

Theories of late capitalist development - Harvey and Callinicos on contemporary imperialism

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Luke Cooper surveys the work of two recent high profile Marxist theories of imperialism developed by David Harvey and Alex Callinicos

1.1 Imperialism and the post-Cold War world

The last decade has seen an upturn of interest in Marxist theories of imperialism.¹ The background has been, of course, the drive of the last American administration to fundamentally alter the balance of power in the strategically important, oil-rich region of the Middle East, by using unilateral military power to achieve regime change in states considered hostile to US influence. The bellicose rhetoric of the Bush administration and the idea of an unending number of supposedly preventative wars (the Bush Doctrine) put forward by leading neo-conservative protagonists at the time, provided fertile ground for a renewal of debate and argument on the Marxist left over the concept of imperialism.

Bush's Iraq adventure had, after all, undermined a number of previously accepted assumptions about the post-Cold War world. On the left and the right many had viewed America's unipolar moment of the early 1990s and the globalisation of the world economy under its leadership in the two decades that followed, as having inaugurated a new world order marked by an amelioration of inter-state conflict and global social and political integration.² The belief and excitement in globalisation may now largely exist as little more than a distant memory of a collective flight of fancy, but, for a time, the features of the post-1991 order appeared to seriously challenge classical Marxist assumptions about the nature of the global system. In particular, the issue was to what extent global economic integration and political multilateralism in a world with only one superpower represented a post-imperial evolution of the system? Proponents of the view that it did, could point to the new discourse of multilateralism and strictly humanitarian intervention by allied western powers into supposed trouble spots, the proliferation of international agreements and the formation of the WTO, the sharp increase in the reach and power of western multi-national companies globally, and the booming world trade system and financial markets.

The Iraq and Afghan conflicts not to mention the explicitly imperialist designs of the Project for a New American Century school of thought that underpinned these wars broke these ambitious but flawed theoretical edifices, which had argued the various concrete features (international agreements, economic integration, et al) of the international system in the 1990s, were basically epiphenomenal expressions of more profound and transformative changes in the relationship between states and markets across the globe. If, however, as seemed increasingly obvious, there was continuity as well as change in the pre and post Cold War worlds (most importantly, the endurance of the capitalist-nation-state system) then a space could be opened up for a reconsideration of classical theories of imperialism as explanans - the means by which we go about finding an explanation - for the workings of the contemporary international order. Part of the issue was explaining the juxtaposition of the war on terror policy of the United States with the on-

going globalisation of international economic exchanges; how did the two intersect? If the actions of the Bush regime were not simply 'mad' but based on at least some kind of rational calculation of US geopolitical and economic interests, then there must be a relationship to be excavated between the contradictions of the global economy and the superpower's increasing propensity to openly promote its own imperial power.

This question of how the pursuit of economic and political power connect with one another in late capitalist development concerned two Marxist theorists, David Harvey and Alex Callinicos, who have both played an important role in stimulating the resurgence of debate of imperialism over the last decade. Both were concerned to situate the aggressive policy of the last US administration within the tectonics of global capitalism as it had developed historically over previous decades. As David Harvey described his own endeavour in the opening pages of his *New Imperialism*:

I seek to uncover some of the deeper transformations occurring beneath all the surface turbulence and volatility, and so open up a terrain of debate as to how we might best interpret and react to our present situation.³

The common thread to both Callinicos and Harvey's work was their shared view that the logics of political and economic power had to be situated in an irreducible but dialectical relation to one another, if, that is, a concrete explanation for the latest bout of American imperial hubris was to be achieved.

Meanwhile, the theoretical explanations of international political economic development they offered have simultaneously had to wrestle with crucial changes in the global political economy happening across this time. Any reinvigorated Marxist theory of imperialism had to rise to the challenge of not only explaining the historical changes in the international system since the end of the Cold War, the related impact of neo-liberal/conservative Anglo-American policies on the world stage since the late 1970s, but, in addition to this, the great financial crisis that erupted in the fall of 2008, the deep global recession which followed, and the new Obama-led administration in the United States, who has of course invoked a language suggesting some degree of policy change with the Bush era. The consequence of this more recent set of historical changes is a world order that makes for a dramatic contrast with 1992: i.e., one increasingly eliciting a tendency to 'multi-polarity' with the US capacity to pursue its interests freely in the name of the system as a whole increasingly inhibited by the growth in the relative political and economic power of its rivals.

Whatever we might make of all this,⁴ it is quite plain that the fast-changing and crisis-ridden nature of global political and economic life in the last decade has provided ample grounds for testing and elaborating competing theories of the global system. It is against this background, then, that below we consider the work of David Harvey and Alex Callinicos. The analysis and critique proceeds along four basic lines. The first part of the article situates today's debates within the context of the contested legacies of the classical tradition in Marxist imperialism theory. It then draws out two themes based on criticisms Callinicos makes of Lenin's Imperialism: (i) whether the idea of 'parasitism' remains an essential means by which to understand the bondage of the south and east to the imperial heartlands and the related impact on the internal class structure of these 'core' states; and (ii) whether the notion of 'finance capital' as used by Lenin and Hilferding was attached to a specific organisational form that no longer exists, leaving not only their theories out-dated, but our idea of 'imperialism' itself in need of quite fundamental re-formulation. The fourth part moves onto the major point of convergence between Callinicos and Harvey; the need to conceptualise imperialism as the intersection of geopolitical and economic logics of power. Through the course of these four themes the article seeks to show the strengths of a more traditional 'Leninist' approach to the world system; understanding imperialism as a specific evolutionary stage of capitalist development based on corporate oligopoly.

1.2 The long shadow of the classical legacies: contesting the nature of the system

The evolution of the capitalist order across the 20th century has of course been a recurring subject of great debate amongst Marxists. In the pre-war period the great writers of the classical tradition (Lenin, Hilferding, Bukharin, Trotsky, Luxemburg, Grossman et al) developed the concept of imperialism to describe not only the colonial conquest and economic subordination of much of the world to the most highly developed Great Powers, but, also, and arguably most intriguingly, to develop an historical and evolutionary account of the changing forms of capitalist economic production, trade and exchange within a single, internationally consolidated system. In the post-war period, the collapse and decline of the great socialist and communist internationals and the access of Marxists to the universities from which they were previously barred, for good or ill created an academic Marxist milieu to whom the baton was passed and with it the task of reappraising the classical tradition in light of the transformation in the international order following the war. The latter certainly stimulated debate and an extension of research into wider areas, but it had the disadvantage that, unlike debates between the major writers in the early part of the last century, it tended to become disconnected from political practice. So whereas in the classical tradition ? with the sharp polarisation on the left and the wider, intensive political and social instabilities of the first half of the 20th century ? political and programmatic consequences were demarcated very clearly, the tendency in the post-war debates is for them to be downplayed.

Another consequence of these two stages in the intellectual lineages of imperialism theory is that it has been marked by a great deal of contestation and argument. Firstly, the political split in the Second International in 1914 over the First World War led to the development of different analytical frameworks by the reformist and revolutionary sides on the nature of the international system and its (stable or crisis-ridden) prospects. Secondly, in the post-war period the academic-turn encouraged greater heterogeneity as a penumbra of distinctive competing paradigms developed (world systems theory, dependency theory, unequal exchange theory, the under consumptionist/monopoly capitalism school, et al). The classical tradition casts a long shadow over the latter developments ? with Lenin?s work particularly influential, even amongst those who criticised it ? as competing schools drew on different aspects of their approaches, and dropped others, to develop new theories. Andre Gunder Frank and his co-thinkers amongst the underdevelopment theorists, for example, took up the idea of exploitation of the periphery states by the developed nations, but, dropped more fundamental Marxist assumptions about capitalism and historical materialism.

As with all discussion of imperialism in theory and practice Lenin?s famous work, ***Imperialism: the Highest Stage of Capitalism***,⁵ acts as an overarching historical and theoretical influence on both Harvey and Callinicos? efforts. Lenin?s work was produced as part of a wide-ranging debate amongst Marxists of his generation who were all concerned to understand how capitalism was evolving as it moved from a period in which it was struggling for the domination of the globe to one in which it had become the dominant international system, incorporating to an ever-greater degree other more backward social systems in the periphery of the system. Naturally enough this theoretical task necessitated building on Marx?s understanding of capital, and applying the framework he developed ? at its different levels of abstraction and concretisation ? to these historically new circumstances.

It is the strength of Callinicos? book, ***Imperialism and Global Political Economy***, that he offers a theoretical reflection on the classical tradition and situates the whole question within the context of continuing Marx?s Capital. As he notes, this endeavour was historical just as much as it was theoretical; the challenge for the ?Marxists after Marx? was reaching a more historically specific understanding of the contemporary changes in the capitalist world economy.⁶ Marx?s work established a set of theoretical prescriptions ? the abstract categories of analysis by which he theorised the substantive essences of capitalist relations ? that later thinkers had to both respect and creatively re-elaborate in light of the changing historical transformations of the capitalist system. These stipulations are not dogmatism but are a

crucial part of achieving the kind of historically focused application of Marx's theory that makes it genuinely testable and scientific, and, consequently, open to empirical refutation:

?? I wish to emphasise that this strategy for continuing Capital by developing a more concrete theory of different phases of capitalist development seems perfectly consistent with Marx's own approach. But that approach also imposes an important constraint on such efforts, namely? that the conceptualisation of imperialism be consistent with the more abstract account of the constitutive relations, tendencies and mechanisms of the capitalist mode developed in Capital, or, where they depart from that account, that they provide good reasons for doing so. This stipulation may seem like a dogmatic confinement of empirical research, but this is not my intention. In the first place, the classical theories of imperialism that explain it as a specific phase of capitalist development can only claim to be continuations of Capital if they observe some such constraint. Moreover, in doing so, far from representing a retreat from empirical enquiry, they offer a way of making Marx's discourse open to refutation? [and] on this basis? these accounts can play the function? of testable auxiliary hypotheses.?7

What Callinicos brings out nicely here is the unity of the historical and the theoretical in the dynamic evolution of Marxist analysis: thus, Marx's original postulates should be enriched and developed in the course of their historical re-elaboration in ?testable auxiliary hypotheses? about the contemporary world. Both Callinicos and Harvey share these basic assumptions about Marxist scholarship; both are ?fundamentalists? in the sense that Marx was ?basically right? but beyond that, like most Marxists, they diverge. And this affects their treatment of the classical legacy in imperialism theory. By political propensity Callinicos is more sympathetic to Lenin than Harvey, who is not a ?Leninist? in any sense; his politics are of the radical left populist variety rather than revolutionary.⁸ He is also less inclined to reflect theoretically on the work of the Marxists ?after Marx? meaning the *New Imperialism* does not systematically engage with the classical theorists of imperialism. Callinicos in contrast does analyse the various facets of the classical legacy, but in the conclusions he draws and what this means for his theory he ends up moving further away from its main assumptions.

1.3 The classical tradition in imperialism theory today

The principal concern of the classical tradition generally was how they could reach an understanding within the confines of Marxist political-economy of the growing scope and scale of capitalism; both its growing international reach and the sheer size and power of the capitals rooted in the most advanced economies of the system. Hilferding's analysis, *Finance Capital*, was tremendously influential and identified the increasing power the banks had assumed over other capitals rooted in production. Bukharin argued this process went alongside another one that saw the financial oligarchy and state increasingly becoming interpenetrated in their domination over others. Both based their analysis on the recognition that there was a logic to capitalist competition that resulted in their being ?a winner?, i.e. the size and scale of contemporary capitalist production was increasingly supplanting the competition that was supposedly at the heart of the system. Lenin built on these analyses to develop what became by far the most influential of these theories and, although those who were influenced by Lenin often drew badly wrong conclusions in other respects, there were good reasons to treat Imperialism; the Highest Stage of Capitalism as the higher synthesis of the wider debate, because it was the most concrete dialectical work ? avoiding the one-sidedness that tended to beset the others.

Lenin argued that there had been an increasingly ?successful? transcendence of the period of competition with growing domination of monopoly concerns in the economy. A handful of industries dominated national markets and found that in order to expand further ? as they were compelled to by the logic of capital accumulation ? they had to operate internationally, to an even greater degree than previously.⁹ In this he drew on Bukharin's work, who saw this as the culmination of the endogenous process of concentration

and centralisation of capital ? the terms Marx had used to describe the way mergers and expanded reproduction created larger units of capital.¹⁰ Whilst drawing on Hilferding's idea of 'finance capital', Lenin re-defined it as the fusion of banking and monopoly capital under the auspices of an oligarchic bourgeoisie.¹¹ With the erosion of competition that this brought with it, a stagnation and inertia also developed in production, which provided a further imperative to capital internationalisation. This historical evolution of the capital form was paradigmatically intersected in both Lenin and Bukharin's work with the nation-state system, one dominated by the great, imperial powers. There was thus a process of mutual inter-dependence, because finance capital required the global markets that, at the time, it was considered only empires could provide with the clear security and guarantees needed for their investments. The barbaric wars of the first part of the 20th century therefore could be explained by the intense nature of such competition.¹²

Harvey's references to the classical tradition are clipped and he does not draw out how Lenin, Luxemburg and Hilferding diverged. But in his account of imperialism today he notes the importance of financial and corporate monopoly concerns, as a powerful imperative on states to extend their power globally. He embraces the idea that the monopolisation of capital grows out of, but then constricts, competitive accumulation eliciting a consequent inertia and stagnation in the heart of the system from which ?calls for an imperial presence in the world emanate.?¹³ Similarly, he points to the predatory nature of the finance system ? again, explicitly noting the insights of the classicists in this regard ? but this is only a fleeting reference in the course of his discussion of imperialism as ?accumulation by dispossession.?¹⁴

Callinicos, in contrast, seeks to question the approach taken by Lenin in particular and locates some of the difficulties he finds with it in the fact that it represented a ?critical synthesis? of Hobson's *Imperialism* and Hilferding's *Finance Capital*. The aspects of Lenin's theory subjected to criticism are, (a) the central position it places on the role of finance and monopoly in its identification of the essence of imperialism, (specifically whether the notion of finance capital used was particular to German development); (b) the exploitative relationship between more advanced and more backward states; and (c) the impact of this exploitation on class relationships inside the imperialist countries. Despite describing Lenin and Bukharin's approaches to imperialism as having a combined and synthetic character, Callinicos actually treats each of these theorists quite separately. And, as his outline develops, it becomes quite clear that he favours Bukharin (?the more rigorous analysis?) because of his position on the state-capital relation and his view that the internationalisation of the world economy elicited a concurrent tendency to ?nationalisation? between capitals embedded in nation states.¹⁵

What Callinicos aims to do by way of the critique is to move the notion of imperialism onto more overtly political territory - a point, it should be noted, which arguably sits uncomfortably alongside his stated intention of continuing the project of Marx's *Capital*. Although Callinicos agrees that imperialism has to be understood as an historical evolution of the capitalist system, he wishes to detach this analysis from specific claims about the ?organisational form? of finance and monopoly capitalism. The crux of his criticism is that Lenin's view of imperialism as the fusion of banking and monopoly capital into finance capital was based on one case study ? the German system which Hilferding had analysed ? and did not apply to the world hegemon of the time, Britain. This lays the basis, for his re-conceptualisation of the essence of imperialism as an intersection of economic and political forms of domination, with rivalrous formal and informal empires vying for the political and territorial domination of the world. There is also a second aspect to Callinicos' critique. He argues that Lenin and the pre-war Marxists per se were concerned primarily with capitalism in the most advanced states, rather than the relations between these and the periphery. And, insofar as Lenin stepped onto this territory, Callinicos argues he drew a mistaken conclusion; namely, that imperialist powers used financial parasitism to extract tribute from the colonies and semi-colonies.

These two criticisms ? that imperialism should not be identified with a specific organisational form of capital and should not identify exploitative mechanisms in centre-periphery relations ? are held together theoretically by Callinicos? bringing into question the position of financial parasitism within a modern theory of imperialism. The predatory nature of the finance system was for Lenin at the very core of the subjugation of the colonial and semi-colonial worlds of his time, by the Great Powers in the world system; the investment vehicles that could make or break entire state economies in the underdeveloped world. Overall, then, Callinicos makes a pretty profound challenge to Lenin and many of the assumptions more widely held in the classical legacy. But is it justified on theoretical and empirical grounds? Below we argue that we need to keep hold of these two aspects of Lenin?s writings: the idea of finance capital as key to any notion of modern imperialism and the economic bondage that results from its global domination. The theoretical defence of Lenin offered is principally based on the idea that ?finance capital? does not presuppose any one organisational form; but rather as the tendency of capital in its most developed state to detach itself from moorings in any single one sector or branch of production, and operate as ?pure capital? able to move freely between any number of investments either in production or fictitious forms of capital. When it comes to the bondage of the periphery to the heartlands of the system, a more empirically-based defence is put forward that looks at the role of creditor-debtor relations and the restructuring of class relations on the heartland countries that goes alongside it. In the process we look at how David Harvey approaches these questions, before returning to the issue of the intersection of capitalist and political power, where the two theorists partially converge.

1.5 Mechanisms of surplus extraction: parasitism, ?high finance? and the system

Callinicos develops his argument through an analysis of Rosa Luxemburg. This is a logical starting point because Luxemburg?s theory of imperialism was concerned with the relationship between developed capitalist centres and the underdeveloped colonial and semi-colonial states, which often had only primitive and nascent forms of capitalist development. Luxemburg developed from this basis a theory of crisis that argued capitalism required a non-capitalist periphery to consume the products of the industrialised core, logically, then, the development of capitalism as a global system would lead to its ultimate breakdown because it would have dwindling markets for its surplus products. Contained in this idea was the proposition that the exploitative nature of the capital-labour relationship meant workers could not provide a sufficient base for the consumption capitalism needed and, thus, as the working class became a truly global, international class, capitalism would be wracked with crises and collapse.

Luxemburg?s view was well intentioned as she correctly understood a theory of capitalist crisis and instability was an essential foundation for revolutionary socialist ideas. But nonetheless it was profoundly wrong. In making her analysis, she explicitly attacked Marx?s reproduction schemes from *Capital* vol. 2 that had shown how capitalism could create effective demand for its products endogenously, because, as well as competing, capitalists also constituted one-another?s costumers ? Marx had no intention of drawing from this any conclusions about the dynamism of the system, but simply sought to prove this point mathematically with the schemes.¹⁶ Callinicos notes that time and again Marxists have criticised the ?under-consumptionist? aspects of Luxemburg?s thesis ? by pointing out that capitalism creates effective demand and locating the final source of its crises in problems of profitability for capital not the consumption of commodities ? even if, like Harvey, they been attracted to the idea of capitalism needing an ?other?, i.e. co-existing systems of social relations external to capitalism that conversely become essential moments in its social reproduction.¹⁷

Luxemburg?s theory, as Callinicos also notes, was not widely accepted at the time by other Marxists and difficulties arise in treating it as the overarching paradigmatic norm for the classical tradition as a whole. In particular, this leads to the fallacy exhibited by Ellen Wood who has argued that the early imperialism theorists were primarily concerned to theorise the exploitative mechanisms of a world economy that had

not yet become fully capitalist. In contrast, Callinicos points out Lenin, Hilferding and Bukharin, were all concerned with evolutionary accounts of modern capitalist development.¹⁸ Part of this concern was how capitalism had evolved inside the advanced states of the system, but the other aspect was the international character of this phenomenon, 'world capitalism', which was incorporating into its economic orbit more backward states, thereby creating peculiar historic forms that were the subject of Trotsky's theory of 'uneven and combined development'.¹⁹ Callinicos agrees with all this, but he argues that the other classical theorists, unlike Luxemburg, did not really concern themselves with the relations between developed and underdeveloped spheres of the system and, insofar as Lenin stepped onto this territory, he claims he drew the mistaken conclusion of parasitic, rentier relations.²⁰ On this view, then, imperial powers are like 'big states', i.e. states where capitalism is developed to a certain stage, with a certain state-form developing in juxtaposition to this higher level of development, which taken together give these powers increased political leverage over the rest of the world. Important as this dimension is to any analysis of the contemporary world order, it loses sight of the need to study the changing economic forms of exploitation that emerge with the maturity and decline of capitalism as a socio-economic system.

Figure 1: Foreign Direct Investment inflows 1992-2003 (Billions of US dollars)

Region/country	1992-7 (annual average)	1998	1999	2000	2001	2002	2003
Developed countries	180.8	472.5	828.4	1,208.00	571.5	489.9	366.6
Western Europe	100.8	263	500	697.4	368.8	380.2	310.2
Japan	1.2	3.2	12.7	8.3	6.2	9.2	6.3
United States	60.3	174.4	283.4	314	159.5	62.9	29.8
Developing economies	118.6	194.4	231.9	252.5	157.6	157.6	172
South, East, and South East Asia	69.6	92.1	109.1	142.7	102.2	86.3	96.9
China	32.8	45.5	40.3	40.7	46.9	52.7	53.5
Central and Eastern Europe	11.5	24.3	26.5	27.5	26.4	31.2	21
World	310.9	690.9	1,086.80	1,388.00	817.6	678.8	559.8
Developed countries as % of World	58.15	68.39	76.22	79.83	69.9	72.17	65.51

Callinicos' position comes across most clearly in a reply he wrote with Sam Ashman to Harvey's *New Imperialism* back in 2006 where they objected to the idea 'contained in Harvey's notion of 'accumulation by dispossession' that the imperialist states extracted surpluses through a rentier relationship to the south or, as they put it, 'that capitalism today lives by this kind of predation of the south.'²¹ And, to substantiate this point empirically, Callinicos and Ashman pointed to the historically and contemporaneously dominant position of the highly developed capitalist economies in the global distribution of foreign direct investment (FDI) capital flows (see figure 1). If this argument is correct then it would represent a powerful challenge to the classical legacy as the theoretical postulate that the growth of capital beyond the national borders of the most advanced states led to it developing a predatory and rentier-like relationship to the south and east was a cornerstone of Lenin's theory of imperialist exploitation. In his book, the challenge Callinicos makes to this commonly shared view amongst the radical left comes through an objection to what he describes as 'one of the weakest elements of Lenin's book, the portrayal of imperialism as an increasingly parasitic phenomenon'²², which, he argues, had been expressed in the following passage:

‘Hence the extraordinary growth of a class, or rather of a stratum of rentiers, i.e., people who live by clipping coupons’, who take no part in an enterprise whatever, whose profession is idleness. The export of capital, one of the most essential economic bases of imperialism, still more completely isolates the rentiers from production, and sets the seal on the whole country that lives by exploiting the labour of several overseas countries and colonies.’²³

There are three aspects to Lenin’s analysis here, the first is the development of the ‘rentier class’ which he uses as a broad category to describe what we today call the strata of financier capitalists from stock and bond traders, investment bankers, fund managers, to speculators, who ‘take no part in an enterprise whatever’ but whose investment decisions have a profound impact on production. The second refers to the exploitative relationship of these strata to international markets and the extraction of surpluses from ‘the labour of several overseas countries’. And the third aspect is the idea that a ‘rentier state’ develops, a feature of which is a change in class relations internally. Although he does not say so explicitly it does not seem likely that Callinicos could object, in the post-Lehman Brothers world, to the first aspect of this argument, namely the parasitic relationship of finance to the ‘real world’ of production – even if, as we will come to later, he does not consider such a relationship to be a key, structural feature of the imperialist stage of capitalism. Rather, his principal objection – the apparent empirical substantiation of which is given by the argument over FDI – is to the idea that the advanced imperialist countries extract surpluses from the periphery.

As Callinicos freely acknowledges, Lenin’s assumptions on this score are readily accepted on much of the contemporary radical left.²⁴ Those who have become familiar with the outsourcing of production and the mushrooming of international financial flows in the globalisation years, and the role of credit and debt in systematically reproducing poverty in the south and east, are often struck by the prescience of Lenin’s comments in this regard. What, then, should we make of Callinicos’ substantiation of his argument with FDI figures? Whilst it is true that FDI has tended in the post-war period to be concentrated in the historic imperial centres of the system, plus the relatively recent addition of China, there are two problems with taking this as a general indicator and measurement of total capital flows.

Figure 2. Composition of international capital flows 1980-2005

Source: IMF Global Financial Stability Report (April 2007), p. 65

Firstly, FDI has increased in the globalisation years, but not at anything like the same rate as banking, debt and equity based capital flows (see Figure 2). This illustrates the growing preponderance of forms of capital – debt, equities, securities, bonds and so on – that are not direct expressions of productive investment, but extract charges on it (debt, bonds) or speculate on future value creation (equities) or some combination of both (securities²⁵). In short what Marxists call ‘fictitious capital’. This arguably underscores one of the basic points Lenin was making on the parasitic relationship that developed with the growing domination of financiers over industrial capital, encapsulated in Hilferding’s idea of ‘finance capital’ itself. Secondly, we also need to critically interrogate FDI as an empirical indicator and category. Callinicos and Ashman make the following observation:

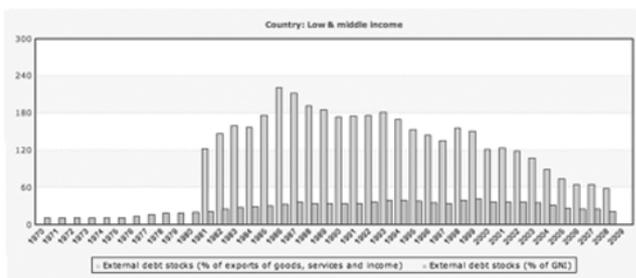
?It is interesting that the share of investment flows taken by the advanced countries actually increased during the huge surge in FDI at the end of the 1990s, which was fuelled by the Clinton boom in the US and the shift to the single currency in continental Europe. The same pattern has prevailed ever since the Second World War: the transnational corporations that dominate global capitalism tend to concentrate their investment (and trade) in the advanced economies ? and indeed to a large extent in their own regions.?26

The problem with this conclusion, however, is that it ignores the actual make up of the FDI flows to which they refer. The boom in FDI over the last two decades between the advanced economies has been dominated by merger and acquisition activity. Between 1989 and 2001, FDI inflow in the advanced, highly developed economies as a proportion of GDP grew by over 350 per cent, but in the same period the proportion of ?greenfield? (new) investment went from being 25 per cent of total FDI in 1989 to 12.5 per cent, i.e., new investment as a share of total FDI in these states halved in proportional terms, with 88.5 per cent accounted for by merger and acquisitions in 2001.²⁷ The tendency this indicates is one of capital centralisation in the advanced economies ? creating fewer, more monopolistic units. Marx had distinguished between this process and increased capital concentration which was the term he used to describe larger units created by way of net investment i.e. investment that actually expands the scope and scale of capital accumulation by, for example, building new plants which add to existing manufacturing capacity.²⁸ This distinction is important because capital centralisation normally involves ?efficiency? savings through downsizing or job cuts aimed at boosting productivity whereas an increase in capital concentration involves actual expanded reproduction.¹

What the figures presented by Ashman and Callinicos principally show, then, is the growing centralisation of capital ? in other words, the tendency to oligopoly Lenin and Bukharin had identified ? in the imperial centres. Indeed, FDI is a poor measure of the economic bondage to which states in the periphery are subject. A far better (and indeed more widely referred to example) of this process is debt and, as we saw in graph 1, the proliferation of forms of fictitious capital such as this is a key feature of modern capitalism. Many southern and eastern states trace their debt bondage to the oil crisis of 1973 ³⁰ ? this brought enormous strains on both poles of the international system, as Soviet allies demanded more oil rather than buying at world market prices, while American allies had little choice but to accumulate run-away debts. American finance capital, however, was arguably the big winner in the whole affair, because it sharply increased its capacity to extend credit globally as southern and eastern states took out large loans, and its institutions were also depositories of choice for the Gulf States? petrodollars. It was in short at the very centre of ensnaring southern and eastern states in the system of global debt bondage.

If we simply contrast the debt to gross national income (GNI) of these economies we could mistakenly understate the scale of the problem. Their external debts since the 1980s have oscillated at around 30 per cent of GNI ? generally lower than the rich world. But this contrast would be a superficial comparison, because we are speaking of much poorer, structurally underdeveloped states. Moreover, the debts accrued by these countries are denominated in hard currencies, usually dollars, therefore, these states have to raise the income to pay them off by exporting on the world market, thereby allowing them to service their dollar-debts to western financiers. They do not take out or pay these debts in their own currencies ? what use, for example, is the Gold Cordoba, the currency of Nicaragua, to your average western bank? As Figures 3 and 4 show once the external debt and interest payments are considered in relation to exports of goods and services, then the real scale of this bondage becomes clear. They illustrate how creditors in the heartlands of the system are extracting tributes from the commodities produced in the periphery for sale on the world market.³¹

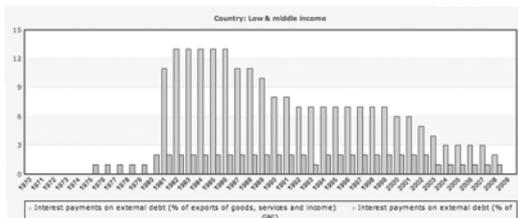
Figure 3: External Debt Stocks as proportion of Exports and Gross National Income (GNI) for Low and Middle Income Countries



Source: World Data Bank (World Bank) <http://databank.worldbank.org>^[1]

Callinicos is not likely to entirely discount the significance of this bondage for the south and east, but would re-iterate that his argument is over to what extent capitalism in the advanced states is dependent on these tributes. Recall that he and Ashman argue, in response to David Harvey, that capitalism does not live on ?this kind of predation on the global south? and that capital ?continues to largely shun? these states.³² In this formulation there is arguably an ?all or nothing? fallacy committed: either capitalism in the west is seen as living entirely parasitically off the rest of the world or parasitism is seen as constituting an insignificant element of capital accumulation. If we want to reject both sides of this unnecessary dichotomy then we need a theory of contemporary imperialism that incorporates both these elements ? the domination of global capital accumulation by corporate and financial monopolies in the advanced states and the relationships of bondage between centre and periphery ? within the historical evolution of capitalism as an internationally consolidated, truly global, system. This is indeed the starting point of Harvey?s idea of ?accumulation by dispossession?; so let?s see now if it offers a composite incorporation of these two elements.

Figure 4: Interest payments on External Debt as proportion of Exports and Gross National Income (GNI) for Lower and Middle Income Countries



Source: World Data Bank (World Bank) <http://databank.worldbank.org>^[1]

1.5 Accumulation by dispossession ? Harvey on the nature of imperial predation

Harvey begins his excavation of this idea with Rosa Luxemburg?s argument on the ?two sides? of capital accumulation: the first ?concerns the commodity market where surplus value is produced ? the factory, the mine, the agricultural estate? and the second concerns ?the relations between capitalism and the non-capitalist modes of production?. Luxemburg noted that the ?predominant methods? of this second aspect are ?colonial policy, an international loan system ? a policy of spheres of influence ? and war?. ?Force, fraud, oppression, looting? are ?barely concealed? in this process, she argued, creating a ?tangle of political violence and contests of power?, which made it difficult to discover within this nexus of barbaric practices the role played by the necessary, laws and tendencies of the capitalist mode of production.³³ As we noted above, Luxemburg developed from these foundations a problematic theory of capitalist crisis, one that argued non-capitalist modes of production were an essential source of consumption for the excess products capitalism could not find the means to endogenously consume. Harvey does not accept this under-consumptionist argument and indeed he points out ?the gap that Luxemburg thought she saw [between the production of commodities and their consumption] can easily be covered by reinvestment which generates its own demand for capital, goods and other inputs?.³⁴ The imperatives of capitalism, consequently, are not to keep the periphery locked in feudal and tributary modes of production, but rather

to unleash the forces of capital accumulation globally:

?? The geographical expansion of capitalism which underlies a lot of imperialist activity is very helpful to the stabilisation of the system precisely because it opens up demand for both investment and goods and consumer goods elsewhere. Imbalances can arise, of course, between sectors and regions, and business cycles and localised recessions can result. But it is also possible to accumulate in the face of stagnant demand if the costs of inputs (land, raw materials, intermediate inputs, labour power) decline significantly. Access to cheaper inputs is, therefore, just as important as access to widening markets in keeping profitable opportunities open. The implication is that non-capitalist territories should be forced open not only to trade (which could be helpful) but also to permit capital to invest in profitable ventures using cheaper labour power, raw materials, low-cost land, and the like. The general thrust of any capitalist logic of power is not that territories should be held back from capitalist development, but that they should be continuously opened up.³⁵

Harvey, thus, following many others before him, dismisses the under-consumptionist line of argument in Luxemburg, but he remains attracted to the idea which he argues is implicit in her argument, that capitalism necessarily has to create its own 'other'. He seeks to develop this line of argument by investigating the relationship between the 'internal' and 'external' in capitalist development. Harvey considers how the capital-labour relation requires and creates certain externalities that are necessary to achieve on-going accumulation. Consequently in his first discussion of this issue he invokes Marx's analysis of the 'industrial reserve army', i.e. the need for a structural pool of unemployed workers, which arises from tendencies within the capital-labour relation like the use of labour-saving technology to boost profitability. The reserve army comes out of and co-exists alongside the capital-labour relation, but it also plays a further functional role for the latter's internal life, as it allows capital to hold down wage demands and create a compliant workforce, by fostering workers' fears of being thrown into the ranks of the unemployed. In short, in this process, as Harvey puts it: 'capitalism throws workers out of the system at one point in time in order to have them to hand for purposes of accumulation at another point of time.'³⁶

Certainly here Harvey has invoked an externality to the capital-labour relation: the unemployed are not involved in the value-production process but the existence of structural unemployment does play a functional role for the production of surplus value. Harvey uses this, however, as a way into what is arguably a separate discussion of the extent to which the course of capitalist development requires the co-option into its orbit of non-capitalist systems of social relations and, as part of this process, the seizure and theft of sources of value within such systems that then act as a catalyst for the capital accumulation process itself. This is what Marx called 'primitive accumulation' which he understood to be the 'original sin' of the capitalist mode of production as it seized, through force, theft and coercion, land and labour which could then be exploited in capitalist production to create surplus value.³⁷ Marx was concerned to explain how sufficient capital was accumulated to establish a bourgeoisie that could then proletarianise the surplus rural population in early modern Europe, before the full development of the capitalist system of accumulation. A recent example of this can be found in such a transition into capitalist production (in conditions that none of the classical Marxists could have anticipated): the restoration of capitalism in the former Soviet Union and the pillaging and destruction of the formerly bureaucratically socialised property systems this involved in order to re-establish a system based on capitalist social and property relations.

In outlining Marx's analysis, Harvey proceeds to take up the suggestion of Hannah Arendt, who had argued that what Marx had considered to be this 'original sin' was actually a necessarily recurring feature of capitalist imperialism.³⁸ Arendt and Harvey are surely right at this basic level. Primitive accumulation remains a key feature of global capitalist development. Just because capitalism is fully developed and can generate its own sources of accumulation, does not mean capitalists become prevented from augmenting

their accumulation further by using theft and coercion. We can see this, for example, in the seizure of mineral and gas wealth by multinationals in Bolivia at the beginning of the last decade, involving the de facto expropriation of indigenous communities ? and examples like this litter the periphery of the system and are a key feature of its contemporary subjugation. The propensity for such developments has been a pronounced feature of the last three or four decades; indeed, in the decades of the long post war boom such occurrences were more unusual. As Harvey, and others have noted then, there is a relationship to be excavated between slackening growth and accumulation rates within the imperial centres and the turn to these kinds of ?predatory? practices to sustain the global accumulation regime.[39](#)

These processes are connected to the ?uneven and combined development? of global capitalism. More backward modes of production become part of interlocking national and international markets of commodity production and exchange, but they do not simply die out in a wave of modernisation. Rather capitalism forces the creation of combined social formations where capitalist markets become interpenetrated with other social property systems. In his initial discussion of Rosa Luxemburg, Harvey suggests a similar orientation to these processes: that is, the way capitalism brings into its orbit ? even requires ? co-existing systems of social property relations. But unless we are speaking at a very general theoretical level of internal and external relations in social systems per se there is surely a blurring of issues when he starts to invoke the ?industrial reserve army? to describe the same process. The former examples concern the interpenetration of capitalist and non-capitalist modes of production, while the latter example of the reserve army concerns relations internal to the capitalist mode. There is then a confusion of the theoretical and conceptual bounds of the categories, which precedes Harvey?s extrapolation of ?primitive accumulation?. This arguably finds its reflection in his redefined concept, ?accumulation by dispossession?, as it extends the boundaries of the definition too far, creating a very general concept.

In Harvey?s usage, ?accumulation by dispossession? describes a much broader range of predatory actions ? far beyond the initial, more limited remit Marx had established for the concept of ?primitive accumulation? ? that are found in the contemporary capitalist accumulation process. For example these include:

? Financial liberalisation (with its ?speculative and predatory style?), debt incumbency of whole populations, corporate fraud, dispossession of assets, speculative raiding carried out by hedge funds, and so on.

? Classical ?primitive accumulation?, such as dispossession of peasant populations in China and the ?shock therapy? of capitalist restoration in Russia.

? Commodification of cultural forms, involving the ?exploitation and appropriation? by, for example, the music industry, of ?grassroots creativity.?

? Escalating depletion of the global environmental commons (land, air, water) and ?proliferating habitat degradations.?

? Rolling back of regulatory frameworks that protect labour.

? Privatisation of state assets, ?social housing, telecommunications, transportation, water? that constitutes, ?the reversion of common property rights won through years of hard class struggle? to the private domain.[40](#)

Harvey?s description of this whole process is nothing if not evocative. In both *New Imperialism* and *A Brief History of Neoliberalism* he gives a quite brilliant exposure of the hypocritical and self-serving character of the neoliberal agenda. Moreover, the processes that he groups together under the auspices of ?accumulation by dispossession? are certainly inter-connected. State policies, particularly in Britain and the United States (but also transmitted by way of competitive pressures to Europe and by way of coercion to the periphery), have sought to make economic development more attuned to the needs of finance

capital. The re-structuring of finance capital through liberalisation, allowing it to diversify its forms, accumulation opportunities and global reach, on the one hand, coupled with aggressively anti-working class labour practices and wage restraint on the other, are what Harvey elsewhere refers to as 'the restoration of capitalist class power'.⁴¹ His notion of 'accumulation by dispossession' shows how this process has hit the periphery, with the mobility of finance in global markets, the bondage of credit, and political pressures from the imperialist powers, have encumbered whole states and led to spiralling inequalities. Harvey, thus, entreats us to draw the processes together and understand them as not simply the reactionary political designs of the various neoliberal regimes of the last three decades, but as expressions of particular needs of capital accumulation. This is what writers in *Fifth International* journal amongst many others have tended to call the 'neoliberal offensive', understood as a package of policy measures designed to overcome the slackening rates of growth and accumulation which have beset western economies since the 1970s.⁴² Harvey, too, shares this basic assumption on the long-term difficulties faced by western capitalism. He also locates the drive to 'accumulation by dispossession' in the problems of over-accumulation 'too much surplus capital' circulating in the system, which requires the opening up of new avenues for investment, leading to these predatory practices.

What is attractive about Harvey's formulation is that it links this set of neoliberal policy measures to the categories of Marx's *Capital* and points to how these have an explicitly imperialistic character. Nonetheless, there remains a difficulty in grouping together quite such a diverse range of state policies and financial predation under the single banner of 'accumulation by dispossession'. This is particularly problematic because Harvey derives this idea conceptually from 'primitive accumulation', a term which has a much more specific meaning. Take privatisation for example. In the 'Shock Therapy' in the former Soviet Union there was a genuine process of primitive accumulation: state assets were literally stolen and pillaged by bureaucrats undergoing a metamorphosis into nascent capitalist elites. In the privatisation of health services in Britain there are only limited similarities: former bureaucrats set up companies to exploit the privatisation they had set in motion when they were in office and can take advantage of the substantial state subsidies paid so that these new enterprises can turn profits. But, despite this commonality with 'Shock Therapy', this is not 'theft' à la primitive accumulation, not least because these capitalists still need to mobilise capital from the financial markets to 'buy into' these new investment opportunities. Neither does the state 'leave with nothing' - it gains revenues from the sale of assets, albeit at subsidised prices, and the process takes place according to the normal legal procedures of contract law and commodity exchange. Just because parasitic finance capital lies at the epicentre of this process cannot, in and of itself, make it primitive accumulation. To say otherwise is theoretically problematic, risking the creation of a rather elastic concept whose meaning is difficult to pin down. Aside from this concern, it is also 'devaluing the currency' somewhat to do so: reactionary as privatisation of health services in Britain is, it nonetheless does not involve the violence and theft from 'the commons' that Harvey correctly points out is often involved in imperialist practices elsewhere, i.e. where primitive accumulation exists in its classical form: the illegitimate, coercive seizure of sources of value which are then harnessed exploitatively in a system of capitalist commodity production.

Lastly, in the formulation of new abstract theoretical concepts in Marxist political-economy, which already has no shortage of them, we should apply the principle of Occam's Razor, i.e. does it do something that other categories do not? The idea of the 'neoliberal offensive' is a historically concrete concept that involves a number of more abstractly defined mechanisms of capitalism, but it doesn't identify a new mechanism of the capitalist system. One can argue, surely, that we do not actually need any new categories to explain that the capitalists are now re-capitalising services and industries whose nationalisation they once either needed to overcome their own bankruptcy or were forced to accept as the cost of pacifying a working class. All that is necessary is to show how this occurs using the existing

theoretical foundations of Marxism (the role of state in policy and class struggle ?from above? in attempting to overcome fundamental problems of capitalist accumulation).

Whilst there is an overextension of his concept, Harvey is however right to draw our attention to these practices and to show how they relate to the financial parasitism at the centre of the system today. The New Imperialism is empirically as well as theoretically primed as Harvey moves effortlessly and with great literary skill between exposition and case analysis. Consequently, his discussion of accumulation by dispossession is full of vivid description of the human cost of imperialism. The examples he gives often involve processes of classical primitive accumulation. Consider for instance his treatment of land rights in Mexico and the immiseration that resulted from US-inspired Nafta economic measures:

?The 1917 Constitution from the Mexican revolution protected the legal rights of indigenous peoples and enshrined those rights in the ejido system, which allowed land to be collectively held and used. In 1991 the Salinas government passed a reform law that both permitted and encouraged privatisation of the ejido lands. Since the ejido provided the basis for collective security among indigenous groups, the government was, in effect, divesting itself of responsibilities to maintain the basis for that security. This was, moreover, one item within a general package of privatisation moves under Salinas which dismantled social security protections in general and which had predictable and dramatic impacts upon income and wealth distribution. Resistance to the ejido reform was widespread, and the most vociferous of the campaign groups ended up supporting the Zapatista rebellion that broke out in Chiapas on the very day in January 1994 when the Nafta accord was due to be put into effect. The subsequent lowering of import barriers delivered yet another blow as cheap imports from the efficient but also highly subsidised agribusinesses? in the United States drove down the price of corn and other products to the point where small agricultural producers could not compete. Close to starvation, many of these producers have been forced off the land to augment the pool of the unemployed in already overcrowded cities. Similar effects on rural populations have been experienced worldwide.?43

Analyses such as this makes for a useful corrective to Callinicos, as it puts economic exploitation and tribute-like relations back at the very core of contemporary imperialism. Harvey shows how the United States was able to establish a synergy between (a) enforced neoliberal restructuring in the south and east under the auspices of international institutions and (b) open global capital markets. Finance capital could flood into economies undergoing re-structuring on IMF and World Bank endorsed lines, encourage asset and industrial bubbles and extract its tributes, then flood out again, leaving behind a financial and social crisis. He writes of how Argentina, for example, went through ?the most extraordinary wave of privatisation (water, energy, telecommunications, transportation) which resulted in a huge inflow of over-accumulated capital and a substantial boom in asset values, followed by a collapse into massive impoverishment (now extended to more than half the population) as capital withdrew to go elsewhere.?44 Such externally induced financial crises have indeed been a core feature of economic instability in the periphery over the last two decades. What such events show is how finance capital, with its global reach, crises and contradictions, remains at the very heart and soul of the contemporary imperialist system.

What is frustrating about Harvey?s New Imperialism, however, is that he does not pull together the different elements needed to fully conceptualise the workings of today?s imperialist order. Indeed, if one danger in Harvey?s notion of accumulation by dispossession is that it is too general ? categorising in a single formulation a very diverse set of predatory practices ? the other danger, conversely, is that it is too narrow. Or, to put it another way, the fusion of financial liberalisation and aggressive pro-market state policies which are at the core of this idea, is not sufficient in itself to capture the variety of mechanisms of exploitation we find in the imperialist world.

As Ben Fine has pointed out, there is a neglect of 'normal' expanded capital reproduction in Harvey's New Imperialism.⁴⁵ On this note, Harvey has problematically maintained that accumulation by dispossession has become the 'dominant form of accumulation'⁴⁶ today and in objecting to such formulations Callinicos and Ashman do have a point. The core-value producing industrial sectors of the global economy remain concentrated in a few states whose corporate monopolies dominate global production ? and these concentrations of industrial urbanisation are where expanded reproduction as the 'dominant form of accumulation' take place. We should not leave out of account the extremely high rate of exploitation of relatively small numbers of workers within the imperialist economies each of whom mobilises gigantic amounts of capital. In the aerospace, defence and biochemistry industries, a few hundred thousand workers in Britain produce the greater part of an output that still makes Britain the sixth largest manufacturer in the world; such pockets of extremely advanced capitalist development are also characteristic of imperialism. It is difficult, then, to fault Fine's conclusion that Harvey, in the end, makes Luxembourg's mistake of assuming that capital can only reproduce itself through externally sourced dispossession.⁴⁷ Monopolisation, and the stagnation and inertia it elicits in production ? which are the driving forces behind capital's move into fictitious, financialised forms ? apart from one or two references, are not given the kind of emphasis that the classical theorists had given them. This is a serious problem, for what is a lacuna in Harvey's theorisation is arguably a key part of contemporary imperial power: as the more open markets brought into being by the globalisation world order not only allowed finance free rein, but also helped to consolidate the global power of western corporations through the internationalisation of production and trade liberalisation.

1.6 Class structure in the imperial heartlands: the 'labour aristocracy'

Whatever the limitations and theoretical difficulties found in Harvey's notion of accumulation by dispossession, it does, nonetheless, identify the predatory mechanisms of exploitation that exist between centre and periphery and thereby acts as a useful corrective to Callinicos' challenge to this part of the classical tradition. In Callinicos' argument, this critique is combined with a further issue: the class structure in the imperial heartlands. He challenges Lenin's view that the parasitic relationship which existed between the imperialist world and the periphery of the system led to the modification in the form taken by class relationships internal to these states. Lenin and Bukharin held the large concentrations of finance capital in these states to be self-sustaining, i.e. through the control of mechanisms of investment, including monopoly profits, and credit, value could be re-distributed through the international system, reinforcing the economic power and scale of these concentrations of capital. Consequently, the greater material affluence that partially resulted from this nexus of global economic relations, led to the fostering of a sizeable middle strata in the population that was relatively affluent, particularly when compared to colonial and semi-colonial states. Lenin noted how the physiognomy of the working class underwent change as a result of this process too, as it led to the creation of a 'labour aristocracy' ? incorporating the large bureaucratic officialdoms of the labour movement and more materially privileged sections of the working class on which they rested. This did not mark an end to the class struggle in these states; on the contrary, labour aristocracies could come into existence through a sharp fight against the bosses. The point being, however, that the ruling classes in these wealthier, imperialist countries had greater 'room to manoeuvre' in terms of settling their demands and splitting them off from wider layers of the class.

A version of this idea was anticipated in Hobson's Imperialism and was indeed quoted by Lenin in his work as part of his explanation of why the social democratic parties had supported the First World War, despite their formal commitment to an anti-war stance based on the principles of revolutionary internationalism. This passage, Callinicos argues, mistakenly links a parasitic notion of finance to evolving class relationships in the advanced states:

[The successful exploitation of China, Asia and Africa]... ?would drive the logic of imperialism far towards

its realisation; its inherent necessary tendency towards unchecked oligarchy in politics, and parasitism in industry, would be plainly exhibited in the condition of the 'imperialist' nations. The greater part of western Europe might then assume the appearance and character already exhibited by tracts of country in the South of England, in the Riviera, and the tourist-ridden or residential parts of Italy and Switzerland, little clusters of wealthy aristocrats drawing dividends and pensions from the Far East, with a somewhat larger group of professional retainers and tradesman and a large body of personal servants and workers in the transport trade and in the final stages of production of the more perishable goods: all the main arterial industries would have disappeared, the staple foods and manufactures flowing in as tribute from Asia and Africa.⁴⁸

In his book, Callinicos rather assumes that quoting this passage alone will be enough to inspire disagreement in the reader – which is a strange assumption, given that any reader, particularly those in Britain who have experienced the neoliberal offensive in full force, may well be struck by the prescience of Hobson's remarks. The internationalisation of production over the last two decades and the change in the structure of capitalist enterprises inside the imperialist countries, alongside the growth of retail, financial and service industries and a tendency to contraction in the size and scale of the industrial manufacturing sectors, all seem to rather underline the tendencies Hobson had – albeit, somewhat one-sidedly – emphasised in this passage. It is even tempting to conclude that Hobson's vision only found its true moment of flowering in Britain during the globalisation years. If we understand his view as identifying a tendency towards parasitism and an international division of labour that reflects this, then he had surely identified a very real feature of imperialist world economy. As figure 5 shows the course of the 20th century saw the rise and then fall of industrial production as the dominant form of employment in the advanced capitalist states, underlining the argument that Hobson was right about the trajectory of world capitalist development towards the outsourcing of industrial production and the development of more parasitic forms of rentier capitalism in the imperialist countries.

Callinicos is not wrong to link these two aspects of Lenin's analysis together – the role of parasitism and the 'labour aristocracy'. But, given that he makes this link in his critique, it is odd for him to argue that Lenin identified no 'economic mechanism' by which the labour aristocracy came into being. In the passages Callinicos cites, Lenin links the formation of this stratum directly to the role of monopoly profits.⁴⁹ The idea here is that as imperial capital dominates global trade and finance, it corners markets, imposes monopoly pricing, extracts charges through credit and other investment vehicles, and can consequently accrue a far greater share of global social value than that which could be achieved were it simply operating in domestic markets. This redistribution and concentration of global social value in imperial economies effects domestic social and class structure as this wealth feeds its way through the system. But the way that this occurs, by amplifying social stratification within and between classes, makes the whole process a dynamic and crisis ridden one. In this sense, the concrete composition of the labour aristocracy is never 'fixed', but is subject to processes of formation and reformation with the historical development of capitalism. At the core of the concept of the 'labour aristocracy', as used by Lenin, then, is the simple idea that the working class is socially differentiated and stratified economically.

The historical experience of the 20th century can, however, help us to develop and refine this point further, with greater reference to the mechanisms of capitalist accumulation. Capital that is rooted in the imperialist countries seeks to develop into forms that allow it to:

- Maximise its competitive advantage in its domestically grounded production, by using labour-saving technology to raise industrial productivity and focusing investment on sectors requiring a high technical base;
- Take advantage of low wage, low skilled labour markets, either by creating new low wage domestic

markets (migration, flexibilisation, precarité), or international markets through trade (?buy cheap, sell dear?) and the outsourcing of production;

? Diversify into highly parasitic financialised forms, able to redistribute value through the global system, and also to aggressively restructure failing capitalist enterprises, by asset stripping and raising levels of exploitation.

The result of this complex of processes is to increase social stratification within the working classes: expanding the low paid sectors, shrinking the ?old? labour aristocracies, creating others anew, pushing others further into the middle strata, in an overall dynamic process.

In this process of capital restructuring, the social also becomes intertwined with the spatial. Old urban manufacturing heartlands of the United States, Detroit, Cleveland, Pittsburgh, Baltimore, amongst others, for example, have seen their populations halve since the 1950s, in a period that has seen the overall population of the country double. As Harvey has discussed in his case study of Baltimore, the local elite?s coping strategies have focused on growth industries like hotels, services and retail, creating a large low wage, precarious, new labouring class, and also reshaping the urban landscape.⁵⁰ Although it might appear to be a process of creative destruction ? as old industries give way to the nimble and dynamic ? what actually emerges is an economic model built on the sand of asset and property price bubbles, as the world saw to its cost in the crisis of 2008.

Moreover, as Harvey has pointed out, there is nothing that says the money generated flows back into the local economy, let alone to projects with any general social utility ? it is far more likely to end up on the stock markets of London and New York in a new round of speculation.⁵¹ A particularly extreme example of this process was Obama?s treatment of the troubled Detroit-based General Motors in his first year in office. A once confident, skilled, well organised, largely labour aristocratic section of the working class ? a force that had been so important in consolidating US capitalism in the 1950s and 60s ? faced a jobs massacre pushed through with open union complicity. But, most strikingly of all in terms of this reconfiguration of social hierarchies in the class, was that the workers who remained found themselves organisationally-incorporated into the enterprise, as the union took a shareholding in the company in exchange for accepting the restructuring without any fight. Could there be a more compelling illustration of the destruction, recreation and reincorporation into the system of the labour aristocracy than this one?

Underpinning Lenin?s acknowledgement of the importance of this changing physiognomy of the working class in highly developed capitalisms was his concern with a political problem. Namely, how to explain the hold of social democratic and labour parties, and reformist ideas more generally, on the working class in these states? He recognised empirically that the relative wealth of these economies gave the capitalists greater room for manoeuvre to foster privileged strata within their population which could help to stabilise capitalist rule overtime. Following Engels before him, he simply observed that this process led to a working class that was more ?internally? stratified with a layer of more privileged, skilled workers closer to the middle classes in terms of their standing of living. Insofar as these layers were organised in the workers? movement, this provided a favourable social basis for reformist, social democratic ideas. If the first part of Callinicos argument is concerned with the economic formation of the labour aristocracy, the second part of his objection comes through a critique of this political conclusion. He argues that during the post-war radicalisation in Western Europe (1918 ? 1920) it was often skilled, better-paid sections of the working class rallied to the communist, anti-imperialist cause espoused by the nascent communist parties and away from the social democratic leaders who had supported the First World War.⁵² Although Callinicos poses this point as a criticism it really need not be, if, that is, we reject the excessively reductionist idea that a workers? level of radicalisation can simply be read off their social standing in the class. Indeed, Callinicos is just presenting Lenin?s point very one-sidedly. Lenin was not saying that it was impossible to

win such layers to the communist flag, but acknowledging the existence of a tendency; identifying it was actually a precondition for overcoming it in a conscious political intervention.

Moreover, we have seen time and again how the dynamic process of destruction and recreation of the labour aristocracy, can see profound radicalisations amongst these more privileged layers when their conditions are threatened. In the period following the First World War, cited by Callinicos, for instance, there was a very serious cyclical recession in Western Europe and, as in all such crises, once relatively privileged workers found their conditions under threat. Similarly, an economically reductionist error was made by those who believed the British miners would never fight Thatcher, as many had bought their council houses under her 'right to buy' scheme. Although the miners were not as a mass 'labour aristocratic section' with 300,000 mineworkers social stratification existed within their ranks nevertheless, when it came to the fight with Thatcher, it was not a simple case of the unskilled radicalising and the skilled, labour aristocrats, acting as a brake on the struggle. There is thus no simple axiomatic relationship between social status and ideas – the interaction between living standards, radicalisation, consciousness, militancy and organisation is a dialectically mediated and historical process. The point Lenin was emphasising, a point that has stood the test of time, is that the working class cannot be united on an economic level alone – its intrinsic stratification and unevenness makes this impossible – and therefore needs to unite on a political level around revolutionary socialist ideas. In this respect, the analysis was linked closely to his earlier political ideas on the role of the party in developing socialist consciousness in the class outlined famously in *What is to be done?* It was a part of Lenin's theory that carried with it the most overtly political conclusions, for it recognised reformism as a social force inside the working class movement that necessitated the developing of tactics and strategies that could overcome it.⁵³

1.7 Finance capital – the evolution of the capital form and imperialism

Up till now, the analysis has focused on the predatory impulses of finance capital, and the critiques made by Callinicos of the idea of the 'labour aristocracy' and parasitism in Lenin and Bukharin's theory of imperialism. So far, then, we have not come to the theoretical core of either Callinicos or Harvey's arguments, which focus on the need to reconceptualise imperialist domination as the intersection of territorial and capitalist logics of power. Part of Callinicos' motivation for this rethinking of the theoretical premises lies in his concern that the classical theories of imperialism gave too great a focus to the role of finance capital, whose domination was seen as encapsulating the evolution of the capitalist system to a new stage. The difficulty, he argues, is that the notion of finance capital developed by Hilferding was focused on the German banking model and did not 'fit' the imperial hegemon of the time, Britain. This problem was deepened further in Lenin's work, he argues, insofar as he adopted Hobson's supranational notion of finance capital, which suggested a potential post-imperial evolution of the system that transcended the nation state form and its conflicts. For these reasons, Callinicos seeks to re-orientate imperialism theory by focusing on the irreducible role played by the geopolitical and nation state system in the evolution of the capitalist mode of production. Before we come in the last part of this article to look in greater depth at this suggestive idea of the intersection of capitalist and territorial (geopolitical) logics of power, let us now consider how Callinicos constructs this step in the argument.

At the heart of his argument is the question that has long troubled not only Marxism but social theory more generally: how to understand the relationship between the general and the particular, or, in other words, the universal and the historically specific? Callinicos argues that conflating the one with the other when it came to the notion of finance capital has dogged classical Marxist theories of imperialism. He writes:

?? The classical Marxist theory of imperialism sometimes conflated the historically specific with the universal: thus the theory of finance capital that Lenin took over from Hilferding extrapolated far too much

from characteristic that were distinctive particularly to late nineteenth century Germany.⁵⁴

Callinicos' criticism is that Hilferding made a generalisation about what exactly constituted modern finance capital from the historically specific form taken by it in Germany. And, both Lenin and Bukharin, he argues, had taken up this concept of finance capital, which Callinicos summarises as 'the fusion of banking and industrial capital under the dominance of the former'⁵⁵ and, alternatively, but in a similar vein, the tendency for the merger of industrial capital with the banks to form finance capital.⁵⁶ As an assessment of Hilferding's position, this is certainly accurate; at the core of his notion of finance capital was the increasingly dominant role played by the banks over industry due to the dependency of the latter on credit. Key to his idea was the growing domination of 'interest-earning capitalists' over 'profit-earning capitalists'. He writes of the banks becoming, thus, 'the founders and rulers of industry':

'The mobilization of capital and the continual expansion of credit gradually brings about a complete change in the position of the money capitalists. The power of the banks increases and they become founders and eventually rulers of industry, whose profits they seize for themselves as finance capital, just as formerly the old usurer seized, in the form of 'interest', the produce of the peasants and the ground rent of the lord of the manor. The Hegelians spoke of the negation of the negation: bank capital was the negation of usurer's capital and is itself negated by finance capital. The latter is the synthesis of usurer's and bank capital, and it appropriates to itself the fruits of social production at an infinitely higher stage of economic development.'⁵⁷

What we see in this passage is Hilferding wrestling with a real problem; namely, to what extent was the dominant position played by the banks in German industrial development expressive of the general form of the new finance capital? This is the tension that exists here in his general statements on the negations involved in the evolution of capital and his more concrete observations on German industrialisation. His attempted resolution of this tension, as Callinicos notes, was to use what was, in effect, a version of Trotsky's idea of the 'privilege of historical backwardness': which noted how late industrialisers had to use special means, including borrowing on the technical accomplishments of their already industrialised competitors but also adopting novel methods of their own, in order to be able to overcome their backwardness and compete on the world market.⁵⁸ In the German case, this process meant the banks were the key drivers and controllers of industrialisation, as they were the principal source of credit 'storing as they did wealth held by the non-capitalist classes' and therefore acted as the locomotive of German development. Hilferding recognised this specific arrangement arose from the demands of German development within an international-political-economy already transformed into a system of global commodity production and exchange, and within which Britain played a hegemonic role.⁵⁹ But he argued this correlation of power within the ruling class 'the domination of the banks over production' nonetheless expressed an evolution of the system more generally to a new stage.

Callinicos' critique of this approach is that in Britain, where the banks did not play this role, the form taken by finance capital was different. But as his argument develops it transpires he is making stronger objection: that the organisation of finance capital should not be one of the main objects of enquiry in imperialism theory.

The problem here is that Callinicos would need to do far more to justify this profound change in the analytical focus than he does. The classical Marxists recognised an apparent connection between the evolution of capitalism towards financial oligopoly and the territorial conquest of the globe; it was quite legitimate to ask how these occurrences related to one another (and, as it happens, Callinicos' own periodisation of the rise of imperialism from the 1870s onwards, implies he, too, recognises an inter-relationship between these elements). In terms of finance capital, the issue was how to theorise and

explain, within the framework of Marx's Capital, this more and more apparent historical change in the advanced states, which, in one form or another, saw financial institutions and large investment vehicles increasingly play a hegemonic role over production. The contradictions involved in this process and the tensions between production and finance within the new configurations of bourgeois power, were rightly judged to be crucial in determining the evolution of modern capitalism. By seeking to move the analysis of imperialism onto another stage altogether ? the more general processes of interaction between the geopolitical and the economic ? Callinicos is losing sight of the need to account for the ?how and why? involved in these economic changes.

Taking a balance sheet of Hilferding's approach is important, but not because of a mistaken induction he made on the basis of the German developmental experience. Rather, the issue was with his theoretical framework and specifically his understanding of money, which meant he did not draw out the contradiction that was lodged in the interaction between capital in its money and commodity forms. Consequently, his theory contained no account of the potential for crisis which arose due to the growing dissonance between production and finance which set in as capital developed in a more centralised and monopolistic direction. When it came to his view of finance capital as the domination of banking over industry, this led him to overstate the power of the banks and their capacity to bring competing industrial capitals to heel using the weapon of credit and thereby act as an instrument for the rational planning of production.

Without a doubt, Hilferding's analysis was enormously influential. But the extent to which other Marxists of his generation took up his understanding of finance capital without modification is a question of debate. Bukharin and Lenin recognised the universal role of the banking system and its enormous power, but they situated this within the more general tendency towards oligopoly that had beset capitalist enterprise. So Lenin wrote of how the banks' new powerful role, which had arisen out of the massive expansion in the scale of their accounting operations, had given them more power than ever to act as a ?single collective capitalist? and control the fate of whole branches of enterprise. However, in the same chapter, he recognised the tension in this ?coalescence? of banking and industry and how the universal character of banking was only the form it assumed, while, in substance, it combined the private ?interests of big capital, and primarily, of huge, monopoly capital?.⁶⁰ Crucially, Lenin, in his discussion on finance capital, recognised the contradiction lodged in the separation of productive and money capital per se and noted this was now greatly amplified, reaching ?vast proportions? with the rise of the financial oligarchy.⁶¹ This last position is likely to have reflected the criticism that he made of Hilferding ? alas, one he never extrapolated ? for adopting a wrong theory of money in Finance Capital. Clarifying and building on Lenin's comment is essential. But what was the substance of his critique? Harvey explains what Lenin might have meant with typical clarity:

?Marx built his theory of money out of an analysis of capitalist commodity production and exchange without reference to the circulation of capital. In so doing, he first identified the contradiction between money as a measure of value and money as a medium of circulation in order to lay the basis for understanding how the contradiction is heightened when money circulates as capital. This contradiction disappears almost entirely from Hilferding's work. Monetary phenomena are reduced to ?pure organs of capitalist financing?, completely under the control of finance capital. Hilferding depicts finance capital as both hegemonic and controlling, whereas Marx depicts it as necessarily caught in its own web of internal contradictions. The central contradiction for Marx lay between what he called the financial system and its monetary basis?.⁶²

Consequently, when it came to the financial system, Hilferding recognised the growth of fictitious capital that was at the core of the growing domination of finance, but he did not see the potential for crisis lodged in this growth, as capital in its fictitious form outpaced ? for example, through speculation on property prices ? the production of real value, leading to a misalignment between imagined and real values, one

that eventually would result in a crisis. As this example should illustrate, the issue was understanding the contradictions lodged within the development of capitalism towards a highly centralised and financial form: this required a view of finance capital as both a contradictory movement of interest-bearing capital and a change in the configurations of power inside the bourgeois class.

Harvey has argued forcefully in *Limits* that the missing element in the classical analyses was Marx's theory of money (*Capital* Vol. 1) and finance and banking (*Capital* Vol. 3) which, taken together, provide a theorisation of finance capital as a conflicting and crisis-prone process: that is, 'a contradiction-laden flow of interest-bearing capital' a conception, which we should note is entirely consistent with Marx's general view of capital as a process rather than a thing.⁶³ This leads Harvey to offer a reformulation of Lenin and Bukharin's typography of finance capital: as a unity of banking and industrial capital that 'internalises tension, antagonism and contradiction' owing to finance capital's fundamental inability to eliminate this antagonism between capital in its commodity and money forms.⁶⁴ This reformulation is useful, for drawing in the crisis-ridden nature of finance capital. It is interesting that it also echoes a description used by Trotsky in the late 1930s, after the experience of the major financial crises, of finance capital as 'monopoly with tendencies of anarchy'.⁶⁵

There is also another dimension to the analysis present in both Lenin's and Bukharin's work, which comes out in Lenin's discussion of the separation of money and industrial capital.⁶⁶ In his discussion of the rentier-like, parasitic nature of finance, there is the idea of an evolution of capital to a new form more and more separated from production.⁶⁷ This had been previously suggested by Bukharin who wrote of the 'growing impersonal character of capital' that came with the 'the growth in stocks and bonds' as expression of forms of property and ownership characteristic of the growing domination of finance capital.⁶⁸ The idea suggested is that this was the emergence of a form of capital which had transcended any 'sectoral' roots 'i.e. in a single branch of production' and it was, so to speak, the closest that the social force of capital in concrete space and time, could come to the abstract concept of capital Marx had theorised. In this respect, we see in the evolution of capitalism to an imperialist stage the emergence of a form of 'pure capital', able to move through different industries at will and organised in large concentrations of capital such as the modern investment vehicles that have multiple interests and complex ownership structures. Capital in the age of oligopoly, thus, can be understood as driving towards this 'pure form' 'forcing a unity of banking and industrial capital that incorporates tensions, pressures and contradictions. Moreover, it is exactly this kind of analysis that would represent a real attempt to try to 'continue the project of Marx's *Capital*' - the stated commitment of Callinicos at the outset of his book - by applying the abstract framework of the mechanisms of capitalism he established, in order to trace the concrete evolution in the capital form itself and how this relates to the changes in the political-economic order.

The result of this theoretical approach for imperialism is to defend the project of understanding the contradictions lodged within the historical evolution of capitalism to a new stage of high finance and monopolisation, whilst enriching the theory through engagement with Marx's writings on interest bearing capital. In this way, Callinicos' argument that there is no single organisational form of finance capital can be challenged at both a historical and theoretical level. Historically, the approach outlined in this critique takes as its object the contradictions of the system of finance capital that emerged with the growing concentration and centralisation of capitalism at the tail end of the nineteenth century. Theoretically, it provides a means by which to explain and analyse the concrete organisational configurations of finance capital that arise out of the contradictions between industrial and banking capital, in these conditions of heightened capital centralisation. These shifting organisational configurations of finance capital are also, we should add, subject to contingent externalities to the capitalist accumulation process. In particular the actions of governments that continually look to re-work regulatory frameworks in an unending bid to do the

impossible: solve the fundamental contradictions of capital. As Harvey explains:

?The shifting patterns of control of corporations by banks or banks by corporations have also to be seen as part of a perceptual process of probing for an organisational form that will enhance the capacity of capitalism to survive in the face of its own internal contradictions. In exactly the same way that perceptual oscillations in market prices are fundamental to the establishment of equilibrium value, so perpetual oscillations in the balance of control between bankers and corporations are essential to the achievement of that equilibrium relation between finance and the production of surplus value??[69](#)

In this chapter of Limits, Harvey emphasises how the balance of power between finance and industry tends to change at different moments of the accumulation cycle, because the cycle ?invariably produces phases that are long on commodities and short on money and vice versa.[70](#) But, whilst this certainly affects the balance between banks and industry in the cycle, arguably more significant are the politically enforced changes that affect the organisational structure of finance capital across whole decades. The importance of such changes is difficult to overstate. After all we have seen in the last three decades how they can impact on the form taken by finance capital itself. Successive legislative changes on the domestic and international scale provided the institutional and regulatory framework which allowed US and British finance capital to diversify into a variety of seemingly ever-more fictitious forms. To understand such changes, which take place on what Richard Brenner has called the ?metacyclical? level[71](#) ? i.e. the longer temporalities that can incorporate a number of accumulation cycles ? we need to analyse both the economic imperatives for capital (the search for ?organisational forms in response to internal contradictions?[72](#)) and the struggles within and between classes that determine the form and content of the political response to these intrinsic and fundamental capitalist contradictions.

Last of all, this understanding of 'finance capital' also touches at the heart of the finite character of the existing economic order: that the capitalist system, having reached this stage of the evolution of capital into finance capital, has 'nowhere else to go'. A position that challenges the various conceptions of hyper-imperialism - understood as a post-imperial evolution of the system - posited by a diverse range of theorists over the last hundred or so years. Although Callinicos also rejects a theory of hyper-imperialism, his reasons for doing so lie outside any notion of the capital form itself, but stress only the centrifugal pressures elicited by capital and their intersection with geopolitics. What this misses out on is that once capital evolves to a monopoly form with its consolidation as 'finance capital', it reaches its intrinsic limitations. This dimension of the analysis is important not simply on historical and theoretical grounds, but also because the evolution of capital to such a stage posits within itself the possibility of socialist transition. It represents a growing socialisation of production the enormous possibilities of which are obstructed by its continued private ownership. In this regard, there is much more to Lenin's analysis than economic and geopolitical competition, creating rivalries and tensions, and systemic unevenness. There is also a social theorization of the material possibilities for socialist transformation in the existing system.

1.8 History, concepts and analysis: the method of non-deductive concretisation

What this analysis shows is that at one level Callinicos simply asked the wrong question: i.e. ?is there one organisational form of finance capital?? It did not, naturally, take him long to find that there was no single organisational form. But this led him to drop the project of theorising the mechanisms of finance capital as part of the imperialist evolution of the system. Perhaps at the root of this mistake is the method of abstraction and concretisation Callinicos outlines at the beginning of Imperialism and Global Political Economy. In his opening statement of method, as we discussed earlier, Callinicos invoked the idea of continuing Marx's project of Capital and generating ?testable auxiliary hypotheses?. In the process, he discusses Marx's method of abstraction and concretisation which he summarises in suggestive terms as a system of ?non-deductive concretisation?.

This is an understanding of Marx's method in *Capital* as one that involves the progressive introduction of more complex determinations that enrich and deepen the analysis at each stage; for example, Callinicos correctly points out that Marx starts with the notion of the commodity and only afterwards builds into his analysis the capital-labour relation, as a more concrete concept which makes capitalism distinctive from earlier systems.⁷³ The strength of this view of Marx's method is that it understands the descent from more general to more concrete determinations in *Capital* as being undertaken non-deductively. As Callinicos explains, "a deductive argument is content preserving: the conclusion of such an argument, when validly inferred, makes explicit content implicit in the premises. By contrast, the introduction of each more complex determination in *Capital* adds new content to the analysis."⁷⁴ This interpretation of Marx's work can act as a legitimate riposte to erroneous criticisms of Marx's method as circular and self-referential, i.e. deductive. In actual fact his methodology marked an explicit departure from just such assumptions; for example, consider Ricardo, whose political-economy greatly influenced his own, but who had applied a deductive method of economic abstraction, one consequence of which meant that he could not complete his labour theory of value as a concrete explanation of the distribution of social value in the capitalist mode of production.⁷⁵ Consequently, Marx's dialectical and historicised method of concretisation should be understood as one that successfully transcended the traditional divide in western thought between inductive (empirical) and deductive (abstract-theoretical) frameworks.

Nonetheless, whilst there may be merits in seeing Marx's dialectical method as non-deductive in its basic premises insofar as his arguments are not circular but dialectical, there are more serious demerits in the method Callinicos outlines which make this very problematic as a general interpretation of *Capital*. There is first of all the rather banal complaint which can be made that, whilst Callinicos establishes the principles of the framework of non-deductive concretisation early on in his book it does not feature extensively (with one exception discussed below) in the rest of his analysis; as a result, the categories of classical imperialism theory are not actually framed within the method of Marx's *Capital*, for example, as "more concrete determinations" that are "progressively" built into the analysis. Had Callinicos followed through more systematically on the promise of this method of "testable auxiliary hypotheses" of Marx's work, he may not have drawn the conclusions he did on the organisational form of finance capital, which are, in the end, rather empiricist. But the more egregious issue is that the main influence on Callinicos' understanding of Marx's method of political-economy is the French structuralist, Louis Althusser. This is qualified by Callinicos' rejection of Althusser's "notorious anti-humanism", i.e. his view of the political and social subjectivities of agents as being epiphenomenal to their position within a structural system.⁷⁶ However, despite drawing this line in the sand, in his reading of Marx's method, he adopts two key Althusserian positions.

Firstly, Callinicos argues that the relationship between the categories of *Capital* is "analytical and not historical."⁷⁷ This is seriously wrong. The concepts Marx mobilised are defined and related to one another in temporal terms. It is true that Marx differentiates between two different things: the historically specific role played by economic categories within capitalism and the succession of the appearance of these phenomena - such as exchange - in historical time. So he writes: "The point is not the historic position of the economic relations in the succession of different forms of society. Even less is it their sequence 'in the idea' (Proudhon) (a muddy notion of historic movement). Rather, their order within modern bourgeois society."⁷⁸ If this is all Callinicos means, then there is no objection. But the relationship between the categories is still both historical and analytical, because part of the issue is showing the historically specific ways in which more general features of human society exist in capitalism. In general, abstractions denote necessary causal relationships between people and Marx's method of abstraction moves between the necessities operating at different historical levels of the analysis of society he presents. As Andrew Sayer puts it:

?The hierarchy of types of concepts in Marxism [range] from the most basic abstract concepts which refer to transhistorical necessities, through [to] historically specific abstract concepts, through [to] the tendencies? [and on] to the more concrete level. As we have seen, because of the historical nature of society, which historically specific abstractions must be used depends on the kind of basic necessary relationships which obtain at any point in time.?79

In other words, Marx's method of abstraction takes the historical development of society as its starting point for the process of abstraction and concretisation; the aim being to identify the real causal mechanisms in specific modes of production by incorporating 'necessities' operating at differing levels of historical particularisation and generality. Marxist exposition thus proceeds by, if we want to use Callinicos' phrase, ?building in? more historically specific categories at each stage; from foundations of historical materialism (e.g. people, nature), to transhistorical claims (e.g. social relations of production), to historically specific abstractions (e.g. capital-labour), down to the formation of concrete concepts (e.g. 'the nation-state system').80 Each level of the framework, then, sits at a certain 'temporal' level of the analysis and as you move down to more concrete concepts, they incorporate the mechanisms denoted by the more abstract categories in irreducible and specific ways.

Secondly, Callinicos argues that Marx ?abandoned the attempt he made in the Grundrisse to 'dialectically' deduce the concept of capital from that of money? and instead treated ?labour-power and related concepts (surplus value, exploitation, etc.) as a distinct set of determinations irreducible to those they succeed.?81 This leads him, for example, to see the idea of non-deductive concretisation as leading to a rejection of the view that the capital-labour relation is contained in the commodity.82 This view may appear at first to be an attractive position; even if, for example, we embrace an historical notion of abstraction, is it not the case that the commodity in the simplest sense of the term - a product of labour produced for exchange - cannot 'contain' the idea of the capital-labour relation, because the production of products for exchange is a phenomena that historically precedes the advent of capitalism and therefore the capital-labour relation as it is properly understood? The capital-labour relation would in this respect have to be 'added in' through the course of an historical analysis of specifically capitalist commodity production. But Callinicos has already argued against such an historical reading of Marx's method of abstraction. Thus what is at stake here is the relational status of the categories in Marx's understanding of the capitalist mode itself. It is precisely because Marx's whole method is geared towards the historicising of his conceptual apparatus that the concepts he applies can only be defined in their essence as part of internalised and relational systems of human social relations. As Derek Sayer has argued:

?Neither wage-labour nor capital, for instance, can be defined 'in themselves', as autonomous particulars, conceivable independently of one another. Nor can they properly be understood as externally 'interacting' on one another. Each is what it is only by virtue of its relation to the other, and must be conceptualised accordingly. The concept of capital implicitly contains that of wage-labour, and vice versa.?83

The irony of this fallacy committed by Callinicos is that one of the reasons he gives for his attraction to Althusser is the apparent 'relationality' of his concepts.84 But in Althusser this is a 'relationality' between phenomenon that are essentially conceived as externalities of one another, while, in contrast, for Marx the whole notion of 'totality' imbues his dialectical methodology as dialectical relations are conceived as internal, systemic ones. The consequence of this approach is that modes of production should be theorised as concrete, historical totalities. So, in *The Poverty of Philosophy*, for example, Marx points out that to ?define bourgeois property is nothing else than to give an exposition of all the social relations of bourgeois society. To try and give a definition of property as an independent relation, a category apart, an abstract and eternal idea, can be nothing but an illusion of metaphysics.?85 In *Capital*, then, Marx was engaging in an increasingly concrete analysis of the capitalist mode of production as a totalising, historical

phenomenon. This is the reason that he refined his categories in the 1859 Critique and after; it did not represent a fundamental change in his method away from the dialectic, but, rather, the more historically concrete form the determinations took - away from notions of labour 'pure and simple' in a transhistorical sense - expressed the fact that he was moving to a more historically specific level of abstraction: that is, the necessities operating in the capitalist mode of production.[86](#)

There are at least two implications that follow from this critique of Callinicos' method. Firstly, the concept of capitalism that emerges is a non-reified one as it provides the tools to situate the emergence of this specific mode of production within the development of human productive and social capacities more broadly. One consequence of this, then, is that only with this interpretive reading of Marx's work, can historical materialism claim to be a theory of history in the true sense of the term - with an ontology and hierarchy of concepts able in principle to be applied in a non-reified and historically concrete way to any number of different historical modes of production - rather than just a theory of one mode of production, capitalism. Secondly, and related to this point, it incorporates time, change, and all the dynamism and movement that comes with these concepts, into the analysis in a way that structuralism tends not to. The method of the latter often proceeds on vertical lines - how structures intersect with one another from the top-down at specific historical conjunctures - rather than the contradictions and processes that govern the 'horizontal' movements in time between these conjunctural moments. As a result, structuralists tend to miss out the transformations occurring in structure over the course of historical time. To return to the subject at hand, with all the risks of over-extrapolating from this methodological digression, it does seem fair to say that this tendency is found in Callinicos' view of finance capital, because it takes a 'snap shot' of the historically specific organisational form Hilferding had analysed and sees the theory as standing or falling on the basis of the extent to which this vertical-structure of organisation generally endures.[87](#) Left unexcavated are the historical mechanisms that lead to transformations between these forms.

1.9 Markets, states and ?the international?: between Nicolai Bukharin and Hannah Arendt

The question that remains, then, is what this conception of the mechanisms of finance capital means for the domination of the world by the most powerful states, seeking territorial and economic expansion for their rival formal and informal empires ? what Callinicos calls the *differentia specifica* of modern imperialism.[88](#) The answer in the classical tradition ? which Callinicos and Harvey both largely embrace ? is that the increased concentration and centralisation of capital leads it to outgrow national borders and this necessitates the need for their domestic political jurisdictions to work towards an international order favourable to this expansion. As Bukharin puts it, quoting Hilferding favourably in the process:

?The development of world capitalism leads, on the one hand, to an internationalisation of the economic life and, on the other, to the levelling of economic differences, and to an infinitely greater degree, the same process of economic development intensifies the tendency to ?nationalise? capitalist interests, to form narrow ?national? groups armed to the teeth and ready to hurl themselves at one another any moment. It is impossible to describe the fundamental aims of present day politics better than was done by R. Hilferding. ?The policy of finance capital,? he says, ?pursues a threefold aim: first, the creation of the largest possible economic territory which, secondly, must be protected against foreign competition by tariff walls, and thus, thirdly, must become an area of exploitation for the national monopoly companies.? The increase in the economic territory opens agrarian regions to the national cartels and, consequently, markets for raw materials, increasing the sales markets and the sphere of capital investment; the tariff policy makes it possible to suppress foreign competition, to obtain surplus profit, and to put into operation the battering ram of dumping; the ?system? as a whole facilitates the increase of the rate of profit for the monopoly organisations. This policy of finance capital is imperialism.[89](#)

What Bukharin emphasises here is the intrinsic need of capitalism to force open the ?economic territories?

of the world. Explicit in both Hilferding and Bukharin's analyses was the struggle for the exploitation of global markets by finance capital, as corporations exhaust domestic markets and look for expansion globally. But the corollary of this, in the language of dialectics, is its 'negation', i.e., this process of capital internationalisation elicits a simultaneous tendency to 'nationalisation' owing to the competition dynamic inherent in the system. Unfortunately, the extract also illustrates Bukharin's propensity to one-sidedness – the unilinear projection here is that imperialism must always take control of territory and operate behind tariff barriers. Although this is an understandable conjunctural observation given the events of his day and is similar (albeit more one-sidedly expressed) to Lenin's view that the direction of development was towards formal colonial empires, it nonetheless cannot be taken as a substantive essence of imperialism given post-war decolonisation. Whilst these pressures and imperatives around tariffs and protectionism have been a recurring theme of the international-political-economy for well over a century now, we have seen in different periods, the pressures over access to markets vary in their intensity. In the mid-part of the 20th century, we saw the process of decolonisation change the political and juridical terrain in which the struggle for markets in the south and east took place whilst, of course, at this same mid-point, the expansion of the Stalinist eastern bloc closed off whole territories to capital. At least two of these themes – varying intensities of inter-imperial rivalry in different periods and the post-war decolonisation – pose the question of how to account for the relationship between the struggle of capitals for markets within the geopolitical context of the national-state system, one dominated by a select few, 'Great Powers'.

It is in how they account for this relationship that we find the principal point of convergence between Harvey and Callinicos; both understand imperialism as representing a contradictory unity between the political and economic logics of power on the international stage. This is an attractive solution, because, as a basic formula, it sees the link between political domination – be that through the formal structures of colonialism or the more subtle and informal mechanisms of the post-1945 state system – and the economic logic of monopoly and financialised capital, as existing in a dialectical relationship. To develop a full and rich picture of the evolution of the global system, then, it is beholden on us to incorporate both these elements, the politics of imperial subordination and the contradictory flows of capital accumulation, into a 'moving picture' of modern capitalist history. But how exactly should we conceive of the theoretical – that is, causal and 'lawful' – intersection between these two elements, the political and economic?

Pace Callinicos' claim that his difference with Harvey is 'not' one of content but merely one of formulation⁹⁰, there is a substantive divergence between the two theorists in the answer they give to this question. Drawing on Arendt's understanding of imperialism, which sees capital accumulation requiring a parallel accumulation in political power, Harvey introduces the idea of two logics of power, the economic and the territorial, and suggests that they operate according to co-existing and mutually reinforcing but, at the same time, separate and contradictory imperatives. In contrast, Callinicos talks of the intersection of the geopolitical – i.e. the systems of nation state interaction rather than the territorial form of political governance – with the economic, and, drawing on Bukharin's understanding of the state and capital, argues that that nation-state system can be understood as a concrete determination of the capitalist mode of production (this is where he does apply his idea of 'non-deductive concretisation').

The need for a degree of creative thinking on these questions of how the economic and the political intersect, results from the developments in the international order in the decades following the Second World War. This is what Callinicos calls the phase of 'superpower imperialism' which marked a shift between the closed and formal methods of political colonisation to the 'Open Policy' of the United States, designed both to extend its sphere of influence internationally in the wake of the fall of the European empires and to open up opportunities for its capital through increased economic integration with the liberal capitalist states that emerged out of the post-war settlement.¹⁹

In the extract cited from Bukharin above, the policy of finance capital is seen as fostering closed economic spheres of influence and, on the surface at least, the post-war period seems to confound this expectation. The historical specificities involved in this 'negation' are drawn out by Harvey and Callinicos who both identify the importance of the historically unprecedented long boom in capitalist expansion c. 1950 - 1970 and the conflict with the Soviet Union (with this common enemy ameliorating the antagonisms within the western bloc).⁹² Both note the specificity of the US imperial hegemon in the aftermath of the Second World War; it was able to realise an unprecedented degree of hegemon and power over the imperialist nations. By contrast, in the period of British hegemony, the world order remained a multi-polar one with powerful challengers to the leading power. The US was able to develop a discourse of universality and 'open' policy that disguised the fact that it dominated the political and juridical framework established in the post-war western institutions like Bretton Woods.⁹³ In this experience there is the interesting implication that having a hegemon that can impose an imperialist order on the world is a better overall 'solution' for the weaker imperialist powers, than a situation like that which obtained between the two world wars when no power could impose order and so all suffered the dire consequences of their own frenetic, inter-imperialist competition.

Importantly, both Callinicos and Harvey recognise that in this period there remained serious economic tensions within the western alliance. Harvey notes that the nature of the relatively open juridical framework in tariff and trade relations established by the US made it vulnerable to economic competition from its rivals. So, when over accumulation hit the system in the 1970s, US multinationals were challenged by German and Japanese competitors.⁹⁴ Callinicos adds to this the unilateral move of the United States out of the dollar-gold parity system to floating exchange rates in 1971 - 73,⁹⁵ which would allow it in the coming decades to manipulate the value of the dollar to its competitive advantage - a device that would be used against Japan in the late 1980s.⁹⁶ Until now, these competitive pressures could be absorbed within the existing framework of the international order, one that was further strengthened in its scope and level of international integration by the collapse of the Soviet Union (allowing for the universalisation of American hegemony and capital internationalisation which was popularly known as 'globalisation?'). Today, however, with the pressures elicited by the financial crisis and world recession, the return of more overtly protectionist impulses and an emerging multi-polar framework in international relations, the nascent contradictions that could transform things exist.

All in all this set of historical experiences means, as Callinicos puts it, the theoretical framework adopted by a compelling Marxist theory of imperialism must treat 'different aspects of the state-system - geopolitical structures, the relationships between states and capitals, and military organisation and technologies -' as explanatory variables?. And, moreover, in this regard, 'contingency plays an irreducible role?' in events.⁹⁷ So it must be theoretically incorporated - in a dialectical relation to historical 'necessity?' - in a moving and dynamic view of the evolution of the imperialist order, as shifts within periods of its development have resulted from the outcomes of struggles that were not pre-determined.

We have seen this time and again. From the astonishing errors made by the German High Command in the Second World War, to the conflict between Kennedy and the US General Staff over whether to launch a first-strike in the Cuban Missile Crisis, to, when it comes to revolution, Lenin's role in the crucial months of 1917 and the inexcusable error made by the German Communist Party in failing to seize the opportunity to take power six years later, to numerous other examples in the historical temporalities of modern world history. All told, we see, then, the recurrent capacity of political agency, the struggles within and between the classes, to reshape the forms and character of whole decades of world development. The need for a dialectical incorporation of the political and economic - and, at a deeper methodological level the 'contingent?' and 'necessary?' - is pronounced if we are to really go beneath the surface of events to reach a deeper understanding of these changes. Two issues are then posed. One is the relationships

between classes and the state on the 'domestic' level, the other is the interaction between the nation-state system and the world market in 'the international'.

On the first of these issues, Marxists have long argued the relationship between the state and capital is not a coincidental or accidental one, as the development of the modern bourgeois state went alongside the evolution and consolidation of the capitalist economy. The need to dislodge the feudal and absolutist systems and establish centralised state authorities that could legislate and enforce the rules and procedures necessary for capital accumulation to flourish was at the heart of the dramatic social and political changes of late 18th and 19th centuries. From the insurrectionary advance of France and America, to the apparently slow moving and piecemeal versions of the same process in Britain and Germany, the consolidation of bourgeois social and economic power required a corresponding political and institutional framework. As Harvey notes, there is a simple conclusion to be drawn here on the necessity that exists between the bourgeois state form and capitalism:

'Capital accumulation' flourishes best in the midst of certain institutional structures of law, private property, contract, and security of money form? A strong state armed with police power and a monopoly over the means of violence can guarantee such an institutional framework and back it up with definite constitutional arrangements?⁹⁸

It is not that without such a framework capital cannot function but it does so 'with increased risks and liabilities'. There are many examples historically of how flexible capital can become in creating 'frameworks of operation over space in innumerable ways, using kinship, diasporas, religious and ethnic bonding, and linguistic codes to produce intricate spatial networks of capitalist activity independent of frameworks of state power'. But, nevertheless, the preferred condition of capitalism plainly remains institutions that offer legally guaranteed rules for competition, can arbitrate between different sections of capital, and, crucially, are constructed in such a way as to contain class conflict.⁹⁹ As the story that Harvey tells of neoliberalism and accumulation by dispossession shows, the 'dark side' of the state remains its instruments of force and coercion. The fraudulence of the idea of the night watchman state of classical liberal economics, is shown not only in the moments of brutish and diabolical reaction in response to perceived threats to market interests (famously in Chile, 1973), but also the more subtle daily grind of class, racial and ethnic prejudices that imbue police forces the world over, to the violence of imperial occupation and today's ever harsher sanctions against the labouring and popular classes who challenge the interests of capital. This is the bourgeois state in all its glory 'now and until its final passing away.

On these assumptions Marxists, at least those of the more radical, and certainly those of the revolutionary, persuasion, will generally agree. But when it comes to actually accounting for the nature of this inter-relation, Harvey adopts a much more problematic set of theoretical assumptions. He draws a distinction, which he suggests is a sharp one, between the territorial and capitalist forms of power. This is developed through an unobjectionable enough account of the different motivations of capitalist and statesmen: the former wish to accumulate more capital for individual gain, 'the politician typically seeks outcomes that sustain or augment the power of their own state vis-à-vis other states.'¹⁰⁰ Whilst this is true enough 'plainly the immediate, proximate interests and motivations of, for example, Rupert Murdoch are quite different to those of David Cameron' the problem is that Harvey opens up this argument outwards to give a deeper and more fundamental meaning of two competing logics of power, the territorial and the capitalist. When it comes to their relationship, he quotes Arendt to argue that a 'never ending accumulation of property requires a never ending accumulation of power'.¹⁰¹ Conversely, however, he sees these two logics as separate and distinct, thus, he understands a dialectical tension to exist in their co-constitution that means they can 'frequently tug against each other, sometimes to the point of outright antagonism.'¹⁰² His conclusion from Arendt's idea is addressed to imperial hegemony: arguing that the United States

needs to accumulate territorial power in order to sustain and augment its own capital accumulation. But how it does this, and whether the power actually facilitates the capitalist logic, is the subject of the contradictory relationship between these two elements.

The problem here is not in the conclusion on US imperial power: the United States plainly requires a political, diplomatic and military presence in the world in order to keep international markets open and responsive to the needs of its own accumulation. But the issue lies in how Harvey arrives at his conclusion with the invoking of these two logics of power. Indeed Robert Brenner has argued Harvey's actual historical account shows the working of a 'singular' logic: namely, imperialist politics that express deeper capitalist interests and contradictions. As Brenner argues, if we take the Vietnam or the Iraq war, examples that Harvey uses, we can agree that explaining the 'how and why' of these colonial adventures has to refer to more than the immediate demands of capital accumulation. We might even agree they were not in the interests of US capitalism, but this does not mean they expressed a territorial as opposed to capitalist logic of power.¹⁰³ Indeed a more orthodox Marxist account of imperialism can deal with the question of how the Iraq war may have undermined US economic interests in the region, by simply recognising the multiple political forms and policies that the pursuit of capitalist interests can take. As well as the successful consolidation and entrenchment of formal or informal empires this can allow for any number of ill-conceived imperial blunders. The theoretical foundation for Harvey's understanding of these two logics is also seriously suspect. Arendt's argument 'made it has to be said in the vague tones that are typical of liberal political theory's detachment from the strictures of real socio-historical analysis' that economic accumulation requires a parallel accumulation of territory is either a truism or, as Brenner notes, a theoretical postulate without empirical warrant and one that, depending on what precisely is meant, could easily be considered largely confounded by the post-1945 process of decolonisation (Callinicos notes, for example, post-war American imperialism is distinguishable by its non-territorial form.)¹⁰⁴

Moreover, this cursory discussion shows there is also a tendency in Harvey's work to elide together two issues that, arguably, are analytically distinct: one is the relationship between the state form and capital, the other is the interaction between geopolitical pressures and markets at the level of 'the international'. In a system of many states, territorial governance must refer principally to the internal political jurisdictions of individual nation states. This is not meant to discount the importance of supranational legal and political authorities like the World Trade Organisation, but to simply put forward a qualifying reminder that these are built on the foundations of the state system in which individual states each make a special claim to uphold monopolies on the legitimate use of force over their territories. Moreover, this reality is a defining feature of these institutions; as they are fulcrums for power struggles between different 'organised territories', i.e. states, in a way that 'the state' in the singular sense is not. Consequently, the power projected by the American hegemon over the international order 'over the system of many states' is quite different from the kind that would be used by a single, global state. The upshot of this is that theorising any notion of territorial governance has to take into account the mutations in the form it takes across historically specific social systems. If we consider 'where does territorial governance come from?' then we'll find that, strictly speaking, a territorial logic of power refers to something that has a much more universal character than any specific, historical relations of the modern world: the first settled communities, for example, linked governance to notions of territorial possession, however primitively they did so. This suggests that historically specific social relations create a certain type of 'territorial logic'. Theoretically, then, it does not make sense to imply as Harvey does that the territorial logic of power can on occasion 'predominate' over the capitalist logic: a necessity of human development that has recurred across many modes of production historically, cannot 'predominate' over more specific social relations.¹⁰⁵ The former, rather, become embodied, concretely, in the latter in distinct and historically specific ways. Or, in other words, capitalism has created its own 'capitalistic' territorial logic 'the bourgeois state form within a hierarchically ordered

nation-state system. There is not an antagonistic territorial logic operating according to internally defined mechanisms.

Callinicos offers a reformulation that seeks to overcome this problem by dropping this notion of territoriality in favour of the 'geopolitical' and how this comes to intersect with economic logics of power. Like Harvey, he develops this analysis through an initial discussion of the relations between the state and capital, but, unlike him, Callinicos offers an explicit recognition of how the subject of the analysis shifts substantially when it moves onto 'the international' and the cross-cutting inter-state and market relations that make up this aspect of the social world. So, he argues the distinction between his theory and Harvey's is that:

'In my version, I understand geopolitics, very broadly, to refer to all conflicts among states over security, territory, resources and influence. The place it occupies within the theory of imperialism thus directs our attention towards the state-system, the privileged theoretical object of mainstream International Relations which is conceived of having properties irreducible to those of its constituent units, the individual states.'

[106](#)

The compelling part of Callinicos' argument is that this approach brings to centre stage the role of world politics in the historical evolution of imperialism. His periodisation of this development in capitalism thus invokes three distinct ages: Classical Imperialism (1870 ? 1945), Superpower Imperialism (1945 ? 1991) and Imperialism after the Cold War (1991 ?) with the distinctive elements in these phases given by the specific shape and contours of the international order, i.e. the political, military, legal and institutional frameworks instilled by the dominant sets of Great Powers of the time, intersected with the process of capital accumulation.[107](#) One way this theoretical view 'of imperialism as the intersection of a dominating capitalist, economic logic with intense geopolitical competition' is 'cashed out' empirically is through a distinctive view on the origins of modern imperialism as lying in the fusion of (a) the ferocious and continuous rivalries between the European powers that was the predominate feature of the world politics since the fifteenth century, with the (b) international consolidation of industrial capitalism.[108](#) Whilst this suffers from not addressing the evolution of the capital form towards the contradiction-laden integration of banking and industrial capital, it does nonetheless usefully draw attention to how a distinctively capitalistic imperialism emerged on the hypostasis of the early modern world's fierce system of geopolitical competition between the European colonial empires. Another way Callinicos indicates the merits of this inter-weaving of the two logics, is in his discussion of the post-war settlement, as he offers an understanding of America's 'Open Door' policy that integrates the contingent policy designs of its leaders into the structural necessities of the wider international political-economy, allowing him to show the continuities and discontinuities of this new world order to the British-led one that it had displaced.[109](#) Overall, then, there is a similar strength to that found in Harvey's work ? even, if it offers a less strident indictment of the human costs of the imperialist system ? in that it shares a historical approach to the subject: situating the theory within the tectonics of modern world history.

How, though, does Callinicos integrate the three dimensions of the analysis discussed here: the state, the nation-state-system and the logics of capital? Whereas Harvey's principle theoretical influence is Arendt, Callinicos' chosen icon is politically 'closer to home': the Marxist and revolutionary Nicolai Bukharin. Callinicos draws out two elements of Bukharin's analysis in his re-elaboration: (a) the view of the state as a universal organisation of the ruling class and (b) the fusion of state and capital contained in his idea of state-capitalism. The first element sees the state as an essential means of stewardship for the ruling class, creating the framework institutionally and within civil society for the flourishing of capital accumulation. Bukharin argues 'the state absorbs itself into the whole multitude of bourgeois organisations' and ? echoing Marx and Engels' formulation from The Communist Manifesto ? that it 'becomes the sole universal organisation of the ruling class.'[110](#) Callinicos argues that in this conception the state is not

conceived of in reductionist or instrumentalist terms, e.g. as an instrument of one section of capital, but as a 'universal' body of the ruling class, for it has to establish institutions that regulate and manage competition and work in the interests of what we might call 'capital in general'.¹¹¹ But, conversely, owing to the competitive nature of the accumulation process, the state reflects in a refracted, political form the conflicts within the ruling class and wider society. As Callinicos has elsewhere put it:

'The fact that Marxism treats politics as intelligible only in the context of the 'Other Scene' of the economic doesn't make the politics a mere epiphenomenon of the accumulation process. On the contrary, precisely because it is in the political that the contradictions of the capitalist mode of production are condensed and concentrated, what happens there matters an enormous amount both intellectually and practically. Thus Lenin's famous dictum 'politics is the most concentrated expression of economics' is intended to highlight the necessity of focusing on the ways in which social conflicts are refracted in the political field in a specific and irreducible form governed by the logic of the struggle for state power.'¹¹²

In this sense, the state sits at the epicentre of the wider contradictions of capital: as state power 'this special means of social control backed up by the formally legitimate use of force and coercion' tends to become the focus of struggle for contested visions about the future constitution of the social order, by both exploiters and exploited alike. But the very depth of the penetration of this social structure into the capitalist system 'absorbing as it does penumbras of bourgeois organisations, creating others afresh, fostering intricate networks of links and ties, and establishing social hierarchies in its own internal structures too' means the state is bound together with capital, and can never be a means of anti-capitalist change. This view of the social relations between the state and capital, then, has long formed the analytical foundation of the major political postulate of the far left: the necessity of revolution in bringing about a global socialist transformation. However, this was not the only role played by this analysis for Bukharin. It also formed part of his understanding of the nature of competition amongst state and capitals in the international system. He saw a tendency for the integration of the state with private capital 'through the formation of state monopolies where politics is fused with economics, and the state becomes the direct agent of exploitation' that he anticipated would result in finance capital evolving into state-capitalism. In this way, he linked the intensification of competition between nations to the growing fusion between state and capital, as the one followed necessarily from the other.

There was and remains a powerful insight contained in Bukharin's analysis: namely, the tendency he identified for the state to play a more and more practical role in the management of the economy and how he saw this arising from capitalist contradictions. We saw in the period since the fall of Lehman Brothers the dash by governments all over the globe to save their banking sectors from collapse, driven by the recognition that to let them fall would unleash an economic armageddon 'such was the scope and scale of their operations and their central importance for the wider capitalist economy. With the state opening up vast lines of credit and taking share holdings in major private financial institutions, it seems to encapsulate Bukharin's idea of the 'state capitalist trust', whereby national economies become 'one gigantic trust of financial groups and the state'.¹¹³ In situations of crisis, as the events of autumn 2008 showed vividly, finance capital retreats from an apparently supranational phenomenon with a global reach into its national moorings as each nation state bailed out 'its own' private financial institutions. The imperative to do so was driven by global market competition 'as one state began the nationalisations and bailouts, others had to follow just to keep the playing field even for their capitals. In this way, by the logic of competition in open markets, capital internationalisation had spawned 'capital nationalisation' in a manner similar to that anticipated by Bukharin's theory.

Despite these merits, the problem was that Bukharin saw this as a singular tendency, going in one direction only 'towards state-capitalism conceived of as growing state ownership making the state a

?direct instrument of exploitation? ? and so he missed out the contingency involved in the search by governments for organisational and regulatory solutions to the intrinsic problems of capital accumulation. Certainly the state assisted private capital accumulation proactively, but it did not necessarily have to centralise structures of ownership, let alone absorb private capital entirely, in order to do so. Moreover, Bukharin drew the highly erroneous conclusion, that ? despite seeing crisis tendencies as giving rise to state-capitalisation ? the organisational capacity of the state once established would transcend crises that were endogenous to capital, and instead they would only take the form of competition and war between state-capitalist imperial powers on the world stage.

In reality, something akin to the reverse of this happened: it was the crisis-tendencies of capital that fostered state interventions designed to maintain advantageous circumstances for private accumulation, but these could only offset and displace them for a time, before they reappeared in a new form. Both the policies pursued in the Thatcher era of aggressive, pro-market restructuring, or the nationalisations of key industrial sectors in the preceding period, shared a concern to create favourable conditions for capital: either opening up more spheres to private accumulation in the former or helping industry by producing key inputs like coal at a subsidised price in the later. Furthermore, the change from one form to the other was a response to the economic crisis of the 1970s. In this respect, only an interpretation of one aspect of Bukharin?s argument that rejected the others could see the response to the financial crisis of 2008 as illustrating a tendency he identified. Bukharin?s view did not appreciate how the contradictions of capital could lead to any number of different ? attempts to solve them by governments through recurring regulatory innovation, even if he was right, more generally, to see the central role played by the state institutions in economic development.

Bukharin?s analysis became influential in the post-war period amongst those, like Callinicos and the International Socialist/Socialist Workers Party tradition more generally, who identified the bureaucratic system of planning in the Soviet Union and the state-led economic development in the West, as both representing a general emergence of state-capitalism (a view held despite the fact the Soviet system lacked the competition between capitals, production of surplus value, circuits of capital, and so on, that are fundamental to capitalism). No doubt his place in this tradition forms part of the background to Callinicos? preference for Bukharin over the other pre-war Marxists, even if, surprisingly, his state-capitalist approach to the Soviet question plays very little part in his account of imperialism, historically or theoretically. In his book, Callinicos does not actually fully endorse Bukharin?s theory and specifically criticises the idea that the state could resolve the economic crises of capital. Appropriately, then, he adopts the sensible strategy of trying to integrate what is good in Bukharin, while excluding his more one-sided statements. On the one hand he seeks to move away from the idea, espoused openly in the post-war Marxist tradition by the ?Open Marxist? school, that the state is simply a node of the global flow of capital, and he seeks to integrate ? like Harvey and others have ? a theory of capitalist economic crisis, based on the problem of over-accumulation and the tendency of the rate of profit to fall, into imperialism theory. On the other hand, he holds on to the idea of the interdependence of the state and capital Bukharin had suggested in some of his formulations, as these two poles are seen as operating in a mutually reinforcing and necessary relationship.[114](#)

Callinicos? summarising formulation in this critical re-elaboration is that he believes the nation-state system should be re-conceptualised as a more concrete, more complex component of the capitalist mode of production. He explains:

?The thought informing this strategy is that Marx?s method in *Capital* can be extended to incorporate the state system in the theory of the capitalist mode of production. This method consists in the progressive but non-deductive introduction of increasingly more complex determinations? Marx himself had initially thought

of Capital as merely the first volume of a larger work, of which Book 4 would be developed to the state? His original intention indicates that, in principle, he considered it both appropriate and necessary to cover the state when analysing the capitalist mode of production. One way of attaching the state to Marx's existing theory would be to extend the division of surplus-value into the different forms of revenue that helps to organise Capital, Volume III; for, as Barker has noted, from the perspective of value theory, taxation represents a specific portion of surplus value that is appropriated by the state. But, more importantly (and also following Barker), rather than thinking in terms of 'the' state, we should conceive the state system as a set of complex determinations of the capitalist mode of production.¹¹⁵

What is attractive about this approach is that it avoids the criticism, which as we have seen Harvey leaves himself open to, that the nation-state system is theorised as external to capitalism with the implication of contingency that comes with this. Callinicos' argument in contrast sees the nation-state system as existing in a necessary relationship to capital. But what form does this necessity take? If we recall the idea that abstractions should elicit causal mechanisms 'necessities' then what is the necessity operating in the capitalist mode of production that results in the formation of a system of many states? Although Callinicos does not give the lengthy and theoretically far-reaching answer to this question that might have been expected, his conclusion is to identify the determinations that give capital accumulation a centrifugal character in the international-political-economy. He cites, for instance, the geographical concentrations of capitalist urbanisation and the uneven spatial transformations elicited by giving capital greater international mobility 'as it searches for labour and resources that could serve up 'differential profits' ' whilst also situating these centrifugal mechanisms more generally in Trotsky's idea of the 'uneven and combined development', which spoke of the co-existence of backward and modern social forms develop with the expansion of the international capitalist economy.¹¹⁶

This all impacts on and reinforces the nation-state system: 'The tendency of capitalist development to generate spatially concentrated economic complexes creates very powerful centrifugal forces that would strongly work to sustain the political demarcation of the world into territorial states. Capitalists in such a complex would have an interest in preserving the existing state to which they had privileged access; equally state managers would be reluctant to surrender the control they exercised over the resources of this complex.'¹¹⁷ Importantly, though, Callinicos acknowledges the tendential nature of these determinations and notes how in historically specific conditions, such as EU integration, these might be overcome. And indeed this is theoretically the right move for Marxists, because necessity is not the same as 'inevitability', for each necessary mechanism cited co-exists with others, meaning that historical change represents a concrete fusion of 'many determinations.'¹¹⁸

The tendency Callinicos lists are all broadly 'economic' and there are three potential sources of critique that follow from this. The first lies in his conception of capital. Earlier in the book he had criticised Lenin for on occasion invoking a Hobson-like notion of supranational finance capital and he emphasises how capital production remains largely rooted in national territories.¹¹⁹ The suggestion being the extent and breadth of capital internationalisation is exaggerated, and capital remains largely defined by its national origins. But if we look at the current economic crisis, we see how finance capital can assume a certain 'supranational' form; with open capital markets large investment trusts can move money across borders in nanoseconds, and the structures of capital ownership in either its fictitious or productive forms can be very opaque and not easily aligned with nation states. But crucially as we observed in the crisis of 2008, when the 'crunch' comes, states intervene to defend their 'national champions' from collapse. At the same time, these very national champions continue to operate on more supranational lines. The Royal Bank of Scotland, the biggest shareholder of which is the British government, financed the takeover of the independent chocolate British-based Cadbury's by the American multinational, Kraft, earlier this year 'to much protectionist consternation about the loss of a famous British brand. The point here is that by focusing on how capital

creates certain centrifugal tendencies that encourage nation state divisions, true as this is, Callinicos risks missing out another important element in the story: the intrinsic contradiction between the search of 'capital as capital' for an international form and existence within a world divided on territorial and national lines. Understanding this requires us to consider the capital relation at a higher level of abstraction along with the adoption of simplifying assumptions this involves (by not for example considering nation-state divisions), in order to draw out the contradiction that develops as capital in real space and time seeks to move in transnational flows, but finds itself inhibited in doing so by states.

This leads onto the second point: to what extent is the formation of the nation state system a concrete determination of the 'capitalist mode of production'? This implies, as do the examples Callinicos gives, an economically defined relation. But at the same time he opens this discussion by suggesting a more 'social' understanding of the issue. He writes that his approach 'would explore the features of a specifically capitalist state system, shaped by class antagonisms, competitive struggles, capital accumulation, crisis tendencies and social and political movements.'¹²⁰ But if this is the approach, then it might be better to conceive of capitalism as more than a mode of production. If modes of production are understood as historically specific combination of the forces of production and the social relations of production, then, we should remember that Marx did not think the analysis ended there, but rather considered modes of production to be part of a wider social totality.¹²¹

If the state then exists as part of this wider arena, why not treat capitalism as both a mode of production and a historical 'social formation'? Our idea of capitalism would then encompass both mechanisms of the mode of production, such as competition, exploitation and accumulation, and in addition, the 'social' aspects, like the struggles within and between classes, ideologies and states? Doing so opens up a more theoretically historical treatment of the issue, as the nation state system would be seen as arising from a unity of these tendencies, mechanisms and conditions. The capitalist mode of production, as Callinicos says, creates powerful centrifugal pressures reinforcing the system, but it can also be subject to other pressures. The expansion of nation states in the 1950s and '60s with decolonisation or with the fall of the Eastern bloc in the early 1990s shows how social and political pressures can also reinforce the nation state system. Calling capitalism a 'social formation' embraces these elements, and, it is not without precedent in the classical Marxist tradition. Although social formation is more commonly used to refer to specific geopolitical entities as complex wholes that encompass a number of different social orders, Marx also used it as a descriptor of successive stages of society, of which he considered 'bourgeois society' to be one.¹²² There are clear merits to be found in this reformulation. Despite the term social formation being analogous to 'community' or 'society?', it avoids the implications of singularity or homogeneity attached to these, and, in this respect, could capture the unity of differentiated elements that we find in the modern, international world order. In the 20th century, for example, there were two profoundly different social property systems operating in the broader 'capitalist social formation?'; Eastern bloc states practiced a form of bureaucratic planning that largely cut off their territories from the capitalist relations of production that dominated the wider international scene. We could similarly argue at a more general level that the advance of 'bourgeois society?', i.e. the 'capitalist social formation?', has always involved the incorporation of other modes of production. This is what Harvey calls capitalism's need for an 'other?', i.e. co-existing systems of social relations that become essential moments in its re-production, and what Trotsky called the uneven and combined development of capitalist society, as pre-existing social formations are subsumed into its orbit, creating social and geopolitical entities that amalgamate the backward and the modern. All such processes underline the social character of capitalism, its status as more than a set of economic relations, but a system of social reproduction.

Thirdly, if we conceive of capitalism and, indeed, 'capital' in more social and historical terms, then we could also break free from what could be seen as a focus on only one side of the 'nation-state?': i.e., the

state. It has to be borne in mind that capital is a social force, the bourgeoisie, which has to have originated in some territory or other and that in order to develop forms of property (and, over time, its necessary social structure, that is, an exploitable proletariat), then it had to create an entirely new social formation: the nation. Of course, geopolitical entities certainly preceded capitalism, but there is arguably a distinctively modern idea of 'nationhood', that broke free from the forms of consciousness and subjectivities typical of absolutism, or, to put it more accurately, developed out of these new hybrid forms of identity that were more socially encompassing than caste, tribal or kinship predecessors. If we only talk about the modern 'state' then we tend to lose sight of its moorings in the nation; that is, the historical development of the classes within a particular territory which the bourgeoisie and ruling elites, very often through disputes with their neighbours, welded into the political form of the nation. These are important considerations because the bourgeoisie remains a nationally rooted class in its consciousness and outlook, but its economic system cannot be constrained within the territory of any nation-state without becoming atrophied, and this is one of the great expressions of the fundamental contradiction of social production under private property ownership.

Conclusion

The interventions of Harvey and Callinicos represent a shift of ground in Marxist political-economy, which had been an exercise in retrenchment and the defence of core principles under the attacks of post-modernism and Globalisation theory in the 1980s and 1990s respectively. With history on the side of core Marxist assumptions – the centrality of politics and the struggle for power, of inter-state rivalries, the critique of war and imperialism, and, most of all, the understanding of capitalism as an intrinsically crisis-ridden and doomed system of social relations – the work they have done on imperialism represents a return to an 'offensive' posture, mobilising Marxism to address key global contradictions. With the potential that exists today for revolutionary and socialist ideas to resurface and crystallise amongst the millions globally fighting the effects of the current crisis, the need to inform our political struggles with cogent analyses of the changing world order is posed more than ever. Both Harvey and Callinicos make important contributions to this, whatever our disagreements. Harvey's strength lies in the story he tells of American imperialism and the indictment of the human cost of the neoliberal offensive of the last three decades, but his weakness comes when he puts this picture of contemporary imperialism together theoretically; with his concepts of territorial power and accumulation by dispossession being outright problematic or conceptually elusive respectively. Callinicos raises the theoretical level of the game for everyone by seeking to link Marx's project in *Capital* with the evolution of the modern nation state system. But he doesn't realise these intentions, because he moves the analysis of the evolution of the capitalist system away from tracing historical transformations and changes in the capital form that had occupied the classical theorists of imperialism since Hilferding. The most serious consequence of this theory is the dropping of the idea of exploiter and exploited nations in the international system, central to Lenin's idea of parasitism and, for that matter, Harvey's idea of accumulation by dispossession. Despite the real merits in his accounts of how the capitalist world order has changed, it means Callinicos has lost part of the core of the classical theory. The subject is not just competition between big states, but the mechanisms of economic exploitation and bondage that are arguably the *differentia specifica* of modern imperialism.

Today, there are not only major questions of empirical analysis and perspective to address but also substantive issues of theory posed by the rise of new global powers. If, as seems likely, the 21st century will be marked by conflicts of growing intensity between the old imperial heartlands and new powers emerging in the periphery of the system, notably China, then we need to give a great deal of thought to how the classical theory of imperialism fits, accounts for and explains this historical evolution. One strategy for addressing this question theoretically is bringing together several distinctive theories from the classical tradition. Firstly, the Lenin and Bukharin theories and the contradictions they cite: the anarchic character of

finance, the heightened forms of economic competition (the 'zero sum game') on the open world market between monopoly producers, the contradictory but ultimately stagnatory effects on innovation and development of these giants, and the recognition that the rise of new powers involves a re-organisation and re-division of the political and juridical framework of the existing world imperialist order. Secondly, Trotsky's theory of 'uneven and combined development' and the notion of the 'privilege of historic backwardness' that formed part of it – as new powers like China emerge, destabilising the very world order whose conditions partially allowed for the ascent. Lastly, Trotsky's notion, only speculatively outlined in the early 1920s, of the 'curve of capitalist development', including the longer crisis periods in the system and how they relate not merely to economic factors but the political and juridical order in the world system. If these approaches are woven together – within the broader method of historical materialism and the toolkit of concepts contained in *Capital* – then they can lay the basis for a rich and compelling account of the global contradictions of the 21st century, one that can inform a powerful argument for a revolutionary socialist challenge to the existing order.

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Endnotes

[1](#) See for example the symposium on David Harvey and Ellen Meiksins Wood's theories of imperialism in Historical Materialism including Ashman and Callinicos (2006), Brenner (2006), Fine (2006), Sutcliffe (2006)

[2](#) On the radical left this view point was encapsulated by Hardt and Negri (2000), on the social democratic left by Held and McGrew et al (1999) and on the centre- right by Martin Wolf (2004)

[3](#) Harvey, D. (2003), p. 2

[4](#) For an analysis of the world political and economic conjuncture and the structural obstacles standing in the way of a restored capitalist equilibrium, see Cooper, L. (2009)

[5](#) Lenin's 'canon' should also include those works not written under the strictures of Tsarist censorship; such as 'Imperialism and the split in Socialism' and his notebooks.

[6](#) Callinicos, A. (2009) pp. 25 - 27, pp. 34 - 36

[7](#) ibid, p. 35

[8](#) Harvey (2010)

[9](#) Lenin, V. I. (1967), pp. 685 - 696

[10](#) Bukharin, N. (1966), pp. 116 - 121

[11](#) Lenin, V. I. (1967), pp. 710 - 721

[12](#) Lenin, V. I. (1967)

[13](#) Harvey, D. (2003), pp. 96 - 97

[14](#) Harvey, D. (2003), pp. 147

[15](#) Callinicos, A. (2009), pp. 41 - 52

[16](#) Luxembourg, R. (1951)

[17](#) Callinicos, A. (2009), p.40 and Harvey, D. (2003), p. 141

[18](#) Callinicos, A. (2009), p. 42

[19](#) Callinicos has been involved in extended discussions on uneven and combined development. See for example: Ashman, S. (2009), Allinson, J. C. and Alexander Anievas (2009), Davidson, N. (2009),

Rosenberg, J. and Alex Callinicos (2008), Callinicos, A. (2007)

[20](#) Lenin, V. I. (1967), pp. 753 ? 761

[21](#) Ashman, S. and Callinicos, A. (2006), p. 124

[22](#) Callinicos, A. (2009), p. 48

[23](#) Lenin, V. I. (1967), p. 754

[24](#) Callinicos, A. and Ashman, S. (2006), p. 124

[25](#) Strictly speaking this depends on the type of securities which can come in debt, equity and hybrid forms. These are highly speculative instruments and diverse financial instruments that allow capital to take on a number of different forms and become increasingly disconnected from the production of real value.

[26](#) Ashman, S. and Callinicos, A. (2006), p.125

[27](#) Calderon, C. Loyaza, N. Sérven, L. (2004)

[28](#) Marx, K. (1974), pp. 582 - 588

[29](#) It is interesting to note that FDI inflows into the states in the periphery of the system, there is a tendency in the opposite direction with ?greenfield? investment predominating. So, between 1989 and 2001 there was a 420 per cent growth in FDI inflows (as a proportion of GDP) into these states and of this 58 per cent was new investment with only 42 per cent being made up of mergers and acquisitions. Source: Calderon, C. Loyaza, N. Sérven, L. (2004)

[30](#) However, to this should be added the fact that decolonised nations inherited the debts accumulated by the administrators of the colonial territories.

[31](#) The ?Middle Income? bracket is one of the World Bank?s more problematic categories because it includes the capital and commodity exporting giant China, which has huge dollar reserves and is a creditor, not a debtor, nation. This is because their calculations are based on gross national income per head of population (per capita) income levels, and China of course has a huge, impoverished rural population. Nonetheless, not withstanding differences like this between countries within the same income bracket, the trend shown here is clear enough.

[32](#) Ashman, S. and Callinicos, A. (2006), p. 124

[33](#) Luxembourg, R. (1951), cited in Harvey (2003), p.137

[34](#) Harvey, D. (2003), p. 139

[35](#) Harvey, D. (2003), p. 139

[36](#) Harvey, D. (2003), p.141

[37](#) Marx, K. (1974), pp. 667 ? 670

[38](#) Harvey, D. (2003), p. 142

[39](#) For the view of this journal on this process see Brenner, R. (2008)

[40](#) Harvey, D. (2003), p. 148

[41](#) Harvey, D. (2007)

[42](#) See for example, ?The imperialist offensive and the crisis of working class leadership?, available on FifthInternational.Org at <http://www.fifthinternational.org/content/imperialist-offensive-and-cris...> [3]

[43](#) Harvey, D. (2003), p. 160

[44](#) Harvey, D. (2003), p. 160

[45](#) Fine, B. (2006), p.144

[46](#) Harvey, D. (2003), p. 153

[47](#) Fine (2006), p.144

[48](#) Cited in Lenin, V. I. (1967), p. 757

[49](#) Interestingly Lenin noted how Britain had assumed the features of imperialist development earlier than its emergence as a world system and saw how Marx and Engels had observed the impact this had on its domestic working class. He wrote: ?Neither Marx nor Engels lived to see the imperialist epoch of world capitalism, which began not earlier than 1898?1900. But it has been a peculiar feature of England that

even in the middle of the nineteenth century she already revealed at least two major distinguishing features of imperialism: (1) vast colonies, and (2) monopoly profit (due to her monopoly position in the world market). In both respects England at that time was an exception among capitalist countries, and Engels and Marx, analysing this exception, quite clearly and definitely indicated its connection with the (temporary) victory of opportunism in the English labour movement? in Lenin V. I. (1964)

[50](#) Harvey, D. (2001), pp. 141 ? 143

[51](#) Harvey, D. (2001), pp. 141 ? 143

[52](#) Callinicos, A. (2009), p.50

[53](#) Callinicos? rejection of the theory of the labour aristocracy reflects his long-standing status as a leading member of the Socialist Workers Party. For a critique see Workers Power ?The ?labour aristocracy?: Cliff versus Lenin?, available on www.fifthinternational.org ^[4] for a lengthier critique.

[54](#) Callinicos, A. (2009), p. 10

[55](#) Callinicos, A. (2009), p. 69

[56](#) Callinicos, A. (2009), p. 51

[57](#) Hilferding, R. (1981), Finance Capital, chapter 14

[58](#) Callinicos, A. (2009), p. 69

[59](#) Hilferding, R. (1981), chapter 21

[60](#) Lenin, V. I. (1967), pp. 697 ? 709.

[61](#) Lenin, V. I. (1967), p.721

[62](#) Harvey, D. (2006), p.292

[63](#) Harvey, D. (2006), p. 317

[64](#) Harvey, D.(2006), p. 320

[65](#) Trotsky, L. (1973), p.123

[66](#) Lenin, V. I. (1967), p. 721

[67](#) Lenin, V. I. (1967), p. 721 You could argue there are two definitions of finance capital offered in Imperialism. One is taken directly from Hilferding as the domination of banks over industry ? i.e. the organisational form (pp 710 ? 711). The other is this more abstract understanding of the evolution of capital to a rentier-like form.

[68](#) Bukharin, N. (1966), p. 36

[69](#) Harvey, D. (2006), p. 321

[70](#) Harvey, D. (2006), p. 320

[71](#) Brenner, R. (2008), pp. 117 ? 122

[72](#) Harvey (2006), p. 321

[73](#) Callinicos, A. (2009), p. 31

[74](#) Callinicos, A. (2009), pp. 81 ? 82

[75](#) A point made by Callinicos, A. (2009), p. 33

[76](#) Callinicos, A. (2009), pp. 11 ? 12

[77](#) Callinicos, A. (2009), p.31

[78](#) Marx, K. (1973), pp. 107 ? 108

[79](#) Sayer, A. (1998), p.128

[80](#) Sayer, A. (1998), p.129

[81](#) Callinicos, A. (2009), p. 32

[82](#) Callinicos, A. (2009), p. 32

[83](#) Sayer, D. (1987), p.19

[84](#) Callinicos, A. (2009), pp. 12 ? 13

[85](#) Cited in Sayer, D. (1987), p. 21

[86](#) Sayer, D. (1987), p. 128

[87](#)

On the other hand, Callinicos' presentation more generally is very historical. In addition, it should be noted, the issue raised here ? about his analysis of the organisational form of finance capital ? is as much, if not more so, an empiricist deviation as it is a structuralist one.

[88](#) Callinicos, A. (2009), p. 50

[89](#) Bukharin, N. (1966), pp. 106 ? 107

[90](#) Callinicos, A. (2009), p. 72

[91](#) Callinicos, A. (2009), pp. 169 ? 178

[92](#) Callinicos, A. (2009), pp. 169 ? 178 and Harvey, D. (2003), pp. 49 ? 62

[93](#) Harvey, D. (2003), pp. 49 ? 55, Callinicos, A. (2009), pp. 165 ? 178

[94](#) Harvey, D. (2003), p. 59

[95](#) Callinicos, A. (2009), p. 177

[96](#) On this see the late Peter Gowan's excellent account of the ?Dollar-Wall-St-Regime? in Gowan (1999)

[97](#) Callinicos, A. (2009), p. 141

[98](#) Harvey, D. (2003), p. 89

[99](#) Harvey, D. (2003), pp. 90 ? 91

[100](#) Harvey, D. (2003), p. 27

[101](#) Harvey, D. (2003), p. 34

[102](#) Harvey, D. (2003), p. 29

[103](#) Brenner, R. (2006), pp. 80 - 86

[104](#) Callinicos, A. (2009), pp. 165 ? 166, p.190

[105](#) Fine, B. (2006), p. 142

[106](#) Callinicos, A. (2009), p. 74

[107](#) Callinicos, A. (2009), p.138

[108](#) Callinicos, A. (2009), p.146

[109](#) Callinicos, A. (2009), pp. 165 ? 169, pp. 193 ? 197

[110](#) Bukharin, N. cited in Callinicos, A. (2009), p. 71

[111](#) Callinicos, A. (2009), pp. 83 - 86

[112](#) Callinicos, A. (2005), pp. 255

[113](#) Bukharin, N. (1966), p. 118

[114](#) Callinicos, A. (2009), pp. 83 - 85

[115](#) Callinicos, A. (2009), p. 80

[116](#) Callinicos, A. (2009), p.89

[117](#) Callinicos, A. (2009), p. 91

[118](#) Marx, K. (1973), p.101

[119](#) Callinicos, A. (2009), p.48

[120](#) Callinicos, A. (2009), p. 83

[121](#) Marx, K. (1971), pp. 19 - 26

[122](#) Marx, K. (1971),pp. 212-213

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[4] <http://www.fifthinternational.org>