Triumphant capitalism and the future of human, social and economic progress in the post-Cold War era

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Abstract
Purpose – The aim of this paper is to show that there could still be the possibility of a complementary relationship between capitalism and socialism (effective state), so that a higher human, social and economic order is realised.
Design/methodology/approach – The paper is a meta-analytical study, which relied on secondary sources of information. It is a qualitative study that is based on conceptual analysis, theory building and “emic” perspective (authors’ viewpoint).
Findings – With the collapse of the Soviet Union in 1998 and the fall of the famous Berlin Wall, the final victory or triumph of capitalism over its alternatives was heralded. This development saw nations, most especially the developing ones, rushing to infuse themselves into the capitalist global system, which is reflected by the opening of borders to the capitalist onslaught. However, soon after this euphoric capitalist triumphalism, capitalism seems to be heading to another cross-road, which is capable of undermining the aforesaid euphoria. As capital is now set to continue its accumulation, expansion and profitability, unemployment is on the rise, as government ability to create lasting employment has become ineffective due to the privatisation of the public sectors, retrenchment by private business, etc. The state of affairs is exacerbating the crime rate (both within nations and globally), ethnic and global tension, poverty and ill-feeling. Hence, there could be other better global alternatives to the current single capitalist triumphant orthodoxy.
Practical implications – Socialism has failed and capitalism is in the process of failing. Therefore, the only hope left to resurrect socialism and resuscitate capitalism, is a complementary and comprehensive ideological order. In that sense, there is a need to complement the positive aspects of both ideologies.
Originality/value – This paper is original, since no other paper has taken up the topic of “Triumphant capitalism and the future of human, social and economic progress in the post-Cold War era”. The suggestion given in the paper could help to achieve a higher level of human, social and economic progress in the post-Cold War era, most especially in the developing nations.
Keywords Privatization, Socialism, Capitalist systems

Paper type Viewpoint

Introduction
The present state of capitalism seemed very alluring as the doctrine distends like wildfire on a global dimension. Indeed, Turner (2001, p. 4) reported that:

The late 1990s and first half of 2000 marked the apogee of a sort of market triumphalism, a confidence – at least among the Western elites – that capitalism, and in particular, American free market capitalism, was the universal answer to economic problems.
Present day capitalism bears little resemblance to the early form of capitalism and as such, full blown global capitalism has shown its monstrous face after the defeat of the contending alternatives in Russia, the Eastern Europe and other parts of the world as noted by Sklair (2002) in his comment:

By the early 1990s, ruling groups in all the countries of Eastern Europe had abandoned communism and were trying, in a variety of ways, to insert themselves into the capitalist global system.

Thus, as predicted, capitalism has now broken every wall of resistance, penetrating societies and nations as never before imagined. Even nations like India and China which were one time sworn enemies of the pure capitalist system, have finally succumbed to the political ideology of capitalism (Heng, 2000; Kishore, 2003). After years of trade restriction and protectionism followed by series of euphemistic economic policies, the Chinese Government finally decided to liberalise and opened up its borders to the trans-national juggernaut of capitalism.

The first Prime Minister of India, Jawaharlal Nehru (1889-1964), vowed at Independence that the Indian economic policy would uphold the socialist economic pattern that would promote an egalitarian society (Dhar, 1999). When the great Indian statesman was giving his outstanding independence speech of how Indians could include the excluded in the society, he could not imagine that any Indian Government would deviate from the aspirations of the founding fathers of India. However, five decades after his famous speech, a socialist (labour) Indian party (BJP), abandoned the Indian course and surrendered to the economic practices of the bourgeoisie. Evans (1995) put it this way:

By 1990s even an Indian government claiming economic nationalist credentials had succumbed to the economic transnational practices of capitalist globalisation and had open up its economy.

A French Socialist Government privatised more state assets in four years than any government previously in economic history. In November 2000, Bill Clinton’s visit to Vietnam and his invitation to the Vietnamese to embrace the “force of nature” (capitalism) were welcomed with a thunderous applause. Moreover, the great successes achieved in the USA, Britain and other nations that have profitably practised the capitalist doctrine and the demise of nations that have embraced its alternatives, may give powerful credence, to the notion that neo-liberal capitalism was the best of all options and as such, should be adopted by all nations that desire progress. In other words, capitalism is the best and only option to propel any global economic agenda.

From elites of the first and third world the current slogans are deregulation, liberalisation, and privatisation. And the major governments have heeded to these calls to the extent that the Nigerian Government contemplated privatising their Security Printing and Minting Company popularly known as the Mint (where currencies are printed and a symbol of the nation’s security and pride) (Onwuka, 2003). Perhaps, some governments may as well decide to privatisethe central bank or the armed forces of their nation! These occurrences are reflections of the fact that, the triumph of capitalism over socialism was as complete as was the success of American shareholder capitalism over Rhineland stakeholder capitalism (Turner, 2001).

Numerous authors have expressed their views about the present scenario. Some have dubbed it as global capitalism (Hutton and Giddens, 2000; Ross and Trachte, 1990); others have called it globalisation of capitalism or capitalist globalisation.
(Sklair, 2002; Petras and Veltmeyer, 2001). Hall et al. (1998) in concordance with many authors believe that:

[...] our world is being remade. Mass production, the mass consumer, the big city, big brother state, the sprawling housing estate, and the nation-state are in decline: flexibility, diversity, differentiation, and mobility, communication, decentralisation and internationalisation are in the ascendance. In the process our own identities, our sense of self, our own subjectivity are being transformed and we are in transition to a new era.

Enthusiasts such as Francis Fukuyama have gone to the extent of asserting that the triumph of capitalism over its rivals signalled the end of history (Maxim, 2001). However, the Harvard Professor, Huntington (1996) feels that the present scenario could best be captured by the clash of civilisation. In his view:

[...] the future will be decided not by a confrontation between social theories and political orders, as in the days of the Cold War, but by conflicts of religious and cultural origin between civilisations.

The above assertion could presumably be linked to the current resistance in many parts of the world as presently witnessed in Iraq, Iran, Russia, North Korea, Afghanistan and Somalia although these could best be regarded as “pockets” of resistance in the face of “turbo” triumphant capitalism (Martin and Schumann, 1997). Hence, to a certain extent, capitalism seemed unchallenged and has become the goose that lays the golden egg; some sort of a demigod. It can easily be asserted and concluded that the present state of capitalism is indeed glamorous.

Problems with the current capitalist logic
A critical analysis of incidents taking place around the world could lead to a new conclusion that capitalism is actually void of foundation, and as such, lacks future and may not be the true goose that lays the golden egg. Its future is frighteningly bleak and precarious. A period of huge increases in productivity while real wages lag behind is a receipt of over accumulation of capital and its effects (as occurred in the Great Depression of the 1930s). How far are we from that now – with a gargantuan growth in productive capacity around the world in countries with low wages and massive unemployment? The ability of capital to relocate to low-wage countries in order to manufacture commodities that are exported back to the more developed world increases the disparity between productivity and real wages (Giddens, 1993; Dowd, 2002).

The International Labour Organisation (ILO, 1994) stated that:

Global unemployment is at its highest level since the dark days of the depression. A total of 800 million humans are either underemployed or unemployed, which represents a structural unemployment statistic of approximately 30 per cent.

The UN estimated that the world labour force of 2.8 billion people in early 1990s included about 800 million unemployed (120 million of them officially registered as such) and over 700 million underemployed (Simai, 1995; Scholte, 2000). Moreover, with the exception of the newly industrialised countries, most third world nations have experienced dismal shortages of opportunities for waged labour, and the end of centralised planning has also brought large-scale unemployment to most countries in transition (Scholte, 2000). On an international level it is the exception rather than the rule to identify companies which have not endured the traumas of retrenchment. Ultimately, retrenchments are
self-destructive: buying power is eroded and products cannot be sold, leading to further retrenchments in order to maximise profit (Slabbert, 1996). Capitalism is actually at another crossroad and possibly heading to another formidable crisis. How else could we describe a system that puts phenomenal wealth in the hands of few while a significant number of earth’s inhabitants are left to freeze in the coldest element known to man—human indifference? Capitalism by its unnatural constraint on the free flow of wealth decreases the quality of life for many people, while only increasing it for a few individuals (Kowalski, 2000). Furthermore, a momentary thought of the escalating problems of endemic unemployment (Martin and Schumann, 1997), low quality of work life, retrenchment and re-engineering, trans-national movement of fund and corporation, abrasion of state power, crimes and revolution (Kaplan, 2000), the vicious circle of poverty and economic suppressions (Econocides) (Slabbert, 2005), environmental degeneration and moral decadence, all of which are associated with the capitalist trans-national practices, presupposes a new opinion that is inevitable.

Global capitalism appears to be running out of control towards some sort of abyss (Greider, 1997). It produces class polarisation. There are underprivileged individuals and groups in the first world as well as the third world due to expanding capitalism (Slair, 2002). Capitalism is indeed producing some calamitous problems for economic security (Scholte, 2000). However, Neo-liberals considered it “sensible politics” to be defending this social order which has degenerated into a kind of destructive madness, and continued to condemn any leftist contribution to ameliorating the crises as destructive utopianism.

However, under the present circumstances, it would be erroneous to see economic empowerment as a South African phenomenon that exists solely to redress the legacy of apartheid. In a world where one-billion people own 80 per cent of global Gross Domestic Product and two-billion people earn less than $2 per day (Haines, 2001; Sachs, 2005; Chronic Poverty Research Centre), economic empowerment must rapidly become a global issue. As organisations expand, as manufacturing is moved out of developed economies into developing economies and the digital divide narrows, the need for global economic empowerment would definitely become ubiquitous. The notion of moving manufacturing facilities to countries where labour is “cheap” would be no longer sustainable. It is a matter of time before organisations that have relocated their manufacturing operation will be faced with the demand for empowerment and progressive redistribution – not only as a result of government pressure, but also through the realisation that to disregard human potential is to commit productivity suicide (Sawubona In-flight Magazine, 2005). Thus, a democratic and just, humane society on global level, however utopian, seems to be the best long-term guarantee for the continue survival of humanity (Slair, 2002).

This is the very reason that capitalist triumphalism may not be conclusive evidence of the end of other alternatives. Singer (1999) succinctly remarked:

The year 1989, with East European regimes tumbling in quick succession, could have been greeted as a sign that people do count and that obsolete systems are, ultimately, swept away. Instead it was hailed, illogically, as a proof that our system will go on forever.

Remedy and conclusion
In a nutshell, there could be other better global alternatives to the current single capitalist triumphant orthodoxy. This particular view is reinforced by the recurring
protests and confrontations around the world. The first large public protest against the current logic came in Seattle, November 1999 at the WTO Ministerial Conference. This was followed by street protests in Bangkok in February (during the UNCTAD conference), Washington in April (during the World Bank-IMF spring meeting), and in Melbourne (during the Asian Summit of the World Economic Forum), in Prague (during the World Bank-IMF annual meeting), in Cancun, at Doha, to name a few. These popular protests around the world are basic reflections of the majority’s yearning for an alternative ideological cum global order. Hence, as opposed to Francis Fukuyamas assertion, history has not actually ended and there are many symptoms that capitalism may not be the last man standing. There could still be the possibility of a complementary relationship between capitalism and socialism (effective state), so that a higher human, social and economic order is realised. This is actually what Slabbert (1996) termed as “capiscoism” and what the World Bank meant by “developmental state” – a state which is democratic and interventionist in nature, with the capability of regulating the operation of the market forces (The World Bank, 1997). In other words, the state must not be a passive onlooker of the propagandist slogans of capitalist triumphalism but must play a catalytic, facilitating role, encouraging and complementing the activities of private businesses and individuals. This alone would be the best remedy towards a sustainable human, social and economic development in the current post-Cold War era, most especially in the developing nations.

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