who act through states, corporations, and unions, and they do so within specific institutional modalities, limits, and opportunities. If one prefers every mention of state agency to be linked to individuals, this can be restated in terms of historically-shaped individ-
uals acting within states as they act through other institutions.

Robinson’s approach invites a theorization of the capitalist state as controlled and used by capitalist classes who have presumably already worked out their own clear purposes for state action. Our theorization, as we explain right at the beginning of the book, rests on the notion that state institutions are capitalist insofar as they are dependent for their own resources and legitimacy on the reproduction of the conditions for capital accumulation, and the people who occupy key positions in the state are as often as not articulating strategies to this end for capitalists, rather than the other way around.

State institutions have historically-distilled capacities and these capacities allow for agency: the autonomous ability to act according to self-identified objectives and, in the process, to develop new capacities. This autonomy is limited by these being capitalist states dependent for their functioning and legitimacy on private accumulation for taxes, growth, and jobs—hence the emphasis on relative autonomy. That this autonomy is only relative does not, as we’ve especially seen in the recent crisis, make it unimportant. Neither private finance nor capital as a class had a consensus alternative to put forth, nor did they make the determination that Lehman should be allowed to sink into bankruptcy. Absolutely key to containing the crisis was the capacity of the US Fed in particular, but other state actors as well, to act and to innovate in ways limited by, but not reducible to, the financial sector’s demands or to the demands of capital in general as a class. This emphasis on autonomous state capacities also allows for variations across states. Just as this approach was critical for understanding the special role the American state played after World War II in the formation of the European Marshall Plan, so is it critical for understanding why now, amidst the greatest crisis in Europe since the war, Germany hasn’t played, even regionally, anything like a comparable role.

We show in our book that it is the combination of the specific institutional matrix of the state in the United States, with its qualitatively special and asymmetric current status in the management of global capitalism, which requires we understand it as an American empire. To insist it is not that, but rather “an empire of global capital” is not helpful precisely because,
even apart from the problematic assertion that it is the agent of a transnational capitalist class, it occludes why and how this empire became and remains headquartered in Washington, DC. Robinson places great emphasis on institutions that he identifies as rudiments of a para-international state: the International Monetary Fund (IMF), the World Bank, and so forth. These are not unimportant, but it is deeply misleading to overstate the autonomy and agency of such bodies, which are the creatures of nation-states, and remain directly dependent on them, and on none more so than the US Treasury and Fed, in terms of both setting their policy agendas, and their personnel and resources.

Much of our book attempts to understand how state institutions like the US Treasury and Fed have come to infuse their national political authority with their role in promoting this acceleration of capitalist globalization, and containing the crises to which it has given rise. In Robinson’s construction, institutions like the Treasury and Fed presumably once played a key role in the making of global capitalism because they were acting for the dominant MNC “fraction” of the US capitalist class, but now that the latter has become part of a “transnational capitalist class,” we must conceive these core institutions of the American state as acting for the dominant transnational fraction of that class. If so, has the so-called fundamental contradiction between national political authority and the global economy already been overcome? Or is it merely registered in the tensions between the Treasury and the Fed with Congress, which presumably represents mainly non-dominant groups?

To think that one gets very far in this by designating state institutions like the US Treasury and Fed as agents of global capital and formative apparatuses of a non-existent transnational state, thereby clinging to the “fundamental contradiction” between national authority and global capitalism, only betrays Robinson’s theoreticism. To say the US state, as Robinson does, is the “point of condensation for dominant groups around the world” requires translation into operative concepts, and far from being aided by the italics, it only emphasizes the intractability of the abstraction that this involves.
Taking Institutions Seriously  There is no little irony, of course, in the fact that Steve Maher’s review of our book praises us for offering “a creative solution to the structure/agency problem that avoids reifying either institutions or the economy.” He does so in direct contrast to Noam Chomsky, whose approach leads him, Maher claims, to “reify institutions.” While we are flattered to be compared, let alone favourably, to this giant of critical writers about the American empire, it cannot be our remit here to assess whether his interpretation of Chomsky is correct. But we can’t refrain from imagining, if we are the objects of Robinson’s ire for speaking in terms of American empire, how disdainful Robinson must be of Chomsky, who is far more wont than we are to understand the world through the prism of a US empire acting in its exclusive national interest through the global imposition of American power. It was in good part because of the immense body of detailed work by Chomsky, among others, on the coercive apparatuses of American empire like the Pentagon and the Central Intelligence Agency (CIA) that we felt comfortable with our own book’s emphasis on the role played by the Treasury and Fed in making and managing global capitalism.

We must leave it to others to judge whether Maher’s praise for our book is justified in terms of its contribution to “constructing a theory of institutional development that both overcomes the limitations of the Weberian paradigm and fills a gap dating back to the work of Karl Marx himself.” What is certainly the case is that Maher gets what our book is about exactly where Robinson doesn’t. We do indeed “see state actions emerging from a negotiated process that takes place upon a shifting institutional and social terrain”; and by “taking the dynamics of capitalism as [our] point of departure,” we do try to highlight “the unique patterns of institutional development that result as agents respond to conditions determined by objective processes outside their control.” And we do insist that “the state also positively shapes historical development,” including by activating “certain of capitalism’s crisis tendencies even as it resolves others.” Maher also understands that our view of interstate relations is not that of “external interactions between discrete isolated states,” but rather as internally related, penetrated,
and united by the larger structures of global capitalism, while recognizing
that the primary conflict “is not between states but within them.”

In this respect, we have no trouble with the significance Maher attaches
to “the systematic ability of US MNCs to exert greater influence over policy
formation than others.” This is certainly almost always the case, as it is in
other states. And as Maher also recognizes, the main outcome of the “negoti-
ated process” that policymaking involves on the terrain of the state—even
where it has involved “efforts to manipulate trade barriers and strategically
allocate public resources” to the particular benefit of certain US MNCs—
although it may have contributed to their ongoing predominance, has not
been such as to disrupt, but to reinforce the overall orientation to promoting
capitalist globalization around the world.

This is a world made in both the American image and its interest. Once
again, it is not a matter of either-or; rather, the one constitutes the other.
Taking history and classes and institutions seriously involves recognizing
that today’s empire of global capitalism is an American empire.

Notes

1. This has been the case from Mandel’s Late Capitalism (1974) to Arrighi’s Long Twentieth
Century (1994) to Harvey’s The New Imperialism (2003) to Callinicos’s Imperialism and Global
Political Economy (2009) to Radhika Desai’s Geopolitical Economy: After US Hegemony,
Globalization and Empire (2013).
2. See M. Hardt and A. Negri, Empire (Cambridge, MA: Harvard University Press, 2000) and
our critique, “Gems and Baubles in Empire,” Historical Materialism 10/2 (2002).
5. P. McMichael, “Revisiting the Question of the Transnational State: A Comment on William
78–79.
Internationalization of the State”; and L. Panitch, “The New Imperial State,” New Left Review
2 (March April 2000), esp. pp. 8–10 on “The Legacy of Poulantzas.”
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