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Texts on globalisation and imperialism:

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The Belle Époque

The twentieth century came to a close in an atmosphere astonishingly reminiscent of that which had presided over its birth—the "belle époque" (and it was beautiful, at least for capital). The bourgeois choir of the European powers, the United States, and Japan (which I will call here "the triad" and which, by 1910, constituted a distinct group) were singing hymns to the glory of their definitive triumph. The working classes of the center were no longer the "dangerous classes" they had been during the nineteenth century and the other peoples of the world were called upon to accept the "civilizing mission" of the West.

The belle époque crowned a century of radical global transformations, marked by the

emergence of the first industrial revolution and the formation of the modern bourgeois nation-state. The process spread from the northwestern quarter of Europe and conquered the rest of the continent, the United States, and Japan. The old peripheries of the mercantilist age (Latin America and the British and Dutch East Indies) were excluded from the dual revolution, while the old states of Asia (China, the Ottoman sultanate, and Persia) were being integrated as peripheries within the new globalization. The triumph of the centers of globalized capital asserted itself in a demographic explosion, which swelled the European population from 23 percent of the world's total in 1800 to 36 percent in 1900. At the same time, the concentration of industrial wealth in the triad created a polarization of wealth on a scale humanity had not witnessed during the entirety of its history. On the eve of the industrial revolution, the disproportion in the social productivity of work between the

most productive fifth of humanity and the remainder had never exceeded a ratio of two to one. By 1900, this ratio was twenty to one.

The globalization celebrated in 1900, even then called "the end of history," was nevertheless a recent fact, emerging during the second half of the nineteenth century. The opening of China and of the Ottoman Empire in 1840, the repression of the Sepoys in India in 1857, and the division of Africa that started in 1885 marked successive steps in the process. Globalization, far from accelerating the process of capital accumulation (a distinct process to which it cannot be reduced), in fact brought on a structural crisis between 1873 and 1896; almost exactly a century later, it did so again. The first crisis, however, was accompanied by a new industrial revolution (electricity, petroleum, automobiles, the airplane), which was expected to transform the human species; much the same is said today about electronics. In parallel, the first industrial and financial oligopolies were created—the transnational corporations (TNCs) of the time. Financial globalization seemed to be establishing itself in a stable fashion (and being thought of as eternal, a familiar contemporary belief) in the form of the gold-sterling standard. There was even talk of the internationalization of the transactions made possible by the new stock exchanges, with as much enthusiasm as accompanies talk of financial globalization today. Jules Verne was sending his hero (English, of course) around the world in eighty days—for him, the "global village" was already a reality.

The political economy of the nineteenth century was dominated by the figures of the great classics—Adam Smith, Ricardo, then Marx and his devastating critique. The triumph of fin-de-siècle globalization brought to the foreground a new "liberal" generation, driven by the desire to prove that capitalism was "unsurpassable" because it expressed the demands of an eternal, transhistorical rationality. Walras, a central figure in this new generation (whose discovery by contemporary economists is no coincidence), did everything he could to prove that markets were self-regulating. He had as little success proving it then as neoclassical economists have today.

The ideology of triumphant liberalism reduced society to a mere multiplication of individuals. Then, following this reduction, it was asserted that the equilibrium produced by the market both constitutes the social

optimum and guarantees stability and democracy. Everything was in place to substitute a theory of imaginary capitalism for an analysis of the contradictions in real capitalism. The vulgar version of this economistic social thought would find its expression in the manuals of the Briton Alfred Marshall, the bibles of economics at the time.

The promises of globalized liberalism, as they were then vaunted, seemed to be coming true for a while during the belle époque. After 1896, growth started again on the new bases of the second industrial revolution, oligopolies, and financial globalization. This "emergence from the crisis" sufficed not only to convince organic ideologues of capitalism—the new economists—but also to shake the bewildered workers' movement. Socialist parties began to slide from their reformist positions to more modest ambitions: to be simple associates in managing the system. The shift was very similar to that found today in the discourse of Tony Blair and Gerhard Schröder. The modernist elites of the periphery also believed that nothing could be imagined outside the dominant logic of capitalism.

The triumph of the belle époque lasted less than two decades. A few dinosaurs, still young at the time (Lenin, for instance!), predicted its downfall but no one heard them. Liberalism, or the attempt to put into practice the individualist "free market" utopia—what is, in fact, the unilateral domination of capital—could not reduce the intensity of the contradictions of every sort that the system carried within itself. On the contrary, it sharpened them. Behind the cheerful hymns sung by the workers' parties and trade unions as they mobilized for the cause of capitalist-utopian nonsense, one could hear the muted rumble of a fragmented social movement, confused, always on the verge of exploding, and crystallizing around the invention of new alternatives. A few Bolshevik intellectuals used their gift for sarcasm with regard to the narcotized discourse of the "rentier political economy," as they described the "pensée unique" of the time—the hegemonic rules of "free market" thought. Liberal globalization could only engender the system's militarization in relations among the imperialist powers of the era, could only bring about a war which, on its cold and warm forms, lasted for just over thirty years—from 1914 to 1945. Behind the apparent calm of the belle époque it was possible to discern the

rise of social struggles and violent domestic and international conflicts. In China, the first generation of critics of the bourgeois modernization project were clearing a path; their critique—still in its babbling stage in India, the Ottoman and Arab world, and Latin America—would finally conquer the three continents and dominate three-quarters of the twentieth century.

The Thirty Years' War (1914–1945)

Between 1914 and 1945, the stage was held simultaneously by the thirty years' war between the United States and Germany, over who would inherit Britain's defunct hegemony, and by the attempts to contest, contain, and control—by any available means—the alternative hegemony described as the construction of socialism in the Soviet Union.

In the capitalist centers, both victors and vanquished in the war of 1914–1918 attempted persistently—against all the odds—to restore the utopia of globalized liberalism. We therefore witness a return to the gold standard; a colonial order maintained through violence; and economic management, regulated during the war years, once again liberalized. The results seemed positive for a brief time, and the 1920s saw renewed growth, pulled by the dynamism of the new mass automotive economy in the United States and the establishment of new forms of assembly line labor (parodied so brilliantly by Charlie Chaplin in "Modern Times"). But these developments would find ready ground for generalization, even within the core capitalist countries, only after the Second World War. The 1920s restoration was fragile and, as early as 1929, the financial underpinnings—the most globalized segment of the system—collapsed. The following decade, leading up to the war, was a nightmare. The great powers reacted to recession as they would again in the 1980s and 1990s, with systematically deflationist policies that served only to aggravate the crisis, creating a downward spiral characterized by massive unemployment—all the more tragic for its victims because the safety nets invented by the welfare state did not yet exist. Liberal globalization could not withstand the crisis; the monetary system based on gold was abandoned. The imperialist powers regrouped in the framework of colonial empires and protected zones of influence—the sources of the conflict that would lead to the Second World War.

Western societies reacted differently to the

catastrophe. Some sank into fascism, choosing war as a means of reshuffling the deck on a global scale (Germany, Italy, Japan). The United States and France were the exceptions and, through Roosevelt's New Deal and the Front Populaire in France, launched another option: that of market management ("regulation") through active state intervention, backed by the working classes. These formulas remained timid and tentative in practice, however, and were expressed fully only after 1945.

In the peripheries, the collapse of the belle époque myths triggered an anti-imperialist radicalization. Some countries in Latin America, taking advantage of their independence, invented populist nationalism in a variety of forms: in Mexico, during the peasant revolution of the 1910s and 1920s; in Argentina, during Perónism in the 1940s. In the East, Turkish Kemalism was their counterpart. Following the 1911 revolution, China was torn by a long civil war between bourgeois modernists—the Kuo Min Tang—and communists. Elsewhere, the yoke of colonial rule imposed a delay several decades long on the crystallization of similar national-populist projects.

Isolated, the Soviet Union sought to invent a new trajectory. During the 1920s, it had hoped in vain that the revolution would become global. Forced to fall back on its own forces, it followed Stalin into a series of Five-Year Plans meant to allow it to make up for lost time. Lenin had already defined this course as "Soviet power plus electrification." The reference here is to the new industrial revolution—electricity, not coal and steel. But "electrification" (in fact, mainly coal and steel) would gain the upper hand over the power of the Soviets, emptied of meaning.

This centrally planned accumulation was, of course, managed by a despotic state, regardless of the social populism that characterized its policies. But then, neither German unity nor Japanese modernization had been the work of democrats. The Soviet system was efficient as long as the goals remained simple: to accelerate extensive accumulation (the country's industrialization) and to build up a military force that would be the first one capable of facing the challenge of the capitalist adversary, by beating Nazi Germany and then ending the American monopoly on atomic weapons and ballistic missiles during the 1960s.

After the War: from High Growth (1945–

1970)

to Crisis (1970–present)

The Second World War inaugurated a new phase in the world system. The takeoff of the postwar period (1945–1975) was based on the three social projects of the age, projects that stabilized and complemented each other. These three social projects were: a) in the West, the welfare state project of national social democracy, based on the efficiency of productive interdependent national systems; b) the "Bandung project" of bourgeois national construction on the system's periphery (development ideology); and c) the Soviet-style project of "capitalism without capitalists," existing in relative autonomy from the dominant world system. The double defeat of fascism and old colonialism had indeed created a conjuncture that allowed the popular classes, victims of capitalist accumulation, to impose variously limited or contested but stable forms of capital regulation and formation, to which capital itself was forced to adjust, and which were at the roots of this period of high growth and accelerated accumulation.

The crisis that followed (which started between 1968 and 1975) is one of the erosion, then the collapse, of the systems on which the previous takeoff had rested. This period, which has not yet come to a close, is therefore not that of the establishment of a new world order, as is too often claimed. Rather, this period is characterized by chaos that has not been overcome—far from it. The policies implemented under these conditions do not constitute a positive strategy of capital expansion but simply seek to manage the crisis of capital. They have not succeeded because the "spontaneous" project produced by the unmediated, active domination of capital, in the absence of any framework imposed by social forces through coherent and efficient reaction, is still a utopia: that of world management through what is referred to as "the market"—that is, the short-term interests of capital's dominant forces.

In modern history, phases of reproduction based on stable accumulation systems are succeeded by periods of chaos. In the first of these phases, as in the postwar takeoff, the succession of events gives the impression of a certain monotony, because the social and international relations that make up its architecture are stabilized. These relations are therefore reproduced through the functioning of the dynamics of the system. In these

phases— and to the complete confusion of all "methodological individualists"—active, defined, and precise sociohistorical subjects are clearly visible (active social classes, states, political parties, and dominant social organizations). Their practices appear to form a clear pattern and their reactions are predictable in most circumstances; the ideologies that motivate them benefit from a seemingly uncontested legitimacy. At these moments, conjunctures may change, but the structures remain stable. Prediction is then possible, even easy. The danger arises when we extrapolate too much from these predictions, as if the structures in question were eternal and marked "the end of history." Analysis of the contradictions that riddle these structures is then replaced by what the postmodernists rightly call "grand narratives," "the laws of history." The subjects of history disappear, making room for supposedly objective structural logics.

But the contradictions of which we are speaking do their work quietly, and one day the "stable" structures collapse. History then enters a phase that may be described later as transitional, but which is lived as a transition toward the unknown, during which new historical subjects crystallize slowly. These subjects inaugurate new practices, proceeding by trial and error, and legitimize them through new ideological discourses, often confused at the outset. Only when the processes of qualitative change have matured sufficiently do new social relations appear, defining post-transitional systems that are capable of sustained self-reproduction.

The postwar takeoff allowed for massive economic, political, and social transformations in all regions of the world. These transformations were the product of social regulations imposed on capital by the working and popular classes. They were not the product (and here liberal ideology is demonstrably false) of a logic of market expansion. But these transformations were so great that, despite the disintegrating process to which we are currently subject, they have defined a new framework for the challenges that confront the world's peoples now, on the threshold of the twenty-first century. For a long time—from the industrial revolution at the beginning of the nineteenth century to the 1930s (in the Soviet Union) or the 1950s (in the third world)—the contrast between the center and the peripheries of the modern world system was almost identical to the

opposition between industrialized and non-industrialized countries. The rebellions in the peripheries—and in this respect the socialist revolutions in Russia and China and national liberation movements were alike—revised this schema by engaging their societies in the modernization process. Industrialized peripheries appeared; the old polarization was revised. But then a new form of polarization came into clear view. Gradually, the axis around which the world capitalist system was reorganizing itself, and which would define the future forms of polarization, constituted itself on the basis of the "five new monopolies" that benefitted the countries of the dominant triad: the control of technology; global financial flows (through the banks, insurance cartels, and pension funds of the center); access to the planet's natural resources; media and communications; and weapons of mass destruction.

Taken together, these five monopolies define the framework within which the law of globalized value expresses itself. The law of value is hardly the expression of a "pure" economic rationality that can be detached from its social and political frame; rather, it is the condensed expression of the totality of these circumstances. It is these circumstances—rather than a calculus of "rational," mythical individual choices made by the market—that cancel out the extent of industrialization of the peripheries, devalue the productive work incorporated in these products, and overvalue the supposed added value attached to the activities through which the new monopolies operate, to the benefit of the centers. They therefore produce a new hierarchy in the distribution of income on a world scale, more unequal than ever, while making subalterns of the peripheries' industries. Polarization finds its new basis here, a basis which will dictate its future form.

The industrialization that social forces, energized by the victories of national liberation, imposed on dominant capital produced unequal results. Today, we can differentiate the frontline peripheries, which have been capable of building productive national systems with potentially competitive industries within the framework of globalized capitalism, and the marginalized peripheries, which have not been as successful. The criteria that separates the active peripheries from the marginalized is not only seen in the presence of potentially competitive industries: it is also political.

The political authorities in the active peripheries—and, behind them, all of society (including the contradictions within society itself)—have a project and a strategy for its implementation. This is clearly the case for China, Korea, and to a lesser degree, for certain countries in Southeast Asia, India, and some countries in Latin America. These national projects are confronted with globally dominant imperialism; the outcome of this confrontation will contribute to the shape of tomorrow's world.

On the other hand, the marginalized peripheries have neither a project (even when rhetoric like that of political Islam claims the opposite) nor their own strategy. In this case, imperialist circles "think for them" and take the initiative alone in elaborating "projects" concerning these regions (like the European Community's African associations, the "Middle Eastern" project of the United States and Israel, or Europe's vague Mediterranean schemes). No local forces offer any opposition; these countries are therefore the passive subjects of globalization.

This brief overview of the political economy of the transformation of the global capitalist system in the twentieth century must include a reminder about the stunning demographic revolution that has taken place on the periphery. The proportion of the global population formed by the populations of Asia (excluding Japan and the USSR), Africa, Latin America, and the Caribbean was 68 percent in 1900; it is 81 percent today.

The third partner in the postwar world system, comprised of the countries where "actually existing socialism" prevailed, has left the historical scene. The very existence of the Soviet system, with its successes in extensive industrialization and military accomplishments, was one of the principal motors of all the grand transformations of the twentieth century. Without the "danger" that the communist model represented, Western social democracy would never have been able to impose the welfare state. The existence of the Soviet system, and the coexistence it imposed on the United States, reinforced the margin of autonomy available to the bourgeoisie of the South.

The Soviet system, however, did not manage to pass to a new stage of intensive accumulation; it therefore missed out on the new (computer-driven) industrial revolution with which the twentieth century ended. The reasons for this failure are complex; still, this

failure forces us to place at the center of our analysis the antidemocratic drift of Soviet power, which was ultimately unable to internalize the fundamental urgency of progress toward socialism demanded by the conditions that confronted it. I refer here to progress toward socialism as represented by the intensification of exactly that democratization of economy and society that would be capable of transcending the conditions defined and limited by the framework of historical capitalism. Socialism will be democratic or it cannot exist: this is the lesson of this first experience of the break with capitalism.

Social thought and the dominant economic, sociological, and political theories that legitimized the practices of autocratic, national-welfare-state development in the West, of the Soviet system in the East, and of populism in the South were largely inspired by Marx and Keynes. The new social relations of the postwar period, more favorable to labor, would inspire the practices of the welfare state, relegating the liberals to a position of insignificance. Marx's figure, of course, dominated the discourse of "actually existing socialism." But the two preponderant figures of the twentieth century gradually lost their quality as originators of fundamental critiques, becoming the mentors of the legitimation of the practices of state power. In both cases, there was a shift toward simplification and dogmatism.

Critical social thought moved, then, during the 1960s and 1970s, toward the periphery of the system. Here the practices of national populism—a poor version of Sovietism—triggered a brilliant explosion in the critique of "actually existing socialism." At the center of this critique was a new awareness of the polarization created by capital's global expansion, which had been underestimated, if not purely and simply ignored, for over a century and a half. This critique—of actually existing capitalism, of the social thought that legitimated its expansion, and of the theoretical and practical socialist critique of both—was at the origin of the periphery's dazzling entry into modern thought. Here was a rich and variegated critique—which it would be a mistake to reduce to "dependency theory," since this social thought reopened fundamental debates on socialism and the transition toward it. Furthermore, this critique revived the debate on Marxism and historical materialism, understanding from the start the

necessity of transcending the limits of the Eurocentrism that dominated modern thought. Undeniably inspired for a moment by the Maoist eruption, it also initiated the critique of both Sovietism and the new globalism glimmering on the horizon.

The Fin-de-Siècle Crisis

Starting between 1968 and 1971, the collapse of the three postwar models of regulated accumulation opened up a structural crisis of the system reminiscent of that of the end of the nineteenth century. Growth and investment rates fell precipitously (to half of their previous levels); unemployment soared; pauperization intensified. The percentages used to measure inequality in the capitalist world increased sharply; the wealthiest 20 percent of humanity increased their share of the global product from 60 to 80 percent in the last two decades of this century.

Globalization has been fortunate for some. For the vast majority, however—especially for the peoples of the South subjected to unilateral structural adjustment policies, and those of the East locked into a dramatic social demolition—it has been a disaster.

But this structural crisis, like its predecessor, is accompanied by a third technological revolution, which profoundly alters modes of labor organization, and (in the face of a fierce attack by global capital) divests the old forms of worker and popular organization and struggle of their efficiency and therefore of their legitimacy. The fragmented social movement has not yet found a formula strong enough to meet the challenges posed. But it has made remarkable breakthroughs in directions that enrich its impact: principally, women's powerful entry into social life, as well as a new awareness of environmental destruction on a scale which, for the first time in history, threatens all highly organized forms of life on this planet. Thus as the capitalist center's "five new monopolies" came gradually into view, an emerging multipolar global social movement (that is its potential counterweight, alternative, and successor) had elements already visible in outline.

The management of the crisis, based on a brutal reversal of relations of power in capital's favor, has made it possible for liberal "free market" recipes to impose themselves anew. Marx and Keynes have been erased from social thought and the "theoreticians" of "pure economics" have replaced analysis of the real world with that of an imaginary

capitalism. But the temporary success of this highly reactionary utopian thought is simply the symptom of a decline—witchcraft taking the place of rationality—that testifies to the fact that capitalism is objectively ready to be transcended.

Crisis management has already entered the phase of collapse. The crises in Southeast Asia and Korea were predictable. During the 1980s, these countries (and China as well), managed to benefit from the world crisis through greater involvement in world exchanges (based on their "comparative advantage" of cheap labor), attracting foreign investment but remaining on the sidelines of financial globalization, and (in the cases of China and Korea) inscribing their development projects in a nationally controlled strategy. In the 1990s, Korea and Southeast Asia opened up to financial globalization, while China and India began to shift in the same direction.

Attracted by the region's high growth levels, the surplus of floating foreign capital flowed in, producing not accelerated growth but asset inflation in stocks and real estate. As had been predicted, the financial bubble burst only a few years later. Political reaction to this massive crisis has been new in several respects—different from that provoked by the Mexican crisis, for instance. The United States, with Japan following closely, attempted to take advantage of the Korean crisis to dismantle the country's productive system (under the fallacious pretext that it was controlled oligopolistically!) and to subordinate it to the strategies of U.S. and Japanese oligopolies. Regional powers attempted to resist by challenging the question of their insertion into financial globalization through reestablishing exchange controls in Malaysia or by removing immediate participation from their list of priorities in China and India.

This collapse of the financial dimension of globalization forced the G7 countries (the group of seven most advanced capitalist countries) to envisage a new strategy, provoking a crisis in liberal thought. It is in light of this crisis that we must examine the outline of the counterattack launched by the G7. Overnight, they changed their tune: the term "regulation," forbidden until then, reappeared in the group's resolutions. It became necessary to "regulate international financial flows." Joseph Stiglitz, chief economist of the World Bank at the time, suggested a debate on defining a new "post-

Washington consensus." But this was too much for the current mouthpiece of U.S. hegemony, Treasury Secretary Lawrence Summers, who saw to Stiglitz's removal.

U.S. Hegemony Attacks—the Twenty-First Century

Will Not Be American

In this chaotic conjuncture, the United States took the offensive once more, in order to reestablish its global hegemony and accordingly to organize the world system in its economic, political, and military dimensions. Has U.S. hegemony entered its decline? Or has it begun a renewal that will make the twenty-first century America's?

If we examine the economic dimension in the narrow sense of the term, measured roughly in terms of per capita Gross Domestic Product (GDP), and the structural tendencies of the balance of trade, we might conclude that American hegemony, so crushing in 1945, receded as early as the 1960s and 1970s, with the brilliant resurgence of Europe and Japan. The Europeans bring it up continuously, in familiar terms: the European Union is the first economic and commercial force on a world scale. The statement is hasty, however. For, if it is true that a single European market does exist, and even that a single currency is perhaps emerging, the same cannot be said of a European economy (at least not yet). There is no such thing as a "European productive system;" such a productive system, on the contrary, can be spoken of in the United States. The economies set up in Europe through the constitution of the historical bourgeoisie in the relevant states, and the shaping within this framework of autocentric national productive systems (even if these are open, even aggressively so), have stayed more or less the same. There are still no European TNCs: only British, German, or French TNCs. Capital interpenetration is no denser in inter-European relations than in the bilateral relations between each European nation and the United States or Japan. If Europe's productive systems have indeed been eroded, and if "globalized interdependence" has weakened them to such an extent that national policies lose a good deal of their efficiency, this is precisely to the advantage of globalization and the (U.S.) forces that dominate it, not to that of "European integration," which does not yet exist.

The hegemony of the United States rests on a second pillar, however: that of military

power. Built up systematically since 1945, it now covers the whole of the planet, which is parceled out into regions—each under the requisite U.S. military command. This hegemony had been forced to accept the peaceful coexistence imposed by Soviet military might. Now that page has turned and the United States has gone on the offensive to reinforce its global domination. Henry Kissinger summed it up in a memorably arrogant phrase: "Globalization is only another word for U.S. domination." This American global strategy has five aims: to neutralize and subjugate the other partners in the triad (Europe and Japan), while minimizing their ability to act outside the orbit of the United States; to establish military control over NATO while "Latin-Americanizing" the fragments of the former Soviet world; to exert uncontested influence in the Middle East and Central Asia, especially over their petroleum resources; to dismantle China, ensure the subordination of the other great nations (India and Brazil), and prevent the constitution of regional blocs potentially capable of negotiating the terms of globalization; and to marginalize the regions of the South that represent no strategic interest.

The favored instrument of this hegemony is therefore military, as the highest-ranking representatives of the United States never tire of repeating. This hegemony, which guarantees the superiority of the triad over the world system, therefore demands that America's allies agree to follow in its wake. Great Britain, Germany, and Japan make no bones (not even cultural ones) about this imperative. But this means that the speeches about Europe's economic power (with which European politicians shower their audiences) have no real significance. By positioning itself exclusively on the terrain of mercantile squabbles, Europe (which has no political or social project of its own) has lost before the race has even started. Washington knows this well.

The principal body that implements Washington's chosen strategy is NATO, which explains why it has survived the collapse of the adversary that constituted the organization's *raison d'être*. NATO still speaks today in the name of the "international community," expressing its contempt for the democratic principle that governs this community through the UN. Yet NATO acts only to serve Washington's aims—no more

and no less—as the history of the past decade, from the Gulf War to Kosovo, illustrates.

The strategy employed by the triad, under U.S. direction, takes as its aim the construction of a unipolar world organized along two complementary principles: the unilateral dictatorship of dominant TNC capital and the unfurling of a U.S. military empire, to which all nations must be compelled to submit. No other project may be tolerated within this perspective, not even the European project of subaltern NATO allies, and especially not a project entailing some degree of autonomy, like China's, which must be broken by force if necessary.

This vision of a unipolar world is being increasingly opposed by that of a multipolar globalization, the only strategy that would allow the different regions of the world to achieve acceptable social development, and would thereby foster social democratization and the reduction of the motives for conflict. The hegemonic strategy of the United States and its NATO allies is today the main enemy of social progress, democracy, and peace.

The twenty-first century will not be America's century. It will be one of vast conflicts, and the rise of social struggles that question the ambitions of Washington and of capital. The crisis is exacerbating contradictions within the dominant classes. These conflicts must take on increasingly acute international dimensions, and therefore pit states and groups of states against each other. One can already discern the first hints of a conflict between the United States, Japan, and their faithful Australian ally on the one hand, and China and other Asian countries on the other. Nor is it difficult to envisage the rebirth of a conflict between the United States and Russia, if the latter manages to extricate itself from the nightmarish spiral of death and disintegration into which Boris Yeltsin and his U.S. "advisors" have plunged it. And if the European Left could free itself from submission to the double dictates of capital and Washington, it would be possible to imagine that the new European strategy could be intertwined with those of Russia, China, India, and the third world in general, in a necessary, multipolar construction effort. If this does not come about, the European project itself will fade away.

The central question, therefore, is how conflicts and social struggles (it is important

to differentiate between the two) will be articulated. Which will triumph? Will social struggles be subordinated, framed by conflicts, and therefore mastered by the dominant powers, even made instruments to the benefit of those powers? Or will social struggles surmount their autonomy and force the major powers to respond to their urgent demands?

Of course, I do not imagine that the conflicts and struggles of the twenty-first century will produce a remake of the previous century. History does not repeat itself according to a cyclical model. Today's societies are confronted by new challenges at all levels. But precisely because the immanent contradictions of capitalism are sharper at the end of the century than they were at its beginning, and because the means of destruction are also far greater than they were, the alternatives for the twenty-first century are (more than ever before) "socialism or barbarism."

Michael Hardt

Some of the worst tragedies of human history occur when elites are incapable of acting in their own interest. The waning years of ancient Rome, for example, were full of misguided political and military adventures that brought death and destruction to the elites, their allies and their enemies alike. Unfortunately we are again facing such a situation.

It seems inevitable that the United States will soon conduct a full-scale war in Iraq. The US is also engaged in a war on terrorism that may extend to all regions of the globe. And, most importantly, the US has embarked on a foreign policy of "security" that dictates that it not merely react to threats but anticipate them with pre-emptive strikes.

These military adventures are one sign that the US is fast becoming an imperialist power along the old European model, but on a global scale. It is imposing itself as the active and determining centre of the full range of world affairs, military, political, and economic. All exchanges and decisions are being forced, in effect, to pass through the US.

The ultimate hubris of the US political leaders is their belief that they can not only force regime change and name new leaders for various countries, but also actually shape

the global environment - an audacious extension of the old imperialist ideology of mission civilisatrice. Regime change in Iraq is only the first step in an ambitious project to reconstruct the political order of the entire Middle East. And their designs of power extend well beyond that.

Many political and economic elites around the world, however, do not favour the creation of a new US imperialism. One common view is that European political leaders generally oppose US unilateralism because it excludes them and prefer instead multilateral political and military solutions. What are most significant, however, are not the conflicting interests that separate US elites from others, but rather their common interests.

The common interests of the global elites are most visible in the economic sphere. Business leaders around the globe recognise that imperialism is bad for business because it sets up barriers that hinder global flows. The potential profits of capitalist globalisation, which whet the appetites of business elites everywhere only a few years ago, depend on open systems of production and exchange. This is equally true for the captains of capital in the US. Even for the US industrialists drunk on oil, their real interests lie in the potential profits of capitalist globalisation.

Their common interests are equally visible from the perspective of security. It is foolish to believe that the removal of a few malefactors, such as Osama bin Laden and Saddam Hussein, will provide security. Not even the US leaders have the illusion that this war will bring peace. They see it rather as a long-lasting and perhaps interminable war driven by continually emerging threats. US military actions will, in fact, most likely only feed the antagonisms created by the inequalities of wealth and power around the world, increasing exponentially the insecurity of global elites. This is doubly true for US elites since unilateral military actions paint a bull's-eye on the US for anyone seeking to attack the centre of global domination.

However, there is an alternative to US imperialism: global power can be organised in a decentred form, which Toni Negri and I call "empire". This is not merely a multilateral coalition of leading nation states. Think of it as multilateralism squared. Empire is a network composed of different kinds of powers, including the dominant nation states, supranational organisations, such as the United Nations and the IMF, multinational

corporations, NGOs, the media, and others. There are hierarchies among the powers that constitute empire but despite their differences they function together in the network.

This decentred network power of empire corresponds to the interests of global elites because it both facilitates the potential profits of capitalist globalisation and displaces or defuses potential security threats. Once empire is firmly established as the prevailing form of global rule, those who oppose the domination of global elites in the name of equality, freedom, and democracy will certainly find ways to struggle against it. But that does not mean that we prefer imperialism today.

We can be confident that in the long run their real interests will lead global elites to support empire and refuse any project of US imperialism. In the coming months, and perhaps years, we may face a tragedy that we read about in the darkest periods of human history, when elites are incapable of acting in their own interest.

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Ellen Wood

Let me start with a provocative claim, which is contrary to all the conventional wisdom. The claim I want to make is that this historical moment, the one we're living in now, is the best not the worst, the most not the least appropriate moment to bring back Marx. I'll even claim that this is the moment when Marx should and can come fully into his own for the first time—not excluding the historical moment when he actually lived.

I'm making this claim for one simple reason: we're living in a moment when, for the first time, capitalism has become a truly universal system. It's universal not only in the sense that it's global, not only in the sense that just about every economic actor in the world today is operating according to the logic of capitalism, and even those on the outermost periphery of the capitalist economy are, in one way or another, subject to that logic. Capitalism is universal also in the sense that its logic—the logic of accumulation, commodification, profit-maximization, competition—has penetrated just about every aspect of human life and nature itself, in ways

that weren't even true of so-called advanced capitalist countries as recently as two or three decades ago. So Marx is more relevant than ever, because he, more effectively than any other human being then or now, devoted his life to explaining the systemic logic of capitalism.

In the *Communist Manifesto*, there is a striking and prophetic image of capitalism spreading throughout the world, battering down all Chinese walls, as Marx and Engels put it. But when Marx wrote *Capital*, he—rightly—emphasized the specificity of capitalism, as a very particular and, for the moment, local phenomenon. He didn't mean, of course, that capitalism didn't already have global effects, through the international market, colonialism, and so on. But the system itself was very far from being universal. It would inevitably spread, but for the moment it was very localized—not just confined to Europe or North America but, at least in its mature industrial form, to one place in particular, England. He even felt compelled to explain to the Germans that some day they too would follow in the footsteps of England: *de te fabula narratur*, he warned them. You may think this is a story only about England, but whether you know it or not, this story is also about you.

So Marx's *Capital* derives its distinctive character from this simple fact: that it is about one capitalist system, as if it were a self-enclosed system, and about the internal logic of that system. Now I'll come back to this in a minute, and to why, paradoxically, the localized quality of Marx's analysis makes it more, not less, relevant to our current condition, even though, or precisely because, capitalism is so universal. But first, I want to say some things about the development of Marxism after Marx, and also about the new forms of left anti-Marxism that have followed.

My main point is this: nearly every major development of Marxism in the 20th century has been less about capitalism than about what is not capitalist. (I'll explain what I mean in a second.) This is especially true of the first half of the 20th century, but I would argue that the tendency I'm talking about here has affected Marxism ever since. What I mean is that the major Marxist theories, like Marx, proceeded on the premise that capitalism was far from universal; but where Marx started with the most mature example and abstracted from it the systemic logic of capitalism, his major successors started, so to speak, from

the other end. They were mainly interested—for very concrete historical and political reasons—with conditions that, on the whole, weren't capitalist. And there was an even more basic difference: whatever Marx may have thought about the global expansion of capitalism, or the possible limits on its expansion, that wasn't his primary concern. He was mainly interested in the internal logic of the system and its specific capacity to totalize itself, to permeate every aspect of life wherever it did implant itself. Later Marxists, besides being concerned with less mature capitalisms, generally started from the premise that capitalism would dissolve before it matured, or certainly before it became universal and total; and their main concern was how to navigate within a largely non-capitalist world.

Just think about the major milestones in 20th century Marxist theory. For instance, the major theories of revolution were constructed in situations where capitalism scarcely existed or remained undeveloped and where there was no well developed proletariat, where the revolution had to depend on alliances between a minority of workers and, in particular, a mass of pre-capitalist peasants. Even more striking are the classic Marxist theories of imperialism. In fact, it's striking that the theory of imperialism in the early 20th century almost replaces or becomes the theory of capitalism. In other words, the object of Marxist economic theory becomes what you might call the external relations of capitalism, its interactions with non-capitalism and the interactions among capitalist states in relation to the non-capitalist world.

For all the profound disagreements among the classical Marxist theorists of imperialism, they shared one fundamental premise: that imperialism had to do with the location of capitalism in a world that wasn't—and never would be—fully, or even predominantly, capitalist. Take, for instance, the basic Leninist idea that imperialism represented "the highest stage of capitalism." Underlying that definition was the assumption that capitalism had reached a stage where the main axis of international conflict and military confrontation would run between imperialist states. But that competition was, by definition, competition over division and redivision of the world, that is, a largely non-capitalist world. The more capitalism spread (at uneven rates), the more acute would be the rivalry among the main imperialist

powers. At the same time, they would face increasing resistance. The whole point—and the reason imperialism was the highest stage of capitalism—was that it was the final stage, which meant that capitalism would end before the non-capitalist victims of imperialism were finally and completely swallowed up by capitalism.

The point is made most explicitly by Rosa Luxemburg. The essence of her classic work in political economy, *The Accumulation of Capital*, is to offer an alternative to Marx's own approach. It is meant to be precisely an alternative to Marx's analysis of capitalism as a self-enclosed system. Her argument is that the capitalist system needs an outlet in non-capitalist formations—which is why capitalism inevitably means militarism and imperialism. Capitalist militarism, having gone through various stages beginning with the straightforward conquest of territory, has now reached its "final" stage, as "a weapon in the competitive struggle between capitalist countries for areas of non-capitalist civilization." But one of the fundamental contradictions of capitalism, she suggests, is that "Although it strives to become universal, and, indeed, on account of this tendency, it must break down—because it is immanently incapable of becoming a universal form of production." It is the first mode of economy that tends to engulf the whole world, but it is also the first that can't exist by itself because it "needs other economic systems as a medium and soil."¹ So in these theories of imperialism, capitalism by definition assumes a non-capitalist environment. In fact, capitalism depends for its survival not only on the existence of these non-capitalist formations but on essentially pre-capitalist instruments of "extra-economic" force, military and geo-political coercion, and on traditional forms of colonial war and territorial expansion.

And so it goes on, in other aspects of Marxist theory too. Trotsky's notion of combined and uneven development, with its corollary notion of permanent revolution, probably implies that the universalization of the capitalist system will be short-circuited by capitalism's own demise. Gramsci was writing very consciously in the context of a less developed capitalism, with a pervasive pre-capitalist peasant culture. And this surely had a lot to do with the importance he attached to ideology and culture, and to intellectuals, because something was needed to push class

struggle beyond its material limits, something was needed to make socialist revolution possible even in the absence of mature material conditions of a well developed capitalism and an advanced proletariat. In a different way, the same is true of Mao. And so on.

What I'm saying, then, is that non- or pre-capitalism permeates all these theories of capitalism. Now all of these Marxist theories are profoundly illuminating in various ways. But in one way, they seem to have been proved wrong. Capitalism has become universal. It has totalized itself both intensively and extensively. It's global in reach, and it penetrates to the heart and soul of social life and nature. This doesn't, by the way, necessarily mean the disappearance of the nation-state. It may just mean new roles for nation-states, as the logic of competition imposes itself not only on capitalist firms but on entire national economies, which, with the help of the state, conduct their competition less in the old "extra-economic" and military ways than in purely "economic" forms. Even imperialism now has a new form. People like to call it "globalization," but that's really just a code-word, and a misleading one at that, for a system in which the logic of capitalism has become more or less universal and where imperialism achieves its ends not so much by the old forms of military expansion but by unleashing and manipulating the destructive impulses of the capitalist market. Anyway, though this universalization of capitalism has certainly exposed some fundamental contradictions in the system, we have to admit that there's no sign of its demise in the near future.

So what theoretical response has there been to this new reality? Well, to begin with, you could say that there's been a real paradox here: the more universal capitalism has become, the more people have moved away from classical Marxism and its main theoretical concerns. This is certainly true of post-Marxist theories and their successors, but I suppose you could argue that it's true even of more recent forms of Marxism—say, the Frankfurt School, or the tradition of Western Marxism in general. For instance, the famous shift from the traditional Marxist concern with political economy to culture and philosophy in some of these cases seems to be related to the conviction that the totalizing effects of capitalism have penetrated every aspect of life and culture—and also that the

working class has been thoroughly absorbed into that capitalist culture. (I happen to think, by the way, that there may be another explanation for this shift, which has to do not with the universalization of capitalism but, on the contrary, with the ways in which pre-capitalist forms still pervade the consciousness of thinkers like the Frankfurt School—but I don't have time to go into that here, and anyway, I'm far from being able to make a coherent argument about it.)²

The point I want to make is this: there are, I think, two possible ways of responding to the universalization of capitalism. One is to say that if, contrary to all expectations, capitalism has after all become universal instead of dissolving before it had a chance to totalize itself, this is truly the end. This can only be the system's final triumph. I'll come back to the other possible response, but this one, the defeatist one, the one that represents the other side of the coin of capitalist triumphalism, is the one that has generally taken hold of the left today.

This is where post-Marxist theories come in—and I think that to understand them, it's useful to consider them against the background of the Marxist theories I've been talking about here. If you look at the history of so-called post-Marxism, you'll find that it started from the premise that capitalism has indeed become universal. In fact, for post-Marxists the universality of capitalism is precisely the reason for abandoning Marxism. You might think this is a bit odd, but the reasoning goes something like this: the universal capitalism of the postwar world is dominated by liberal democracy and a democratic consumerism, and both of these have opened up whole new arenas of democratic opposition and struggle, which are much more diverse than the old class struggles. The implicit—though sometimes more explicit—conclusion is that these struggles can't really be against capitalism, since it's now so total that there really is no alternative—and it's probably the best of all possible worlds anyway. So in this universal system of capitalism, there can be, can only be, lots of fragmented particular struggles within the interstices of capitalism.

Post-post-Marxist—or maybe postmodernist—theories have gone one step further. Now, it's not even just a question of a universal capitalism. Now, capitalism is so universal that it's basically invisible, as air is to us human beings, or as water is to fish. We can

play around in this invisible medium, and maybe we can even carve out little enclaves, little sanctuaries, of privacy, seclusion, and freedom. But we can't escape—or even see—the universal medium itself.

So is this the right conclusion to draw from the universality of capitalism? I don't suppose I'll surprise anyone if I say that I'm convinced it's precisely the wrong conclusion. I happen to think that the disposition to reach that conclusion has something to do with the historical roots of the generation—admittedly my own generation—which has produced these varieties of post-Marxism and postmodernism. I think it has a lot to do with the fact that these people are still rooted in the golden age of the long postwar boom. I've been very impressed for some time with the degree to which the theorists of the so-called 60s generation, and even their students whose recent experience has been very different, have been shaped by the assumptions of the postwar boom. In other words, they haven't yet learned to dissociate the universality of capitalism from capitalist growth, prosperity, and success, or apparent success, and they take for granted its total hegemony.

But if these theories seem to have bought into capitalist triumphalism, it may also be partly because of the intellectual background of 20th century Marxism. Against that background and its assumptions about the limits of capitalism, maybe it's hard to imagine any other measure of success than its capacity to spread throughout the world. It's as if the limits of capitalism can be measured only by the limits of its geographic expansion. And if it proves itself capable of breaching those geographic limits—as it now apparently has—it must surely be judged an unchallengeable success.

But suppose we go back to Marx and to his internal analysis of capitalism as a self-enclosed system—which I think the very totality of capitalism actually entitles us to do. We really can begin to look at the world not as a relationship between what's inside and what's outside capitalism but as the working out of capitalism's own internal laws of motion. And that might make it easier to see the universalization of capitalism not just as a measure of success but as a source of weakness. Capitalism's impulse to universalize itself isn't just a show of strength. It's a disease, a cancerous growth. It destroys the social fabric just as it destroys nature. It's a

contradictory process, just as Marx always said it was. The old theories of imperialism may not have been strictly right to suggest that capitalism can't become universal, but it's certainly true that it can't be universally successful and prosperous. It can only universalize its contradictions, its polarizations between rich and poor, exploiters and exploited. Its successes are also its failures.

Now, capitalism has no more escape routes, no more safety valves or corrective mechanisms outside its own internal logic. Even when it's not at war, even when it's not involved in the old forms of inter-imperialist rivalry, it's subject to the constant tensions and contradictions of capitalist competition. Now, having more or less reached its geographic limits and ended the spatial expansion that supported its earlier successes, it can only feed on itself; and the more successful it is on its own terms—in other words, the more it maximizes profit and so-called growth—the more it devours its own human and natural substance. So maybe it's time for the left to see the universalization of capitalism not just as a defeat for us but also as an opportunity—and that, of course, above all means a new opportunity for that unfashionable thing called class struggle.

NOTES

1. Rosa Luxemburg, *The Accumulation of Capital* (London: Routledge and Kegan Paul, 1963), p. 467.

2. For those few readers who may be interested in this point, let me just give a very sketchy idea of what I have in mind. I think, for example, that the Frankfurt School was in a sense more preoccupied with bourgeois society than with capitalism (which to me are not the same thing, as I suggested, for instance, in "Modernity, Postmodernity, or Capitalism?," *Monthly Review* 48 no. 3, July-August 1996). So the famous shift from political economy to culture and philosophy may have had to do not just with an intellectual shift of focus from the material to the ideological, but with a focus on a different material reality. It had at least a little to do with a view of society in which the main axis of division was not capital vs labour but non-capitalist bourgeoisie (especially, in the German model, a bourgeois of intellectuals and bureaucrats) vs the "masses." And the problem is further complicated by the fact that these critics of bourgeois society and culture themselves belonged to that very particular kind of bourgeoisie, were steeped in

its culture, and (dare I say it?) sometimes shared its contempt for the masses. But leaving that complication aside, the point is that this form of theory may not only be seeing capitalism from a different angle but may have one eye fixed on a different, pre-capitalist social world.

John Rees (abridged)

... If we want to understand why our world has become so much more unstable and violent we must examine the longer term economic and political processes that culminated in the wars of the last decade.

Globalisation

The huge extension of international trade, finance and production by multinational corporations is at the core of most people's understanding of the term 'globalisation'. And this meaning does indeed capture an important part of what has been happening to the world economy. But it is worth being more precise about the different pace of development in each of these three areas.

Capitalism has always been an international trading system, and as the system has grown the volume and extent of trade have grown with it. International trade tripled between 1870 and 1913, as Europe and America industrialised. The slump and protectionism in the inter-war period curtailed international trade, but US arms spending and its hegemony of the post Second World War global economy led to renewed growth. The value of world exports grew from \$315 billion in 1950 to \$3,447 billion in 1990. And post-war trade has been much more a trade in manufactured goods, and much more between industrialised nations, than the earlier period of exchange of manufactured goods from industrialised countries for the raw materials of less developed, peripheral economies.²

The growth in international financial transactions has been even more spectacular. The ratio of foreign exchange transactions to world trade was nine to one in 1973. By 1992 it had risen to 90 to one. International bank lending has also grown dramatically. As a proportion of world trade it was 7.8 percent in 1965, but by 1991 it had risen to 104.6 percent. There has also been a massive growth in the market for government debt. This has led to a huge expansion of

government bonds held in the hands of 'foreigners'.³

International production has been slower to develop than international trade and finance. Much of what is commonly thought to be new about globalisation refers to this process of creating international networks of production by means of foreign direct investment (FDI). The stock of FDI in the world economy increased from \$68 billion in 1960 to \$1,948 billion in 1992. This marked a percentage increase of FDI in world production from 4.4 percent to 8.4 percent over the same period. But over 90 percent of FDI is concentrated in ten developed countries, and about 66 percent originates in the US, Germany, Britain and Japan.⁴

This international extension of the capitalist system has undoubtedly enhanced the power of major multinational corporations. On one estimate, the top 300 transnational corporations account for 70 percent of FDI and 25 percent of the world's capital. The sales of the largest 350 corporations account for one third of the combined gross national product of the advanced capitalist countries.⁵ But we should be careful in attributing all the enhanced powers of these corporations to the growth of the world market, as the more economic accounts of globalisation tend to suggest. There have been some crucial 'political magnifiers' that have enhanced the impression of an unstoppable growth in the power of multinational corporations.

The great cycle of defeats for the working class which began in the mid-1970s are at least as important in explaining the growing power of big business in the last 25 years. These defeats were central in undermining the welfare state consensus that had prevailed among governing elites since the 1950s. This in turn paved the way for the neo-liberal economic orthodoxy that has done so much to facilitate and legitimise globalisation. In particular this process helped transform the notion of the state from one in which government acted as a balance and corrective to market forces into an ideology of government as the handmaiden and advocate of big business. The reality was, of course, that the state remained the closest ally of big business.

And without the fall of the Berlin Wall and the advance of Western-style capitalism in Russia and Eastern Europe, the ideology of globalisation simply would not have had the purchase that it achieved in the last ten years.

After all, what would globalisation be if half the industrial world had still been beyond its reach? But the Berlin Wall did fall, and the economies of Eastern Europe suffered the full force of the gale of 'creative destruction'. The triumph of the market was shortlived, its consequences hard felt, and the instability it brought a major factor in the drive to war.

This is why it is important to record the failure of globalisation. The spread of neo-liberal doctrines and the deregulation they promote has led to disastrous economic consequences for much of the globe. The World Bank's figures on poverty give us one important indicator:

These figures, rapidly becoming the most quoted economic figures in the world, show that about one quarter of the world's population is below the lower poverty line (\$1 a day) and about half below the upper poverty line (\$2). The percentages have declined very slowly in the two poorest regions, South Asia and sub-Saharan Africa, and quite sharply in China and other parts of East Asia, but they have risen sharply in the countries of the former Soviet Union. Over the ten years covered by these estimates the total number of poor people in the world...has either stayed about the same or risen.⁶

These figures do not cover the period in which the South East Asian economies collapsed after the 1997 crash. And neither do they tell us about the growing inequality between rich and poor even in those societies, like China, where industrialisation is lifting the general standard of living. The cumulative effect of this process is to create economic turmoil, social dislocation and political conflict. And in this soil the seeds of war are sown.

The state and globalisation

The role of the state has certainly been significantly altered by globalisation, but it has not been weakened. Even in the area of direct government 'interference' in the economy, the devil supposedly banished by the Reagan-Thatcher years, the facts are at variance with the ideology. From the Savings and Loans rescue by the American Federal Reserve during the last recession to the handouts given to the ailing airline industry in the current recession, there is a lot more 'Keynesianism' around than the free market boosters would like to admit.

Neither have the international and domestic police functions of the state been at all diminished by the growth in international

production. To give only one pertinent domestic example, the growth of international production has created, as it must, an international working class and therefore a global labour market. This in turn creates an international migration of labour, just as early industrialisation sucked labour from the land into the mill towns, northern cities and metropolis of 19th century Britain. The attempt to control this process to its own advantage has enormously increased the police powers of the state over immigration and asylum issues.

Internationally the state remains indispensable in underpinning the activities of multinationals. There are no proposals, even from the most hysterical free marketeers, to return to the infancy of the capitalist system, when corporations like the East India Company would employ their own troops. Armed action or the threat of armed action by the state remains the last resort for every capitalist corporation whose markets or production facilities are endangered by international rivals, be they states, other corporations or restive foreign populations unconvinced of the virtues of the free market.

This economic and military relationship with the state is one hallmark of capitalism in the 20th century. And although the fall of the Stalinist states and the privatisation policies of many governments give the impression that this relationship has weakened, this is in fact not the case. It has long been understood, for instance, that the US arms industry's private firms are utterly dependent on the state underwriting their existence.

These, then, are the senses in which the role of the state remains consistent with its past. But globalisation has also set in train some contradictory trends. Crucially, globalisation has accelerated the trend for states to attempt to control the development of the system through international and intergovernmental organisations. The World Trade Organisation, the International Monetary Fund and the World Bank are all US-led institutions designed to shape the global economy. The European Union seeks to make European capital an effective competitor in the world market. And NATO has long been the security arm of Western capital. These and a host of other similar bodies mostly predate the current phase of globalisation, but they have gained renewed prominence because of the growth of the system. None of the institutions can override the authority of

the nation-states that compose them. They are as much the site of conflict and paralysis as they are the embryo of 'international government', but they do mark an attempt, particularly by the major states, to coordinate a response to the unruly powers unleashed by the growth of market forces. This then is the supranational trend enhanced by globalisation.

In reaction to this process a renewed nationalism is also being fuelled. This can take a number of forms. Those nations impoverished by globalisation and excluded from the elite clubs of the major powers can react by refurbishing a nationalist response. This has been a constant motif in Russian politics and in the politics of the Balkan successor states ever since the collapse of Stalinism, in China, in Iraq, and in Indonesia since the fall of Suharto. Even at the core of the system the fear and insecurity, the sense of powerlessness induced in ordinary people when they are confronted by private and state bureaucracies of international dimensions, find expression in the reactionary nationalism of, for instance, Haider and Berlusconi.

The search for a stable cultural identity in the midst of a changing and unpredictable world also fuels many nationalist movements that seek to break apart current nation-states. Scottish nationalism, Basque separatism and Palestinian nationalism have their more or less muscular, more or less progressive counterparts around the globe. The rise of Islam must also be seen in this context.

The dual process that is working its way through the system was first noticed by Lenin and Bukharin during the First World War. Modern capitalism involves two contradictory drives: the first is the centralisation of capital on a national scale and therefore its ever closer relationship with the state; the second is the internationalisation of the system, the growth of multinationals and international trade. It is the contradiction thrown up by this paradox that, again and again in the last century, had to be resolved by war or revolution.

There is one final response to the process of globalisation and the internationalisation of state power which has the greatest potential to express a real alternative to the global ruling elite--the revolt from below. This revolt stretches from the strikes and protests against privatisation, like the struggle against water privatisation in Bolivia, through the

general strikes in Africa, to the near-insurrectionary movements that overthrew Milosevic and Suharto. It is a revolt that is far from homogeneous in methods or aims. Its subjects would not necessarily recognise each other as allies nor agree on strategy or tactics. But for all its variegation, this revolt has gradually taken on an increasingly widespread and self-conscious form in the last ten years. The emergence of a global anti-capitalist movement since the great Seattle demonstration of 1999 has provided a common language and identified a common enemy in a way that has not been true of any international movement of revolt since the defeat of the last great upturn in struggle in the mid-1970s.

We will return to the prospects for this movement. But now we must look at how the process of globalisation, and the network of state and supra-state institutions, have given rise to war in the last ten years....

Almost nothing was known about the issue of Caspian oil and gas resources outside the oil industry and some specialist publications when the Balkan War began. Indeed, the then British foreign secretary, Robin Cook, thought that any link between the Balkan War and these resources was so astounding that he took the time to ridicule the idea in the *New Statesman*.⁹ But during the course of the war and its aftermath information accumulated that proved the anti-war critics correct and the minister misinformed.

There can now be little doubt of the oil and gas reserves that lie in the Caspian and Central Asian region. For instance, Ahmed Rashid's authoritative account argues:

The Caspian represented possibly the last unexplored and unexploited oil-bearing region in the world, and its opening up generated huge excitement amongst international oil companies. Western oil companies have shifted their interest first to Western Siberia in 1991-1992, then to Kazakhstan in 1993-1994, Azerbaijan in 1995-1997 and finally Turkmenistan in 1997-1999. Between 1994-1998, 24 companies from 13 countries signed contracts in the Caspian region.¹⁰

One careful estimate of the oil reserves in the region records:

Most of the oil and gas reserves in the Caspian region have not been developed, and in many areas...remain unexplored. Proven oil reserves for the entire Caspian Sea region...are estimated at 15-29 billion barrels, comparable to those in Western Europe (22

billion barrels) or the North Sea (17 billion barrels).

Proven natural gas reserves are even larger...comparable to North American reserves. The prospect of potentially huge hydrocarbon reserves is part of the allure of the region... While this is not enough to create another Middle East, the region's possible reserves could yield, if they become proven, a quarter of the Middle East's total proven reserves.¹¹

Robin Cook's main objection to seeing a strategic importance for the oil lobby in the Balkan War was that the oilfields of the Caspian were thousands of miles away from the Balkans. But as playwright Harold Pinter responded, 'To get oil from the Caspian Sea into the hands of the West you can't use buckets. You need pipelines, and those pipelines have to be installed and protected'.¹² But Robin Cook need not have taken the word of a vociferous opponent of US imperialism like Pinter. He need only have asked his staff to supply him with the words, spoken only a year before the Balkan War, by US Energy Secretary Bill Richardson:

This is about America's energy security... It is also about preventing strategic inroads by those who don't share our values. We are trying to move these newly independent countries toward the West. We would like to see them reliant on Western commercial and political interests rather than going another way. We've made a substantial political investment in the Caspian, and it's very important to us that the pipeline map and the politics come out right.¹³

Or he might have taken the words, also spoken in 1998, of then Russian president Boris Yeltsin:

We cannot help seeing the uproar stirred up in some Western countries over the energy resources of the Caspian. Some seek to exclude Russia from the game and undermine its interests. The so-called pipeline war is part of this game.¹⁴

The US government was committed to finding a pipeline route that avoided both Russia and Iran. This point was first demonstrated in practice during the 1999 Balkan War, when plans were advanced for the pipeline from Baku to Ceyhan in Turkey, from where oil would be shipped westward through the southern Mediterranean and Aegean. The completion of the pipeline from Baku to Suspa on the Black Sea, from where oil would move onward through the Bosphorus

Straits, made the point a second time. US Secretary of State on Caspian Basin Energy Issues, John Wolf, had announced on 9 July 1999 that the US Trade and Development Office (UTDO) would give between \$600,000 to \$800,000 for expansion of the Baku-Suspa line. But, as the US analysts Strategic Forecasts report, 'this manoeuvre only completes half the picture':

The US still wants to avoid a confrontation with Turkey about environmental issues in the Straits. Thus, in late June, the UTDO acknowledged that it was exploring other options regarding oil transport in the region, including a proposed Trans-Balkan pipeline from the Bulgarian port of Burgos through Macedonia to the Albanian ports on the Mediterranean. The UTDO said the construction of an additional pipeline out of the region was likely, although it stressed that it was 'firmly committed' to the Baku-Ceyhan pipeline project. As relations between Moscow and Washington continue to deteriorate on a strategic level, and as the situation in Chechnya becomes increasingly unstable on a tactical level, the prospect of eliminating Russia from the oil transport picture becomes more enticing to both the US government and Western oil companies... There is a marked shift to make enlargement of the Baku-Suspa route and a Trans-Balkan pipeline an imperative, and to close this issue once and for all.¹⁵

And after the war the revival of plans for a Bulgarian-Balkan pipeline made the point a third and definitive time. On 2 June 1999 the US Trade and Development Agency (TDA) awarded:

... a \$588,000 grant to the Bulgarian Ministry of Regional Development and Public Works to partially fund a feasibility study on the development of a trans-Balkan pipeline, which will cross Bulgaria, FYR Macedonia and Albania, ultimately linking the oil resources of the Black Sea and Caspian Sea region with Western Europe... 'The competition is fierce to tap energy resources in the Caspian region,' said TDA Director J Joseph Grandmaison. 'Over the last year, TDA has been actively promoting the development of multiple pipelines to connect these vast resources with Western markets. This grant represents a significant step forward for this policy and for US business interests in the Caspian region'.¹⁶

Since this award was made the consortium involved has given a final completion date for

the pipeline as 2005. No such project could have continued without a NATO victory in the Balkan War.

But the Balkan War was about much more than oil--it encouraged the imperial ambitions of the NATO powers in the Caspian region and beyond to Central Asia. There had already been military contacts with the former Soviet republics, but the Balkan War accelerated this process. At the same NATO summit in Washington where Poland, Hungary and the Czech Republic became members there were informal discussions about the formation of a loose alliance of Caspian and Central Asian states. The name of this alliance was GUUAM, after the initials of Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova. At the same Washington summit Javier Solana, the former defence minister in the Socialist Party government of Spain, secretary general of NATO during the Balkan War, and now European Union foreign policy chief and Middle East envoy, insisted that NATO could not be fully secure without bringing the Caucasus into its security zone.¹⁷

Even before the Balkan War the US 'Partnership for Peace' programme and Cenbat, the Central Asian peacekeeping battalion, were extending the diplomatic and military reach of the Western powers deep into this new zone of conflict. In one training mission in 1997 US paratroopers from the 82nd Airborne landed in Kazakstan to join operations with local troops after a 23-hour flight from Fort Bragg. NATO advice had already been offered during military manoeuvres by Ukraine, Azerbaijan and Georgia designed to protect the Baku-Suspa oil pipeline.¹⁸ The Strategic Research Development Report 5-96 of the US Centre for Naval Warfare Studies describes the Partnership for Peace as:

Activities of... forces that provide dominant battlespace knowledge necessary to shape regional security environments. Multinational exercises, port visits, staff to staff coordination--all designed to increase force inter-operability and access to regional military facilities--along with intelligence and surveillance operations... [So] forward deployed forces are backed up by those which can surge for rapid reinforcement and can be in place in seven to 30 days.¹⁹

What was happening was an opening up of the great swathe of the globe dominated by Eastern Europe, Russia, the Caspian and Central Asian states to Western multinationals

and military strategists after their long Cold War exclusion. In many ways it marked a reversion to patterns of interstate conflict that predated the rise of the Stalinist states in Eastern Europe and, indeed, even the Russian Revolution. The Balkans were, of course, the arena in which the 'Eastern Question' was fought out in the second half of the 19th century. Then the major powers were fighting for advantage as another old empire, this time the Ottoman Empire, collapsed. Then, as now, the area represented a gateway to the east and the southern Mediterranean.

Part of what lay further east was the Caspian region. 'Do you know how they pronounce Baku in the United States?' the journalist John Reed asked his audience when he spoke in that city at the 1919 People's Congress of the East. 'Oil' was the answer. And indeed the Caspian had long been the site of rivalry between British, Russian, French, Turkish and other imperial interests. It was again in the Second World War when Hitler drove east before running short of fuel and being defeated at Stalingrad. His plan was to take the saving prize of Caspian resources, and then to drive south for the even greater prize of Persia and Iraq.

Afghanistan, the current site of conflict, has a no less inglorious imperial past. Standing as the buffer between India, the jewel in Britain's imperial crown, and Russia's south eastern empire bordering China, and astride the old Silk Road east-west trading route, Afghanistan could not fail to find itself the battleground of empires. The very phrase 'the Great Game', coined to denote this rivalry, was first used here. So it is again today. The Russians are still players, but the British, long gone out of India, return only on the vapour trails of the United States.

There is unfolding across the whole of this region from the Balkans to Afghanistan a 21st century 'Scramble for Africa'. Like the original, there are certainly enough economic motivations to fuel this enterprise--not just oil and gas, but some new markets for other commodities, new arms contracts, new sources of cheap labour. But, also like the original, the scramble for Asia does not solely involve proven economic advantages. Just the prospect, even the unproven prospect, of new materials and markets is enough for corporations and states to want to exclude their competitors. Diplomatic, strategic or military advantage, even where no immediate economic gain is likely, is enough to motivate

governments.

In this respect the close links--geographical, economic and political--with the pivotal location of modern imperial rivalry, the Middle East, would be enough to make both the Caspian and Central Asia central to the concerns of the Western powers. The stability of Saudi Arabia and the other Gulf states, still a far greater reservoir of oil than anywhere else, has been a central concern for the imperial powers for more than a century. This is why the Gulf War was the first decisive episode of the new imperialism. But the fate of this area is now bound up with the larger zone of conflict.

Just consider two basic points. The whole debate about oil pipelines in the Caspian, the Balkans and Turkey is driven by the fact the Western states and corporations do not want to export through either Iran or Russia--despite the fact that both are favoured by the oil companies because they are cheaper than the options now being developed. And the search for alternative oil and gas reserves and alternative pipelines, the 'multiple pipeline routes' strategy that is now official US policy, is driven by fear of dependence on the Middle East alone. Finally, the course of the war in Afghanistan has demonstrated beyond doubt that the stability of Israel, Saudi Arabia and, perhaps, Egypt rests on the conduct and outcome of that conflict. As US ambassador Nathan Nimitz argued, 'Pax NATO is the only logical regime to maintain security in the traditional sense...[and] must recognise a need for expansion of its stabilising influence in adjacent areas, particularly in south eastern Europe, the Black Sea region (in concert of course with the regional powers...) and in the Arabian/Persian Gulf. The United States must continue to play the major role in this security system'....

The Bush cabinet itself is a remarkable group of people. Vice-president Dick Cheney is an oil executive and the former Secretary of Defence. Condoleezza Rice is the director of a transnational oil corporation and a Russian scholar. Secretary of State Colin Powell has no diplomatic training but was, of course, chair of the Joint Chiefs of Staff during the Gulf War. Donald Rumsfeld, Secretary of Defence, is a former chief executive officer of Searle Pharmaceuticals and was, with Dick Cheney, the featured speaker at the Russian-American Business Leaders Forum in May 2000. Rumsfeld and his deputy, Paul Wolfowitz,

argued passionately for action to overthrow Saddam Hussein in the late 1990s. It is safe to say that the central concerns of this group are oil, Russia and the military.

In any case, the real barrier to the 'expansionists' lies less in the internal divisions in the American ruling class and more in the limits of American power. And, for all that US power seems unassailable, the truth is that it has very real limitations.

The basic paradox underlying the US imperial project at the beginning of the 21st century is this--it has military capability beyond the reach of most of its competitors, but it does not have the economic capability to rebuild a world economy repeatedly suffering recession and slow growth at its core, and devastation in much of its periphery. This contrasts with the highpoint of American hegemony in the immediate post Second World War period. Then the proportion of American economic power in the world economy as a whole was much greater, underpinning its political and military reconstruction of Europe, and its inheritance of responsibility for those areas of the world left behind by the retreat of European colonialism.³⁰ Then arms spending by America could sustain the longest boom in the history of capitalism. Now, however much it may assist the US economy in the short term, arms spending is not capable of once more lifting the world economy into a period of expansion in which growth rates are once again double the current average for the industrialised economies.

This economic context has profound relevance to the fate of the Eurasian zone of conflict that we have been examining. Globalisation and the opening up of the Russian sphere of influence have ensured an economic and military rush into this area by the US and other Western powers. But the economic aspect of this has certainly been no new Marshall Plan capable of bringing the prosperity that so many assumed would follow the collapse of Stalinism. The Russian economy itself underwent a disastrous crisis in the 1990s, deepened by the South East Asian crash in 1997. In the former Soviet republics much investment has been promised but relatively little has been delivered, especially if we exclude oil and gas related resources. And in the period 1997-1999 Central Eurasia's trade with the rest of the world declined by 40 percent. The consequence is that since 1997 life

expectancy, literacy, and fertility and nutrition levels have fallen in nearly every country in the region. Population growth in Kyrgyzstan fell by 31 percent in 1999, in Armenia by 25 percent in 1998, and in Afghanistan by an average of 15 percent a year.³¹

All this is a long way from the 'prosperous corridor' dreamt of by the best and the brightest at the NSC in the mid-1990s. Now the US and the other major powers have a darker vision of their purpose in the region. As the 1990s progressed, they were inclined to see it as an extension of Afghanistan--described by one Indian expert as 'the perpetual vortex of a storm that spews forth all manner of evil'.³² Conveniently forgetting their own part in creating this storm, 'all the major powers with interests in Central Eurasia regard maintaining stability there as the most important issue'.³³

So where globalisation has failed, the military must step in. This is the pattern time and again in relation to the oil pipelines. The Baku-Ceyhan pipeline was delayed for a long period by the Turkish state's inability to deal with the Kurdish revolt. The Baku-Suspa route was imperilled by Chechen separatists who, on one occasion, blew up an existing pipeline. The Bulgaria-Albania pipeline was impossible until NATO's victory in the Balkans. The Afghan civil war eventually forced the cancellation of the Unacol pipeline from Tajikistan to Pakistan through Afghanistan. Thus geopolitical strategy both contradict and mutually reinforce each other...

The new imperialism is much more complex and unstable than the old bi-polar world of the Cold War:

...the central feature of the new imperialism is that even the greatest of the great powers is no longer so great that it has the same capacity to structure the world, or even particular regions of the world, that the two superpowers had at the height of the Cold War. They now try to control a less stable world while still competing with each other. Sometimes they will achieve this through mutual but unstable agreement, sometimes through economic competition, sometimes by war or the threat of war, and most often through a combination of all of these... It [is] precisely in the combined and uneven competition that the instability of the system rest[s].³⁴

Secondly, the new fractured 'multi-polar' world inhibits the US from being able to act alone. As the Gulf War showed:

International co-ordination is not just a question of cloaking US power in multilateral clothes. The US found such multinational co-ordination necessary as well as desirable. Unilateral military action against Iraq was too dangerous and unilateral economic action was impossible. So the need for international action speaks of US weakness, not strength.³⁵

These characteristics of the system have become more pronounced in the two major wars since the Gulf War. In the Afghan war the degree of bribery necessary to form an international 'coalition' reached epidemic proportions.

The left and imperialism

The fall of Stalinism has had a profound effect on the left. For the duration of the Cold War imperial rivalry was, by definition, a bi-polar affair. This was true despite the fact that the actual conflicts were mostly fought in the Third World, sometimes by proxy. The collapse of the USSR, which so many identified with socialism, led to a widespread pessimism on the left. For many it seemed as if the US was now the unchallenged ruler of the globe, no longer subject to challenge by other powers. A host of theorists have come forward to testify to this untrammelled power.

The trend began early in the 1990s with the popularisation of Francis Fukuyama's thesis that the fall of Stalinism meant that there were no longer any serious challenges to the liberal democratic, free market model embodied by the US. The corollary was that no two states so constituted would ever fight a war. The common or garden version of this idea is that 'no two states with a McDonald's have ever gone to war'. In other more left wing accounts the US appears as an all-powerful 'hegemon', whose actions are accounted for simply in terms of its ability to oblige its allies and enemies to do its bidding. These accounts have a familiar feel because they reproduce some of the arguments first advanced by Karl Kautsky, the theoretician of the Second International.

Kautsky argued that the capitalist system in the early 20th century had entered an 'ultra-imperialist' era. The key characteristic of ultra-imperialism was that conflict between the major powers was now impossible because capitalist firms had become so large, and the economies of the major capitalist powers so integrated, that conflict between them would be too damaging to contemplate.

Kautsky foresaw 'a federation of the strongest imperial powers who renounce their arms race' and therefore 'the threat to world peace'. Modern accounts of the monolithic power of the US reach a similar conclusion. There may be 'colonial' wars, but no general conflict can result from them because the power of the US is so overwhelming.

There is of course a grain of truth in this argument. US military capacity is the greatest in the world. And the US economy has boomed in the 1990s while some of its post Cold War competitors have, like Japan, faltered. But what Kautsky ignored, and what the modern advocates of monolithic imperialism ignore, is that the imperialist system remains the site of conflict between the major powers. The US does have by far the greatest military arsenal in the world, but its ability to underwrite the economic stability of the system has declined greatly in the post-war period. And the social and political instability that results from this fact constantly throws up challenges to US power.

These challenges rarely begin with conflicts between major powers. More typically they involve, as they have done throughout the history of imperialism, minor powers--'rogue states' in the modern parlance. But confrontations between the imperialist states and smaller nations frequently come to involve rivalries between the imperialist states themselves. The relative economic decline of the US, plus the fact that even militarily it is powerful but not all-powerful, means that the troubled business of coalition building is unavoidable. Equally unavoidable is the fact, greatly feared by US strategists, that other nations may build coalitions against the US. A succession of 'colonial' conflicts may be necessary before such divisions between the major powers threaten a major war--but the root causes of such a conflict exist in the new imperialism.

This situation is strongly reminiscent of the unstable and shifting alliances characteristic of the imperialist system before the Cold War. Then too there was a dominant power, Britain. But this did not prevent either colonial wars or the eventual emergence of the conditions for a war between the major powers. Indeed, it is arguable that the rivalries inherent in the modern world order make imperialism a much more war-prone system than the fearful stability of the bi-polar Cold War.

The fall of Stalinism has also had a second and equally profound effect on the left's

thinking. This concerns the struggle against imperialism. From the time of the degeneration of the Russian Revolution in the late 1920s much of the left internationally identified socialism with state control of the economy, no matter how authoritarian and undemocratic the regime. This identification was made significantly greater when the Stalinist model was extended to Eastern Europe, China, Cuba and a variety of other post-colonial regimes after the Second World War. For the Communist parties and their fellow travellers, including many in social democratic parties, this meant that regimes which found themselves in opposition to imperialism also had 'progressive' social structures. Cuba or North Vietnam, for instance, were not only to be supported because they had the right to national self determination, but also because they were in some way inherently progressive, even socialist.

The fall of Stalinism has thrown this worldview into confusion. In each of the major wars of the last decade a section of the left has effectively sided with imperialism because it equated undemocratic and authoritarian regimes that were the victims of imperialism with imperialism itself. For Fred Halliday, a longtime opponent of imperialism, for instance, Saddam Hussein's Iraq was such an unacceptable regime that it justified the full onslaught of the greatest military powers in the world. For Mark Seddon, editor of Tribune, and many others on the left the nature of the Milosevic regime justified the imperialist bombing campaign against Serbia. And today many on the left found the Taliban such a uniquely reactionary regime that it justified the US and British war against Afghanistan.

The most elementary logical distinctions, if nothing else, seem to have been overridden in these arguments. For instance, one does not have to be a supporter of any of these regimes--indeed, one can be politically opposed to them all--and still maintain opposition to imperialist intervention. The basic principle of the rights of nations to self determination requires us to allow the exploited and oppressed people of these nations to settle accounts with their own tyrants. No one, either on the left or the right, suggested during the long and bloody history of the apartheid regime in South Africa that the appropriate response to such tyranny was to let loose the armed forces of America or Britain. Any imperial intervention, as long

experience in Africa has taught us, would not help. Only the acts of the working people of South Africa, even if their struggle was long and pitted with setbacks, could ultimately bury the regime. The left internationally could and did aid this struggle, thus banishing the accusation that respecting the rights of nations to self determination is to abandon the local populations to the mercy of their dictators.

Neither, for most of the Stalinist-influenced left, were these criteria ever applied evenly. There is, for instance, a dictatorial regime ruled by an authoritarian figurehead with a well developed cult of the personality, that suppresses freedom of speech, exploits the workers and peasants, and puts into concentration camps individuals of whose sexual orientation it disapproves. The regime is Fidel Castro's Cuba. None of this should detract from the left's desire to oppose US imperialism's attempt to overthrow the Cuban regime, but it should guide us in how we handle similarly authoritarian regimes that do not happen to adopt progressive rhetoric.

Such regimes are likely to multiply in number. The state capitalist model of development is much less common. Anti-colonial struggles have given rise to ruling classes of new nations who now increasingly try to carve their own space in the world system by striking deals with the major powers. Such arrangements are, of course, no guarantee that today's imperial ally will not turn into tomorrow's imperial victim--as Saddam Hussein, Slobodan Milosevic and Mullah Omar can all testify. But what this illustrates is that we cannot decide whether or not to oppose imperialism simply on whether or not we find the past or present behaviour of the regime to be progressive.

In the era before the rise of Stalinism this was more clearly understood, at least on the revolutionary left. Writing in the early 1920s Georg Lukács commented on the fact the 19th century 'movements for unity of Germany and Italy were the last of these objectively revolutionary struggles' for national liberation. The difference with modern struggles for national liberation, Lukács observed, is that they are now:

...no longer merely struggles against their own feudalism and feudal absolutism--that is to say only implicitly progressive--for they are forced into the context of imperialist rivalry between world powers. Their historical significance, their evaluation, therefore

depends on what concrete part they play in the concrete whole.³⁷

It follows that:

Forces that work towards revolution today may very well operate in the reverse direction tomorrow. And it is vital to note that these changes...are determined decisively by the constantly changing relations of the totality of the historical situation and the social forces at work. So that it is no very great paradox to assert that, for instance, Kemel Pasha may represent a revolutionary constellation of forces in certain circumstances whilst a great 'workers' party' may be counter-revolutionary.³⁸

Lukács is generalising from positions developed by Lenin during the First World War. Lenin, for instance, was well aware of the shortcomings of the national bourgeoisie in the oppressed countries:

Not infrequently...we find the bourgeoisie of the oppressed nations talking of national revolt, while in practice it enters into reactionary compacts with the bourgeoisie of the oppressor nation behind the backs of, and against, its own people. In such cases the criticism of revolutionary Marxists should be directed not against the national movement, but against its degradation, vulgarisation, against the tendency to reduce it to a petty squabble.³⁹

Consequently Lenin was determinedly opposed to those on the left who qualified their opposition to imperialism on the basis that those facing imperialism did not hold progressive ideas:

To imagine that social revolution is conceivable...without revolutionary outbursts by a section of the petty bourgeoisie with all its prejudices, without a movement of the politically non-conscious proletarian and semi-proletarian masses...is to repudiate social revolution...[which] cannot be anything other than an outburst of mass struggle on the part of all and sundry oppressed and discontented elements. Inevitably...they will bring into the movement their prejudices, their revolutionary fantasies, their weaknesses and errors. But objectively they will attack capital...

The dialectics of history are such that small nations, powerless as an independent factor in the struggle against imperialism, play a part as one of the ferments, one of the bacilli, which help the real anti-imperialist force, the socialist proletariat, to make its appearance on the scene.⁴⁰

We do not live in the era of the Russian Revolution, but it is still true that whether or not we oppose imperialism is determined by the totality of relations in the system at any one point, and not only by the internal character of the regimes that find themselves, however ineffectively, opposed to imperialism.

Imperialism, anti-imperialism and socialism

Imperialism is an evolving system. Since the very earliest days of capitalism, international expansion has been written into its structure. The union with Scotland and the colonisation of Ireland formed one of the first capitalist states, Britain. Both events were decisively shaped by the revolution of the 17th century. And one of Britain's first post-revolutionary wars was with the second major capitalist state of the day, the Dutch republic. Emerging capitalist states and declining pre-capitalist empires fought for dominance in America, Africa, Asia and the Far East. For two centuries British, Dutch, French, German, Italian and other major powers struggled to conquer the globe, and subdue indigenous populations and minor powers.

The apogee was reached in the 20th century as wholly capitalist powers clashed in two world wars, and again and again in countless colonial conflicts. At the beginning of the century Lenin and Bukharin outlined the two contradictory drives that still dominate the modern capitalist system. Bukharin wrote, 'Together with the internationalisation of economy and the internationalisation of capital, there is going on a process of "national" intertwining of capital, a process of "nationalising" capital, fraught with the greatest consequences'.⁴¹ Globalisation on the one hand and the massive military-industrial network of the modern state on the other are the modern form of this contradiction. The result is that economic competition and the inequality and instability it creates constantly reproduce military competition and war. The drive to war has broken apart and reconstituted the imperialist system throughout the 20th century.

Since the Second World War formal colonies have largely gained their independence. Oppressed nations have come and gone, fought their battle, and joined the international system of states in more or less subordinate ranks. This process began with the American colonies in the 1770s and ran through to the liberation of Ireland and India, among many others, in the 20th century. But that does not mean that the national question

has disappeared--merely that it has, like imperialism itself, evolved new forms. The indigenous ruling classes that took the place of their colonial overlords have often struggled to suppress new nationalist forces within their, often artificial, boundaries. So it was, for instance, that the new post-independence Indonesian ruling class fought to suppress the East Timorese. Equally these new ruling classes have struggled with the still ever-present economic and military strength of the major powers. And this returns us to the need, as Lukács argued, to assess each anti-imperial struggle from the standpoint of the whole contemporary alignment of forces in the imperialist system.

There is, however, one relatively consistent social position from which this assessment can best be carried out. As their rulers and would-be rulers twist and turn between colonialism and independence, accommodation and belligerence, the inescapable power of the international economy and the weight of the great states bear down on the workers and peasants of these societies. It is here that we find the one great enduring force opposed to the imperial system throughout its long evolution. Whatever its changing shape--from the primitive accumulation of the slave trade, through the early colonies, to the great imperial wars of the 20th century--these classes have stood in opposition to the system. Their struggle has certainly not always been victorious. It has often lain dormant for great lengths of time. But it has, nevertheless, risen again and again to confront both the imperial powers and the capitalist system from which they grew.

Karl Marx made the essential point that no matter how much the spread of capitalist relations may transform the economic structure of what is now called the Third World, no matter how many nations attain independence, the fundamental task of human liberation still falls to working people. Writing of British rule in India he argued:

All the English bourgeoisie may be forced to do will neither emancipate nor materially mend the social condition of the mass of the people, depending not only on the development of the productive powers, but on their appropriation by the people. But what they will not fail to do is to lay down the material premises for both. Has the bourgeoisie ever done more? Has it ever effected a progress without dragging individuals and peoples through blood and

dirt, through misery and degradation?

The Indians will not reap the fruits of the new elements of society scattered among them by the British bourgeoisie till in Great Britain itself the now ruling classes have been supplanted by the industrial proletariat, or till the Hindus themselves shall have grown strong enough to throw off the English yoke.⁴²

The British were eventually driven from India, but the fundamental task that Marx outlined remains unfinished. Since Marx's day the working class in India and elsewhere in the Third World has grown to be able to take a much more prominent role in dealing with the inheritors of imperial rule, be they indigenous bourgeoisies or new foreign powers. The growth of the international working class has, nevertheless, been a slow process. Workers are only now, perhaps, a majority of the world's oppressed and exploited. Various forms of 'extra-economic' coercion over labour remained a feature of the system well into the 20th century. In the less industrialised economies the working class is more differentiated into agricultural and semi-proletarian layers than elsewhere. And peasants still form a very large proportion of the world's oppressed and exploited. But for all this, as one important study shows, 'as the colonial era gave way to post-colonialism after the Second World War, so the traditional division of labour began to change. A substantial, if uneven, industrial development began in many areas of the Third World which significantly altered the social and economic conditions of labour'.⁴³ This was a new international division of labour that:

...fundamentally restructured the relations of production in the Third World, with the emergence of a substantial manufacturing sector oriented on the world market. The 'world market factories' carried out super-exploitation of their mainly female workers, but created the conditions for the emergence of a 'classical' confrontation between labour and capital.⁴⁴

We have seen this long term economic process of class formation begin to express itself, albeit unevenly, in class consciousness

and class organisation. If we think of the unions in countries as distant as South Africa, South Korea, Brazil and Indonesia we can see the possibilities. And, as part of this process of class organisation, political consciousness and political, sometimes overtly socialist, organisations have begun to grow. These currents are by no means homogeneous, even among socialists, where reformist and revolutionary alternatives both exist. And socialism, however defined, is by no means the only or the major set of ideas contending to express resistance to the system. Nationalism and Islamic ideas, to mention only two of the most prominent trends, command the support of many millions of workers, peasants and the poor around the globe.

Nevertheless, socialists do have a better chance than for many generations to build support for their views. Globalisation has created an international working class bigger than at any time in the history of capitalism. But it has failed to create a system that can sustain an acceptable livelihood for millions of workers. One consequence of this is a renewed drive to war characteristic of the contemporary imperial structure. The fall of Stalinism means that there is no ideological enemy to blame. This situation has therefore created a crisis of confidence in the system. The physical expression of this crisis is the international anti-capitalist movement.

It is in this anti-capitalist movement, now arguing its way to also being an anti-imperialist movement, that socialists can begin to win a much wider audience for the idea that working people have the power to overthrow the rule of capitalism and imperialism. Moreover, they can begin to successfully advance the view that the system can be replaced with an international system of co-operative labour so organised that it meets the needs of those who produce social wealth. The alternative is that we to allow our rulers to continue the routine business of imperialism--the organisation of human misery.