


Chapter 1

Critical Analysis of the Evolving Process of Neoliberal Global Capitalism

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ABSTRACT

This chapter aims to make a critical analysis of the evolving process of neoliberal capitalism globalization. It begins with the assumption that the neoliberal capitalism system is undergoing a mutation in the globalization processes as a dynamic element in continuous economic and financial crisis representing the development of the logic of capital based on the neoliberal ideology that promotes the free market. The evolving process of globalization is the history of international free trade framed by the classical liberal and neoliberal economic theory. The discussion focuses on a critical analysis of the paradigm of deglobalization as an alternative to the global capitalist regime that proposes local and regional economic protectionism solutions as an alternative to keep growing the national economies but still neglecting social justice and inequality inclusiveness and socio-ecological development.

INTRODUCTION

Neoliberal capitalism is undergoing a mutation, a shift towards deglobalization processes that require the resurgence of the nation-state. Capitalism is always in the process of creative destruction (Schumpeter, 1942), disruptive and in constant crisis, as in the use of digital and automation technologies that, while destroying some ways of working, create others, but also develop new losers and new winners. Globalization constitutes the most dynamic element in developing the neoliberal capitalist system characterized by recurring crises and instability of the system. However, Hardt and Negri (2002) and Browning and

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Kilmister (2006) propose in *Empire* that capitalism has not delineated the processes of globalization but that socialism has also contributed to its characterization.

The economic integration processes have been implemented by an economic model that seeks the financialization of capital through free trade and capital agreements. That has specified international economic relations between countries. This form of economic globalization has been transcendent in the integration and cooperation of economic relations even though it is highly controversial.

Globalization has been described as a process of world economic integration through movements of goods and services, capital, technology, and labor, leading to economic decisions influenced by global conditions (Jenkins, 2004). The Committee for Development Policy defines economic globalization as the increasing interdependence between world economies at the growing integration scale of cross-border flow trade of goods, commodities and services, capital, and technologies.

The concept of globalization as a post-Westphalian phenomenon or as a process extends from movements, interconnectivity, and world economic exchanges to other fields such as social, political, cultural, etc., which Palomares (2006: 27), and more recently, Coppelli Ortiz (2018) consider that weaken the premise of the historical structure of the international Westphalian order and question the paradigms of international law that sustains that national states are entities that have control of their territory and their population, are self-sufficient and sovereign because they do not respond to superior austerities.

In this sense, these two conceptions are complementary, although diverse, to understand the dimensions of the observable phenomenon of globalization, as well as the measurable processes of globalization (García de la Cruz 2008: 72-74). The dimensions of economic globalization group classic productive factors, such as the international movement of goods and services, the free movement of capital, and the transit of people and labor.

Neoliberal global capitalism has been tightening its grip over almost the entire world, weakening regulatory mechanisms to the increasing mobility of capital and giving capitalism an unapologetic face, leading to global socio-economic problems, unprecedented inequality, and environmental degradation (Galent, & Soborski, 2020). As the third international division of labor processes, neoliberal global capitalism includes the specialized segmentation across the world to just produce a single commodity (Neilson, 2020). The factors that characterize globalization are the freedoms of trade, movement of people, and capital movements, which with the emergence of the health crisis have been seriously compromised.

Globalization represents the development of the logic of capital based on the neoliberal ideology that promotes the free market to transform the world into a global market, taking advantage of the trends of the free movement of people, goods, services and capital, the deregulation of international markets, low customs fees, free movement. Globalization is the integration into the markets of goods, services, capital, and people globally, which has come in waves.

The objective of this chapter is to make a critical analysis of the evolving process of neoliberal capitalism globalization. It begins with the assumption that the neoliberal capitalism system is undergoing a mutation in the globalization processes as a dynamic element in ongoing economic and financial crisis representing the development of the logic of capital based on the neoliberal ideology that promotes the free market.

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