Article

Flowback or the End of Globalization

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Abstract

The processes of globalization have often been described by way of the metaphor of 'flows'—flows of people, goods, capital or ideas. Since the recent worldwide economic recession the nature, direction and vectors of those flows have altered, such that it is time to talk about 'flowback' or even the end of globalization. Looking at flows of people and capital in particular, the article proposes that the changes brought about by the recession were always immanent in the processes of globalization itself and that the recession is best seen as a crisis of globalization. Even if a recovery is underway, the processes of globalization will have been altered forever.

Keywords

End of globalization, global flows, labour flows, capital flows, tendency of the rate of profit to fall, capitalist crisis

During the so-called 'Three Amigos' trade talks with his Mexican and Canadians counterparts in February 2014, the chief US negotiator, Mike Froman, appeared certain that the question of globalization was central to those talks. He suggested that 'The question we face is not whether we can roll back the tide of globalization. It's whether we're going to shape it or be shaped by it … do everything that we can to ensure that it reflects our values or let the values of others define it' (Horsley, 2014). If those words had come from the mouth of an Asian or European official, say, 30 years ago, they would have sounded unsurprising. But coming from the mouth of a US official several decades deep into the history of globalization, these words have an oddly old-fashioned ring to them. Not only does Froman rehearse the oldest and hoariest of metaphors to describe globalization ('the tide'), but he speaks as if the US had just suddenly noticed the globalization processes that the rest of the world has known and has been adjusting to for decades now—the very processes, indeed, most of us had imputed to American design. So beyond simply their datedness, Froman's words expose something perhaps a little more novel and unexpected—the possibility that globalization processes are not prima facie under the control of the US and that the US (even the US) is obliged to struggle to 'shape' the consequences of globalization.

It remains to be seen what the official US posture will be in 2014 and in the future towards this newly registered and apparently unstoppable tide of globalization. Froman's words might simply be another symptom of the incompetence of President Obama's administration. Or else they might signal its connivance with the official line of international financial interests, such as those articulated by the World Bank. For most of the time of the Obama presidency, the director of the World Bank, Robert Zoellick, acted as cheerleader-in-chief for the processes of globalization. Even with the world in the throes of a major economic crisis, his repeated message until he stepped down in 2012 was not so much about the end of globalization as about its renewal and intensification. Indeed, for Zoellick and his ilk the recessionary crisis was to be seen as an opportunity that merely expedited a changing of the guard in world economic leadership—from the G7 to the E7 (Emerging Seven: China, India, Brazil, Russia, Turkey, Indonesia and Mexico), such that what was called for was an intensification of the regimes of deregulated growth that had held sway for the previous few decades.[1]

I have argued elsewhere that a central feature of globalization discourse and ideology is that it tends to describe its ideal scenarios of capitalist accumulation and development as if they already had taken hold; indeed, I have dedicated

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a book to this 'dream' element of globalization (Smith, 1998). And this is, perhaps, what has been happening in this alliance between the American administration and the international financial institutions—a case of wishing something into being. However, what is becoming more and more clear is that it is now at minimum an open question as to whether the 'tide' of globalization is still in full flow, or whether it has been in some way thwarted or modulated by the recent economic crisis that gripped—and still grips—the entire globe. It is surprising that so few pundits, scholars and economists in the mainstream want to talk about the recession as being the consequence or the result, exactly, of globalization, but it is the case that a significant number of them are beginning to talk less about the upcoming challenge of globalization and the need to shape its outcomes, or less about the expanded opportunity of an unfettered globalization, and rather more about the end of globalization.

Before that recent recessionary crisis—which, it should be stressed, still engulfs most of the globe and perhaps especially the global North—the prospect of the end of globalization was mooted only very infrequently amongst scholars and commentators. Almost a decade ago John Ralston Saul did garner some attention when he announced that globalization was dead. His book, *The Collapse of Globalism*, warned that essential weaknesses in the North's governmental and political structures were likely to cause the failure of globalization as those structures could be seen to be collapsing under an ever increasing dichotomization of rich and poor, not just in the major economies but globally (Saul, 2005). Saul came close to predicting the financial meltdown of the last decade and he saw that crisis as the ineluctable result of the outrageous self-enrichment of financiers. In this he was arguably correct, as he was in his insistence that the North had insufficient administrative and executive power over the free-running global economy that it had created and encouraged. But in the end Saul's sense of the end of globalization remained a moralistic wishful-thinking rather than an empirical description. From a decidedly more narrowly business approach, Alan Rugman's book, *The End of Globalization*, claims that the actual practice of multinational enterprises gives the lie to many common notions of globalization. Rugman argues that what we often take to be globalization would in fact be more accurately thought of as simply the triadic structure of capital and goods markets centred upon the US, Japan and Europe, a structure in which MNEs usually operate with regional rather than global strategies. Increased levels of trade protectionism amongst those three centres, Rugman argues, both have and will render globalization as such moot (Rugman, 2009).

Neither of the earlier mentioned approaches to the end of globalization have much generalizable potential. Rugman's work is avowedly limited to instrumental use in business strategizing, while Saul's tends towards the moralistic and paints a picture of a wicked world in very broad strokes. Neither, certainly, has the historical ambition of Harold James's work. James, a reliably provocative historian, actually titles one of his books, *The End of Globalization* (James, 2002), and he purports there to prove the imminent collapse of globalization by drawing parallels between contemporary global processes and the nineteenth century globalization that ended in the Great Depression. That book's main thesis is essentially historical but it is based in a somewhat unproven sense of historical phenomena being ordered cyclically. That notion is somewhat clarified in his later book, *The Creation and Destruction of Value: The Globalization Cycle* (James, 2009), where he posits the collapse of the value system of twentieth century and twenty-first century capitalism as part of a regular recurrence of global economic and political depressions and recessions. Whilst James's historical analysis is replete with suggestive possibilities regarding the regular recurrence of pattern and event in the economic world, he is ultimately unable or unwilling to tend to the rather suspect methodological foundations of his work and lands up in a vaguely minatory posture: that is, he argues that because we have seen in the Great Depression how financial crisis leads to resistance to global processes, this is what we will see again as a result of the latest recession. This, of course, remains to be seen.

The interventions I have been looking here at are all salient in their way, pointing to aspects of the processes of globalization that help define it in some way. But by and large even these interventions must ultimately be seen as nothing more than a thread or two in the incessant conversation about the pros and cons of globalization, rather than as demonstrations of, or predictions regarding, the structural demise of the globalizing system of capital itself. For more overt presentation and discussion of the actual evidence that the end of this system is nigh, we have had to wait until 2013. It was not until the dawn of that year that business and economics pundits like Robert J. Samuelson began asking questions like 'Can globalization survive 2013?' (Samuelson, 2012). From a somewhat less liberal perspective David M. Smick, editor of *The International Economy*, asks 'Could globalization crack up?' (Smick, 2012). For each of these commentators the occasion and the opportunity to ask these questions is the realization that the very project and the very idea of globalization have altered since the economic crisis. For the latter globalization is a model that is failing because of the stresses of the recession; for the former, globalization is a kind of natural economic phenomenon that is being organically changed by new economic realities. Both of them see that the recession and the processes of globalization are linked such that at very least the recession thwarts or deviates globalization, or at the most that it ends it. Neither quite gets to the realization that the recession is a necessary consequence of globalization processes, but each understands that there is a connection and that globalization necessarily alters.

The sense that something about globalization has changed, and changed as a direct result of the recession, was given the imprimatur of that most influential of magazines, *The Economist*, in October 2013. Several articles in a special section reporting on the world economy suggest either that 'the forward march of globalization has paused since the financial crisis', or more specifically in terms of finance 'global financial integration has gone into reverse'. Those quotations are the tag lines for two articles that introduce a whole series of questions about how the recession has altered the prospects for global capitalism (*Economist*, 2013).

But what specific evidence can be brought forward to sustain the idea that the globalization model cannot be sustained or that globalization is ending as a process? For Samuelson's US-centric viewpoint the principal evidence concerns the return of jobs, specifically manufacturing jobs, to the US and signs of a general manufacturing revival. This is possible in large part because of the steady rise in labour costs in China, Samuelson suggests, along with shifts in cross-border money flows. According to Smick 'Financial liberalization', or the deregulation of capital flows that had driven some of the huge export-driven trade flows of globalization is 'under worldwide pressure' with the result that greater nationalistic and protectionist sentiments are becoming prevalent, causing a concomitant stagnation of trade as well as a retrenchment in financial investment—'deglobalization', in short. Samuelson sees greater economic stability on a global level: if 'erratic capital flows have triggered financial crises … slower flows may promote stability' (Samuelson, 2012). By contrast, Smick's view of the end of globalization—a phenomenon he describes as the 'proverbial goose that laid the golden egg'—is a good deal more apocalyptic. In addition to simply mourning the curtailment of the supposed bounty brought about by globalization, he sees a dangerous rise in 'geopolitical tensions' and 'a debilitating risk-averse financial environment'. In particular Smick appears to be made very anxious by the prospect of increasing re-regulation and the rise of protectionism. The very same fears haunt the pages of *The Economist*'s special report. Even while clearly wanting to construe an optimistic report on the fate of globalization and wanting to kick-start the globalization processes after the recessionary shock, *The Economist*'s ideologues are nonetheless wary: 'The risk is … that export promotion will shade into protectionism and wasteful industrial policy,' and concomitantly a new 'proliferation of rules and regulations will breed costly bureaucracy and rent-seeking' (*Economist*, 2013, p. 20).

What all three of the texts I have pointed to have in common (aside from their very familiar and unquestioning pro-capitalist and pro-'free-trade' agendas), is the hackneyed language of 'flows'. Even the very earliest scholarly and journalistic accounts of globalization processes deployed that central metaphor and applied it to all kinds of phenomena and data—flows of people, capital, goods, information, ideas, power and so on. George Ritzer's classic textbook on globalization organizes itself almost exclusively around these metaphors of flow, which are themselves in turn dependent upon metaphors about the 'liquidity' or 'gaseousness' (Ritzer, 2010, pp. 2–32). Some of these flows are relatively trivial (such as the often cited 'flow' of foods and cuisines of all kinds from whatever ethnic group to the High Streets of the North), whilst others are clearly major forces (such as the flows of capital or people). The 'flow' metaphor often carries with it connotations of inexorable force and power, construing globalization as in irresistible force sweeping everything out of its path. Even if the central metaphor is complexified and even if, as Ritzer and others elaborate on the central metaphor, there exist interconnected flows, multidirectional flows, reverse flows and so on, the overarching image is of a phenomenon called globalization rushing forward and washing away every obstacle in its way.

But of course this central metaphor of 'flows' has always carried with it the potential connotation of lack of control. The 'flows' and liquidity metaphors not only underscore an element of excess but also suggest a general lack of spatial or temporal fixity. It was inevitable, in that sense, that the flows would take new shapes, burst their own banks, so to speak and even flow backwards. So what we have to entertain now in the wake of the great recession is the notion that the direction, speed and intensity of all those flows have altered significantly in the last few years, to the extent that we can now begin to talk about 'flowback', or at least about new flows, different flows. In other words, at the moment when folk are beginning to talk about the end of globalization, as the currents and circuits of economic power change within the global arena, so too the most legible symptoms of globalization will necessarily change. My claim here is that we are warranted to talk about 'flowback' by dint of the fact that the economic crisis has reversed or significantly altered the very nature, direction and vectorization of the flows that have up until ones defined capitalist globalization. It may be that world is right now perhaps in the moment of some sort of recovery from that economic crisis (though this is of course arguable), and it may be that some kind of restabilization is in process, but my contention is that some part of the original definition of globalization is by now irretrievable.

So what do the changes and shifts in globalization exactly look like on the ground, and what has been (and might yet be) their impact? What are the parameters of 'flowback'? It seems to me the most definitive of the flows that are generally talked about are the phenomena of people movement and of capital flows. The directions or the vectors of labour movement (both transnational and intranational) over the last decades have begun to reverse, or in any event to radically alter in the wake of the global recession. One of the most striking instances of this is from that exemplary globalization site, China. The global recession has essentially caused a massive removal of Chinese workers from industrial centres back to their rural contexts. The BBC reported in 2009 that right after the financial crisis about 15 per cent of China's approximately 130 million migrant workers were then unemployed and that many of them had started to return to their rural hometowns (Hogg, 2009), whilst at the same time more and more such workers had tried to remain closer to their original homes (Wang Zhuoqiong, 2012).

Assuming that the given numbers are anything like correct, then this is something like 20 million people returning to the rural locales which they had forsaken only a few years before. A proper picture of the state of China's employment scenarios is hard to get, of course, but it seems clear that two things have happened. First, unemployment rates have risen causing much social upheaval. And second, wages for those workers still employed have steadily risen. The two things together have had predictable, nay, inevitable consequences for China's external trade, but the consequences are especially visible in terms of its internal labour market and the concomitant political debate and upheaval. It could be argued, in fact, that China's ongoing policies of developing the countryside are at least in part a response to these changes in labour flows, even if the official word is that this is being undertaken in the cause of improving food security. The Chinese government has certainly been obliged over the last few years to intensify its planning for the countryside, increase its investments and improve public services and this all seems to be primarily in an effort at keeping unemployment down.

So the slowing of output from China's industries and a widespread closing of factories contribute to rising unemployment rates as a product of the global financial meltdown, and rising wages for workers in the urban areas have been an important factor with a ripple effect across not just the Chinese context but throughout the global economy. The lesson that globalization exposes is that the hunt for cheap labour does not founder because of a lack of such labour; but precisely because there is always too much of it. Cheap labour is no longer societally cheap when there is too much of it. Perhaps, the weirdest symptom of this reversal in China and a reminder of what is always at stake in the wildfire expansion of industrial production are the several huge cities built specifically to help concentrate labour and production—cities that the recession condemned never to be used and which now stand as empty monuments to pre-recession globalization dreams.[2]

The case of China in this discussion is important in part because of the central role that China's cheap labour forces has played in the expansion of China's economy and because the movements of that labour force were exemplary of the process whereby globalization provoked and sustained labour movement in the cause of the worldwide availability of cheap consumer goods. But it is not only in China that globalization's familiar flows have now shifted. On the international level we can see, for another example, cases such as the emptying of sub-continental workers from Persian Gulf countries, especially Dubai. At the height of globalization's power as many as 4 million Indian, Pakistani and Bangladeshi workers lived and worked in the Gulf region and at the start of the recession 2009 remittances from overseas Indians were estimated at more than US$ 50 billion and that US$ 20 billion of that was from workers in the Gulf. Huge numbers of these workers have now returned home, often to joblessness and to families and communities that no longer will have the benefit of the remittances.

Or else we can see the shifting patterns of migration flows in regard to the United States and its Latin American neighbours. Long a deeply divisive issue within the United States itself, Latino (and especially Mexican) immigration seemed to be an inevitable corollary of the dominant economic position of the United States. But the global economic crisis has changed even that apparent inevitability. A Pew Trust report in 2012 showed that the decades-long trends of Mexican immigration flows into the US had essentially stopped (Pew, 2012). Other reports suggest that that is the result of perhaps a decade-long process that solidified in the years of the recession and that the migrational flows then featured an ever increasing number of immigrants returning to Mexico from the United States. Additionally, *The Wall Street Journal* recently reported a 22 per cent increase in US-born Mexicans being registered for re-entry into Mexico, giving rise to the term, 'the new migrant'.

It goes without saying that questions of migration and the cross-border movement of people are always controversial in the public sphere, especially insofar as they are connected to issues of jobs and in particular job scarcity. In the United States the moment of globalization was attended by great anxiety about job losses and the so-called 'offshoring' of jobs. Indeed, it was a given in the popular imaginary that corporations routinely abandoned American workers in the hunt for cheaper labour elsewhere, and this was indeed a prominent theme in both the presidential elections that straddled the recessionary moment. Since the crisis, however, there has been a discernible trend towards 're-shoring' (in British usage, 'onshoring') as corporations begin to relocate jobs back within the United States (and, concomitantly, in Britain and Europe).

Perhaps the poster child for that reshoring has been Apple. The company said in 2012 that it would begin assembly of a line of Mac computers inside the United States and reduce reliance on Chinese plants. Their move has been accompanied by explanations about the ethical need to stop the super-exploitation of Asian labour and to cease taking advantage of lax labour standards abroad; but the economic motivation is clear—cheap labour in China is no longer cheap. Various other US corporations have had similar epiphanies and have begun to make similar moves,: for example, Caterpillar has closed down its Asian assembly lines and moved jobs to Athens, Georgia; whilst Ford has moved car parts manufacturing jobs away from China, Mexico and Japan back to the US (Zhang, 2012).[3] Robert Samuelson, in the article I cited earlier, points to several other such moves by corporations in various sectors: General Electric, the elevator company Otis, and not to forget the frisbee manufacturer Wham-O, to name just a few (Samuelson, 2012). While it would not be true to suggest that the issue of exponential wage growth in China is the only factor here (other obviously relevant factors include such things as increased shipping costs, or intellectual property issues) it remains the case that capital's profits derive directly from labour and these moves reflect that fact. And even though the North's recovery from the economic crisis appears to be well underway, the tendency towards reshoring/onshoring seems firmly established.[4]

The second major area in which the original definitional 'flows' of globalization have been shifting in remarkable ways is in the area of capital flows itself. Attendant upon the economic crisis, or beginning around 2008, there has been a remarkable shift in the nature of the capital flows that globalization had established. It is true that those shifts have since undergone at least some correction or restabilization as the crisis is managed by Northern governments, but the shifts at the moment of the economic crisis were huge and have still not nearly been countermanded. Ankie Hoogvelt has proposed the term 'involution' to describe the way in which capitalist expansion around the globe has historically intensified 'trade and capital linkages within the core of the capitalist system' and at the same time effected a 'relative, selective, withdrawal of such linkages from the periphery' (Hoogvelt, 2001, pp. 89–90).[5] One result of this involution is, necessarily, that 'the gap which almost a hundred years ago separated the rich world from the poor has widened continuously, both during the periods of capitalist expansion and during the more recent period of 'globalization' and 'involution' (Hoogvelt, 2001, p. 90). Hoogvelt demonstrates in detail that the years of globalization and the supposed financial openness of those years result in a net capital flight from countries of the Third World. This is a change from the pre-war period—when 'nearly 44 percent of all international long-term lending … went to the regions of Africa, Asia and Latin America [and] found its way into the development' of those regions (Hoogvelt, 2001, p. 89)—and instead marked most of the Third World as 'unbankable'. The core-periphery relationship under globalization was characterized, that is, by capital flows that essentially contributed further to global inequality and to the over-accumulation of Northern capital.

The financial recession radically altered that picture of core-periphery capital flows. To put it bluntly, financial globalization essentially collapsed during the recession (and of course its collapse constituted a huge part of the recessionary downward spiral). The McKinsey Global

Institute, one of the most reliable non-governmental observers of global capital flows, suggested in a 2009 report that financial globalization had in fact 'reversed, with capital flows falling by more than 80 percent'. The anxiety at the time was that such reversal of capital flows would cause massive instability in global financial institutions and lead banks and other institutions to sell off overseas holdings and assets and 'bring their money back to their home countries' (McKinsey, 2009, p. 13), thus effectively undermining the very project of globalization. This is indeed what happened, and in fact it was in many ways encouraged by various governmental decisions, particularly those of the Obama administration in the United States. The recession appeared to entail and necessitate a pull back of capital to within national boundaries once again, even if that meant greater scrutiny by regulators and more actual regulation than seemed desirable.

So the financial crisis brought about conditions not of involution, but something rather more like a revolution. That is, whereas globalization had concentrated capital relations in the Northern core and designated peripheral regions 'unbankable', under the new conditions of crisis-induced 'flowback', capital relations became increasingly dispersed and the conditions of international 'bankability' were quickly recast. That is not to say that the normal flows of capital through the financial centres of the North dried up, but certainly less was being put to use overseas as companies and banks turn inward in response to the recession. Even during the (relative) recovery period we are now in, it seems clear that banks in the North are still generally shying away from global projects and returning to something that could more accurately be called national banking again. The McKinsey group's latest report (McKinsey, 2013) does in fact suggest that flows of capital have begun to restabilize, but their assertions are much muted. As they state; 'More than four and a half years after the financial crisis began, we find that recovery has barely started,' and 'cross-border capital flows remain more than 60 percent below their 2007 peak' and 'Global financial assets … have grown by just 1.9 percent annually since the crisis, down from average annual growth of 7.9 percent' in the period from 1990 to the recession.

One of the interesting observations made by the McKinsey report is that 'many banks are winnowing down the geographies in which they operate' and that this retrenchment into national borders again could be seen as 'a healthy correction of the excesses of the bubble years' and yet they remain anxious that this new status quo will threaten long-term growth. Simultaneously, they worry about an 'unsustainable trend' towards an ever larger and ever more leveraged financial sector, and suggest that it was exactly such a growth that was responsible in part for the recession itself. These ideologues of the free-market obviously recognize the dangers in as it were restarting the globalization project and the difficulty of reinstantiating the kind of Northern-centric involution that Hoogvelt discusses. The choice then is between a 'turn inward' that would be seen as stagnation, or else a push for 'a new and more sustainable phase in the history of financial globalization,' another attempt at the globalizing project but one that would try to avoid the mistakes, the 'excesses' of the past; avoiding the mistakes and the excesses of the past. This dream is of the same kind of capitalism that *The Economist* envisages after the recession as the writers of its special report cheerlead obstinately for the unalloyed goodness of free markets and porous borders, even as they fail to recognize the role that the processes of globalization played in the production of the recession itself—or rather, they fail to recognize the role that globalization played in its own demise by producing the worldwide crisis that we have still not completely emerged from. The evident lack of caution and fear about the possibility of trying again, as it were, seems almost comically delusional; at any rate, it is a posture that might do well to heed the truth of Marx's rather obvious insight that capitalism solves any crisis only at the cost of damaging its ability to solve the one thereafter.

There has been a good deal of talk in the media in the last few years about the renewed relevance of Marx's thinking, though it is tolerably clear that very little of that thinking has affected the kind of ideological cheerleaders for capitalist expansion and a renewed globalization that I have been talking about. What those latter will have missed, at minimum, is some sense of how a crisis like the 2008 global recession was in fact the inevitable, perhaps even organic, outgrowth of the very globalization processes that it afflicted. Central to Marx's ideas, of course, is the idea of capital's continual hunt for cheaper and cheaper labour, which nobody can doubt has been a central motif and motive in the drive towards total globalization. But Marx sees the internal contradiction to that quest and one of the ways in which he expresses the contradiction is in his notion of 'the tendency of the rate of profit to fall'. The idea is well-known and, although it seems to be central to Marx's own thought, it has been often critiqued, even from the left[6] But many of the objections to the idea can be put aside once we recall that it refers to a social average rate of profit rather than an empirical set of figures on the books, and if we also recall that it is precisely a tendency (one which in Marx's own terms has many 'offsetting features'). In any case, the basic premise is clear enough and is borne out by not just the recent history of the world economy and its recession, but by the whole history of capitalism. That is, as capitalism invests more and more in what he called fixed capital (the technological and mechanical means of production, raw materials, etc), the more it necessarily squeezes the margins of surplus labour time and thus the potential rate of profitability in production (i.e., the ratio of surplus value to total invested capital becomes smaller and thus reduces available profits). Capital's response to this is to attempt to raise productivity and expand production, thus cheapening commodities and further reducing profits. We have seen this phenomenon writ large in the history of globalization, suggested on the one hand by its double dependence on ever more sophisticated technology and ever cheaper labour, and on the other by its astonishing production of more and more and cheaper and cheaper consumer goods.

Marx is very clear that these phenomena in capitalism are offset in different ways. Or rather, capitalism has at its disposal various mechanisms to counteract a tendential fall in profitability. Many of these ways constitute familiar tactics in capital's struggle against labour, involving adjustments to the working day, to wages, to the cost of fixed capital, and so on. But two aspects that he mentions are especially noticeable in the era of globalization. Indeed, one of them is inherent in globalization itself, namely, an increase in international trade. The huge trade imbalances that have existed and grown under globalization founded in the effort to reduce both industrial costs and consumer costs were always the consequence of increased exploitation of labour. The second mechanism is salient in terms of the precise nature of the recent economic crisis, namely, the increased financialization of capital, and in particular, the use of increasingly byzantine credit instruments. Marx notes frequently that the growth of capital accumulation always entails further exploitation of existing means of production and, at the same time, setting 'into motion all the mainsprings of credit' (Marx, 1972, p. 217). Marx is of course talking about the way that the expansion of capitalist production is continually marked by crises of various sorts, of which the recent recession is an exemplary one, brought about by the over-expansion of production and the super-exploitation of labour. The grotesque and damaging growth of the financial sector and its leverage power in the run up to the crisis is a direct consequence of capital's always having recourse to the credit system to help allay its own crises.

So far I have been talking only about what I see as the two most of the most potent or at least visibly potent flows within globalization, and the two that have most demonstrably changed and shifted as a result of the global recession. But of course, the globalization metaphor of flows has not been confined to the arenas of labour and capital. For instance when Inda and Rosaldo (2008) organize their useful anthology about globalization around the motif of flows they point to five kinds of flow: capital, people, goods, media and ideology. We could easily add to the list or make it more nuanced by thinking for instance about technology, intellectual property, information and so on. The new flows of information, data, news and ideas around the globe under globalization have produced an unprecedented recalculation of and reconceptualization of space, with perhaps the least of the effects of this being the massive rise in travel around the globe for people of all cultures and classes. Equally, new flows of information have established new forms of non-metropolitan culture and discourse and this has been one of the major epistemological challenges of the last decades. Ideas are often ideas about how we lead our lives and thus are political, and one consequence—or perhaps one cause—of the new flows of ideas is a sharpening of political sensibilities around the globe, such that phenomena like the Arab Spring are often attributed to the effects of globalization.

And at the macro-level of politics, new forms and dispositions of international power relations and alliances have sprung up everywhere. Of these new political alliances and cooperations around the globe, many could be considered the political or ideological scions of Bandung and very often they are specifically designed or undertaken in order to counter US or Northern influence and hegemony. Certainly, on the political level, the global South is no longer positioned in relation to the global North in the way that globalization had presumed or required. What is emerging instead is the kind of world that scholars are beginning to describe and analyze as a multipolar world where the flows of power have shifted and been rearranged. For example, scholars as disparate as Radhika Desai and Paul Amar are beginning to map out the vectors of the new arrangements of power and politics, culture and ideology, especially but not exclusively in terms of South–South relationships (Amar, 2014; Desai, 2013).

Whichever of the former definitional 'flows' we focus upon, it is clear that even if we are not at the end of globalization as we have known it, at least something substantial has changed and the conditions of what I am calling for shorthand 'flowback'—at economic, political and human levels—will be the presiding condition for the immediate future. So when the special report in *The Economist* that I have discussed earlier suggests in a short forward-looking essay entitled, 'What kind of capitalism?' that 'the chances are that globalization will not go into reverse' (*Economist*, 2013, p. 20), that seems unlikely. If not 'into reverse', then at least into a recalibration of flows that will make a second attempt at instantiating the globalizing dream deeply problematical for the ideologues of globalization. That is because, as I have been suggesting here, the economic recession that threatened to deflect or derail globalization, to pervert its supposedly ineluctable flows, was (and is still) a consequence of capital's own internal mechanisms. Furthermore, as the crisis developed the means used to end it (to recover) become depleted. The course of globalization, with is decades of expansive fluidity around the world and its overproduction of cheap goods, through the double means of intensified technology and the simultaneous super-exploitation of labour, was always liable to land up in the recessionary crisis that it did, and the exponential expansion of the institutions and instruments of credit was always liable to be part of that crisis, as its supposed solution but actually as its harbinger. Globalization has led, that is, to its own crisis and to its own demise. Even if we share the ideologues's enthusiasm for trying the same wild expansion over again, the least that can be said is that it will be harder next time because of the first crisis. As Marx puts it, 'how does the capitalist get over these crises … by paving the way for more extensive and more destructive ones, and by diminishing the means whereby crises are prevented' (1972, p. 478).

Notes

1. Transcripts of a number of Zoellick's speeches and communiques containing these kinds of messages can be found at the World Bank website pages dedicated to his presidency (World Bank, 2014).
2. See the CBS News report from March 2013, 'China's real estate bubble' at: http://www.cbsnews.com/videos/chinas-real-estate-bubble-50142079/. It's likely that the story is somewhat embellished, but some basic facts remain valid.
3. By Zhang's account a major factor in the re-shoring trend is the increased availability in the US of cheaper energy supplies. While this might be relevant, it would not explain similar reshoring or onshoring in Europe and Britain, and it seems tolerably clear that the major rationale is to be found in the shifting costs of labour.
4. For an enthusiastic industry perspective on reshoring, see 'Reshoring and the Resurgence of US High-Tech Manufacturing' at http://www.todaysengineer.org/2013/jan/reshoring.asp#sthash.AiZnfJTb.dpuf
5. Hoogvelt sees this involution as feature of capitalism's expansive character and so it is not only during the globalization period that we see it occur but at least as far back as the 1880s.
6. Marx deals with this notion in Part III of *Capital Volume III* (Marx, 1974). For a positive account of the relevance of the theory, see Harman (2009, p. 68ff). Harman deals with a number of criticisms of the theory and notes its centrality to Marx who argued that since the rate of profit is capital's obsession, its long-term fall would constitute a prima facie threat to capitalism itself.

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