

Title: From Bureaucratic Capitalism to Transnational Capitalism

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ABSTRACT

In *Capital*, Karl Marx described the maxim of the capitalism as: “Accumulate, accumulate! That is Moses and the prophets!” This is no less true today, as it was in the nineteenth century. Only those firms that successfully accumulate capital can survive in the competitive process. In the twentieth century, the accumulation of capital became not only the private goal of capitalists but also the public goal of nations. Nations competed among each other for higher international economic and political status. The development of universal suffrage made full employment and the improvement of living conditions a political obligation. Furthermore, the existence of a rival mode of production in the form of a centrally planned socialist economy also helped to make the more rapid growth of each economy a national objective. The nation states came to resemble large corporations seeking ever-faster growth for their survival. Marx called the compelling and self-regulating nature of capital accumulation ‘the law of value’. This paper illustrates the importance of an intermediate type of theory, between abstract theory and concrete analysis, to examine the law of value in various historical capitalist world systems.

As Marx analyzed ‘the law of value’ fully worked in England in the middle of 19 century, which I call market capitalism since it was characterized by coordination of economies by market. Although the structure of capital accumulation was different, it also fully worked in many advanced capitalist economies in 1950s and 60s, which I call bureaucratic capitalism since it was characterized by coordination of economies by well structured bureaucratic systems of oligopolistic corporations and governments. Finally we discuss the possible formation of a transnational capitalism since the 1990s. Many oligopolistic corporations are evolving to transnational corporations, and importance of regional economic blocks is overshadowing the importance of nation states as the unit of the social reproduction. Along with this development, the market is replacing the role of nation states to coordinate economy. We investigate whether these developments would change bureaucratic capitalism into transnational capitalism.