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## "Corporate Power, Class Conflict, and the Crisis of the New Globalization" by Ronald W. Cox, (Lexington Books, 2019) A Review Essay

### Abstract

A review of Ronald W. Cox's "Corporate Power, Class Conflict, and the Crisis of the New Globalization" published by Lexington Books, 2019.

### Keywords

Corporate Power, Class Conflict, Globalization

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An analysis of trade policy without reference to class politics would be akin to trying to explain climate change without reference to the human impact on the planet. Unfortunately, both are commonplace in the United States. Indeed, an absurd abstraction of trade from class is not limited to ideologues but is found in journalism and academic writing on the subject as well. Ron Cox's new book as well as his larger body of scholarly work is a necessary corrective. Cox has now produced a sustained analysis of corporate power, through books and articles that trace the extent to which U.S. foreign economic policy is a function of corporate power and he has shown the deep connections between corporate power, globalization, and the turn to neoliberalism in the U.S. In his newest book, he also clearly explains, documents, and critiques the extent to which trade policy is not just trade policy but is in fact better understood as a set of policies and international agreements that are designed to facilitate and protect the accumulation of capital. Perhaps, most importantly, as a critical scholarly contribution, Cox's work does not rely upon "automatic" structural assumptions. Class politics, in his analysis is much like Marx's classic analyses of nineteenth century class struggles; the capitalist world we live in is one where political actors represent the interests of classes and fractions of classes, yet each struggles not only for power but also to comprehend and cope in always complex political and economic environments. Corporate political power is very real, in other words, but the leaders of corporate world make different judgments and will conflict with each other in their exercise of power and pursuit of profits.

Near the beginning of this book, Cox states, "corporations, relying on their market and political power, have been able to structure trade and investment agreements in ways that privilege and prioritize their own profit-making interests at the expense of workers and societies across both rich and poor countries in the global economy." (p. 2) Indeed, he does just that and very ably so, critiquing the processes that construct what the title describes as the "new globalization," through the reduction of investment barriers (p. 8) as well as the financialization of assets that facilitate capital's ever easier flow through the veins of the global system. (p. 6) In Cox's view, the formation of power blocs dominated by transnational capital describes the organizational means by which corporate power is mobilized and exercised. These blocs, as he explains, are closely connected to the value chains created by transnational investors that allow for the maximization of profitability, the transference of surplus value, and the extraction, ultimately exploitation, of low waged labor at the "bottom" of the value chains.

To come to critical terms with the political economy of value chains, Cox turns to the labor theory of value (LTV) and relies on the contributions of Marxist economist Michael Roberts to refine his own analysis of the crisis-ridden context within which corporate managers pursue and struggle for power and profits. In that context, according to the Roberts' analysis, there are structural forces that drive down the rate of profit that derive from the increasing organic composition of capital inherent in the capitalist accumulation process. As Cox acknowledges (p. 16) this book could not possibly wade into the century-plus long debates over the validity and perspicacity of the LTV-based approach. In this reviewers' judgment, the LTV-based approach provides structural insight into the systemic need of capitalism to reproduce labor power and the basic contradiction between that need and the interest in capital to reduce the cost of "variable capital" (i.e. labor power). However, whether such a deep structural critique can

translate into an understanding of the rates of profit in actual existing markets remains questionable. The reader may well reach the conclusion that Cox could have said everything of value in his book without recourse to LTV analysis. Applying Ockham's razor and removing it would do no harm to Cox's focus which, by his own acknowledgement, is one of empirically grounded, mid-range conceptual analysis and theory. That said, this reviewer takes the view that it is actually a positive sign to see Cox taking his analysis to deeper structural levels, even if it wasn't needed for the purposes of the narratives he has to tell in this book, it does suggest that in future work he will hopefully develop it more. In other words, we should hope and expect that he will have more to say about the structural relationship between transnational power blocs and the systemic features of global profit-making in future contributions.

Within this book, the reader will encounter thorough yet succinct accounts of how transnational capital uses so called "free trade" agreements as well as regional formations such as the EU and NAFTA to facilitate profits and both control and continually lower the share of wages received by the workers who ultimately produce said value. Seemingly, transnational blocs will typically favor "free trade" although Cox also provides astute analysis of how the state capitalist strategy of the People's Republic of China has produced increasing conflict of interest between the Chinese and global investors, helping us better understand the turn of elites to protectionist rhetoric and the desire for a strategic recalibration with a Chinese state that refuses to protect profits in the manner of the liberal capitalist states. As such, Cox provides us with insight into the political economy of Trumpism. Far too many center-left political and labor leaders criticize trade policy without the benefit of the necessary global class analysis. Ultimately, this lack serves only to strengthen the appeal of right-wing demagogues whose xenophobic attacks on trade serve but to obscure the need for an internationalist response to transnational corporate power. The result is the construction of ever more brutal forms of authoritarian-populist hegemonic blocs, slipping from neoliberalism and its attacks on the welfare state and organized labor, towards a neo-fascism that jettisons even rhetorical adherence to formal equality and "inclusion."

In his theoretical conclusions, Cox emphasizes the need for a progressive left internationalism that is both political and economic in scope. He makes astute observations about the extent to which extended value chains necessarily create points at which organized workers gain leverage and could effectively challenge capital with their own transnational power. He is entirely correct in this and here again this reviewer hopes for more in the future for it surely remains the case that to build a better world we need radical theory that will envision both critically and in a practical "problem-solving" way what kind of alternative globalizations are possible, for the left must always be the opponent of reaction, the proponent of a "multiculturalism" that is real and material, in contrast to the rhetorical and shallow versions put forward by liberal ideologies. To hope to achieve such a vision, we need to sharpen our critique of capitalism, our understanding of the politics of markets and the centrality of class conflict. This book does just that and we should all look forward to what more this author has to say about it.