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Global capitalism and the transnational state

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I live the world sourced life. As CEO of Lenovo, I am an American CEO based in Singapore. Our chairman, who is Chinese, works from North Carolina. Other top executives are based around the globe. A meeting of my company's senior managers looks like the United Nations General Assembly. My company is like some of the world's most popular consumer products. It may say 'Made in China' on the outside, but the key components are designed and manufactured by innovative people and companies spread across six continents. The products of companies that practice world sourcing may be labeled 'Made in Switzerland' or 'Made in the USA' or 'Made in China', but in the new world in which we all now live, they should be more truthfully be labeled 'Made Globally'. In today's world, assessing companies by their nation of origin misses the point.

- William J. Amelio (2008), President and CEO of Lenovo, a leading global PC firm

We now have global financial markets, global corporations, global financial flows. But what we do not have is anything other than national and regional regulation and supervision. We need a global way of supervising our financial system ... we need very large and very radical [political, institutional] changes.

- British Prime Minister Gordon Brown in 2008 (Brecher et al.)

Introduction

Theories of a 'new imperialism' that proliferated in the years following the events of September 2001 assume that the United States has set about extending global empire to offset the decline in its hegemony amidst heightened inter-imperialist rivalry. These theories rest on a crustaceous bed of assumptions that need to be peeled back if we are to get at the root of twenty-first century global social and political dynamics. Grounded in the classical statements of V.I. Lenin and Rudolf Hilferding, they presume a world of rival national capitals and economies, conflict among core capitalist powers, the exploitation by these powers of peripheral regions, and a nation-state centered framework for analyzing global dynamics. Hilferding, Lenin, and others analyzing the world of the early twentieth century established this Marxist analytical framework of rival national capitals that was carried by subsequent political economists

massive military spending'. However, as a European delegate pointed out, this was already happening, and it was noted that China's response to the US intentions to weaponize space, had been the simple and relatively inexpensive demonstration of how it could destroy a satellite in orbit (Estrulin 2007, 22).

What transpires from these glimpses of the Bilderberg discussions is a less than confident mood. Such a sentiment would reflect what appears to be the inescapable conclusion that the West and capital are approaching the limits of their historic reach. Capital has brought the world to the threshold of a globally integrated economy; the hegemony of the liberal West has done the same as far as global governance goes. Neither can cross that threshold without a qualitative change in the nature of both the economy and the rules under which world politics are conducted.

Notes

- 1 This chapter builds on my contribution to the debate in the *Cambridge Review of International Affairs* (2007).
- 2 Quoted in *Financial Times*, 25 July 2000, emphasis added.
- 3 This argument is developed at greater length in van der Pijl (2007).
- 4 On the concept of 'passive revolution' also see Morton in this volume.

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into the latter twentieth century via theories of dependency and the world system, radical IR theory, studies of US intervention, and so on. This outdated framework of competing national capitals continues to inform observers of world dynamics in the early twenty-first century. The following assertion by Michael Klare is typical:

By geopolitics or geopolitical competition, I mean the contention between great powers and aspiring great powers for control over territory, resources, and important geographical positions, such as ports and harbors, canals, river systems, oases, and other sources of wealth and influence. Today we are seeing a resurgence of unabashed geopolitical ideology among the leadership cadres of the major powers ... the best way to see what's happening today in Iraq and elsewhere is through a geopolitical prism.

(Klare 2003, 51–52)

Such thinking provides the scaffolding for a torrent of 'new imperialism' literature that appeared after 2001 (see, *inter alia*, Foster 2003; 2006; Wood 2003; Harvey 2003; Pozo-Martin 2006; Kiely 2006; Henwood 2003; Brenner 2002; Arrighi 2005; Gowan 1999; Klare 2003; Bello 2005; *Monthly Review* 2003).

But capitalism has changed fundamentally since the days of Lenin and Hilferding. We have entered a qualitatively new transnational stage in the ongoing evolution of world capitalism marked by a number of fundamental shifts in the capitalist system, among them:

- the rise of truly transnational capital and the integration of every country into a new global production and financial system;
- the appearance of a new transnational capitalist class (TCC), a class group grounded in new global markets and circuits of accumulation, rather than national markets and circuits;
- the rise of transnational state (TNS) apparatuses, and;
- the appearance of novel relations of power and inequality in global society involving a changing relation between space and power.

The dynamics of this emerging stage in world capitalism cannot be understood through the lens of nation-state centric thinking. This is not to say that the nation-state is no longer important, but that the system of nation-states as discrete interacting units—the interstate system—is no longer the organizing principle of capitalist development, or the primary institutional framework that shapes social and class forces and political dynamics (for elaborations on these propositions, see, *inter alia*, Robinson 2008; 2007; 2006a; 2005a; 2005b; 2004; 2003; 2002; 1996).

The myth of national economies and the reality of transnational capital

The hallmark of 'new imperialism' theories is the assumption that world capitalism in the twenty-first century is made up of 'domestic capitals' and distinct national

economies that interact with one another, and a concomitant 'realist' analysis of world politics as driven by the pursuit by governments of their 'national interest'. In one leading treatise on the 'new imperialism', *Empire of Capital*, Ellen Meiksins Wood (2003, 23) asserts that 'the national organization of capitalist economies has remained stubbornly persistent'.

We are asked by Wood and others writing from the 'new imperialism' perspective to assume—although they provide not a shred of empirical evidence—that capital remains organized along national lines and that the development of capital has stopped frozen in its nation-state form. The interstate/nation-state framework obliges 'new imperialism' scholars to advance this unproblematic notion of 'national interests' to explain global political dynamics. What does 'national interests' mean? Marxists have historically rejected notions of 'national interests' as an ideological subterfuge for class and social group interests. What is a 'national economy'? Is it a country with a closed market? Protected territorially-based production circuits? The predominance of national capitals? An insulated national financial system? No capitalist country in the world fits this description.

There is a mounting body of empirical evidence that demonstrates the transnationalization of capital. This evidence strongly suggests that the giant conglomerates of the Fortune 500 ceased to be 'US' corporations in the latter part of the twentieth century and increasingly represented transnational capitalist groups (for summaries and assessments of this evidence, see *inter alia*, Robinson 2004; Sklair 2001; 2002; Kentor 2005; Kentor and Jang 2003; UNCTAD, various years; Carroll and Carson 2003b; Carroll and Fennema 2002; Dicken 2003). This reality of transnationalization can no longer be disputed, nor can its significance for macro-social theories and for analysis of world political-economic dynamics. One need only glean daily headlines from the world media to discover endless reams of anecdotal evidence to complement the accumulation of systematic data on transnationalization (see, for example, the citation by Amelio that opens this chapter, and my discussion in the earlier version of the present chapter: Robinson, 2007)

A number of my critics misread my argument entirely in associating it with Karl Kautsky's earlier 'ultra-imperialism' or 'superimperialism' thesis (see, for example, Anievas, 2008). Yet, my global capitalism approach shares little or nothing with Kautsky's thesis. In his 1914 essay 'Ultra-Imperialism', Kautsky assumed capital would remain national in its essence and suggested that national capitals would collide internationally instead of compete, whereas my theory on the TCC emphasizes that competition and conflict among capitals is endemic to the system, but that such competition takes on new forms in the age of globalization not necessarily expressed as national rivalry. The TCC thesis does not suggest there are no longer national and regional capitals, or that the TCC is internally unified, free of conflict, and consistently acts as a coherent political actor. Nonetheless, the TCC has established itself as a class group without a national identity and in competition with nationally-based capitals. There is conflict between national and transnational fractions of capital. Moreover, rivalry and competition are fierce among transnational conglomerations that turn to numerous institutional channels, including multiple national states, to pursue their interests.

Reification and theoreticism in 'new imperialism' theories: the case of David Harvey

Most 'new imperialism' theorists acknowledge to varying degrees that changes have taken place, and particularly, that capital has become more global. Yet, capital in these accounts has not transnationalized; it has 'internationalized'. These accounts are concerned with explaining the *international* order, which by definition places the focus on interstate dynamics exclusive of the *transnational*. This need to accommodate the reality of transnationalizing capital within a nation-state centric framework for analyzing world political dynamics leads 'new imperialism' theories to a dualism of the economic and the political.

David Harvey, in perhaps the landmark treatise among this literature, *The New Imperialism*, argues that capital is economic and globalizes, but states are political and pursue a self-interested territorial logic. Harvey's theory starts with the notion that

the fundamental point is to see the territorial and the capitalist logic of power as distinct from each other. ... The relation between these two logics should be seen, therefore, as problematic and often contradictory ... rather than as functional or one-sided. This dialectical relation sets the stage for an analysis of capitalist imperialism in terms of the intersection of these two distinctive but intertwined logics of power.

(Harvey 2003, 29–30)

Harvey's is *not*, however, a dialectical but a mechanical approach. The different dimensions of social reality in the dialectical approach do not have an 'independent' status insofar as each aspect of reality is constituted by, and is constitutive of, a larger whole of which it is an internal element. Distinct dimensions of social reality may be *analytically distinct* yet are *internally interpenetrated* and *mutually constitutive* of each other as internal elements of a more encompassing process, so that, for example, the economic/capital and the political/state are *internal* to capitalist relations.

It is remarkable that Harvey proposes such a separation since the history of modern critical thought—from Polanyi to Poulantzas and Gramsci, among others, not to mention 50 years of historical materialist theorizing on the state—has demonstrated both the *formal* (apparent) separation of the economic and the political under the capitalist mode of production and the illusion that such a separation is organic or real (for discussion, see Robinson, 1996). This separation has its genealogy in the rise of the market and its apparently 'pure' economic compulsion. This separation appears in social thought with the breakup of political economy, the rise of classical economics and bourgeois social science, and disciplinary fragmentation (see Therborn 1985; 1999; Zeitlin 2000). Such a separation of the economic from the political was a hallmark of the structural functionalism that dominated much of mid-twentieth century social science. Structural functionalism separated distinct spheres of the social totality and conferred a functional autonomy to each sub-sphere which was seen as *externally* related to other sub-spheres in a way similar to Harvey's notion of separate state and capital logics that may or may not coincide.

Harvey offers no explicit conception of the state but he acknowledges that state behavior has 'depended on how the state has been constituted and by whom' (Harvey 2003, 91). Yet dual logics of state and capital ignore the real-world policymaking process in which the state extends backward, is grounded in the forces of civil society, and is fused in a myriad of ways with capital itself. It is incumbent to ask in what ways transnational social forces may influence a reconstitution of state institutions. To the extent that civil society—social forces—and capital are transnationalizing our analysis of the state cannot remain frozen at a nation-state level. The essential problematic that should concern us in attempting to explain phenomena associated with the 'new imperialism' is the political management—or rule—of global capitalism. The theoretical gauntlet is how to understand the exercise of political domination in relation to the institutions available to dominant groups and sets of changing historical relations among social forces—that is, how are the political and the economic articulated in the current era? This requires a conception of agency and institutions.

But instead of offering an ontology of agency and how it operates through historically constituted institutions, much of the 'new imperialism' literature reifies these institutions. Institutions are but institutionalized—that is, codified—patterns of interaction among social forces that structure different aspects of their material relations. When we explain global dynamics in terms of institutions that have an existence or agency independent of social forces we are reifying these institutions. Critical state theories and Gramscian IPE (see, for example, Cox 1987; Simon 1991) have taught us, despite their limitations, that the story starts—and ends—with historically situated social forces as collective agents. To critique a nation-state framework of analysis as I do is not, as my critics claim (see, *inter alia*, Pozo-Martin 2006; Kiely 2006), to dismiss the nation-state but to de-reify it. Reifying categories leads to real analyses of state power and the interstate system. Realism presumes that the world economy is divided up into distinct national economies that interact with one another. Each national economy is a billiard ball banging back and forth on each other. This billiard image is then applied to explain global political dynamics in terms of nation-states as discrete interacting units (the interstate system).

The state, says Harvey (2003, 26), reverting to the realist approach, 'struggles to assert its interests and achieve its goals in the world at large'. But Harvey does not stop with this reification of the state. He introduces an additional territorial reification, so that territorial relations become immanent to social relations. 'The wealth and well-being of particular territories are augmented at the expense of others', writes Harvey (2003, 32). In this remarkably reified image—'territories' rather than social groups have 'wealth' (accumulated values) and enjoy 'well being'—Harvey gives space an independent existence as a social/political force in the form of territory in order to advance his thesis of the 'new imperialism'. It is not how social forces are organized both in space and through institutions that is the focus. Rather, for Harvey, territory acquires a social existence of its own, an agentic logic. We are told that 'territorial entities' engage in practices of production, commerce, and so on. Do 'territorial entities' really do these things? Or is it not that in the real world, individuals and social groups are the agents that engage in production, commerce, and so on? And they do so via institutions through which they organize, systematize, and demarcate

their activities as agents. Social groups became aggregated and organized in the modern era through the particular institutional form of the territorial-based nation-state. But this particular institutional form does not acquire a life of its own and neither is it immutable. Nation-states continue to exist but their nature and meaning evolve as social relations and structures become transformed; in particular, as they transnationalize.

It is true that the social does not exist outside of the spatial and that space is relative and experienced subjectively (see, for example, Lefebvre 1991). Drawing on such insights from Henri Lefebvre, Marx, Luxemburg, and others, Harvey (1982) introduced the highly fertile notion of spatial (or spatio-temporal) fixes to understand how capital momentarily resolves contradictions (particularly, crises of over-accumulation) in one place by displacing them to other places through geographic expansion and spatial reorganization. Following Marx' famous observation that the expanded accumulation of capital involves the progressive 'annihilation of space through time', he also coined the term 'time-space compression' in reference to globalization as a process involving a new burst of time-space compression in the world capitalist system (Harvey 1990).

But 'places' have no existence or meaning in and of themselves. It is people living in particular spaces that do this dis-placing (literally), these spatio-temporal fixes. The 'asymmetric exchange relations' that are at the heart of Harvey's emphasis on the territorial basis of the 'new imperialism' must be for Harvey territorial exchange relations. But not only that: they must be nation-state territorial exchanges. But exchange relations are social relations, exchanges among particular social groups. There is nothing in the concept of asymmetric exchanges that by fiat gives them a territorial expression; no reason to assume that uneven exchanges are necessarily exchanges that take place between distinct territories, much less specifically between distinct nation-states. That they do or do not acquire such an expression is one of historical, empirical, and conjunctural analysis. Certainly spatial relations among social forces have historically been mediated in large part by territory; spatial relations have been territorially-defined relations. But this territorialization is in no way immanent to social relations and may well be fading in significance as globalization advances.

If most of the people in one place that we can call a territory or nation-state achieve 'wealth' and 'well being' by having displaced contradictions to most of the people in another place then we may be able to justify the view that social relations acquire a territorial expression—hence the territorial (nation-state) basis to classical theories of colonialism and imperialism and later world-system and related theories of geographically-defined core and periphery. But we know that under globalization, masses of people in core regions such as Los Angeles or New York may suffer the displacement of contradictions off-loaded on them from people in the very same city. Whereas rising middle class and affluent sectors in India, Brazil, or South Africa may benefit as much from spatio-temporal fixes that off-load crisis to the global poor through neo-liberal mechanisms as their counterparts in First World global cities.

Any theory of globalization must address the matter of place and space, including changing spatial relations among social forces and how social relations are spatialized.

This has not been satisfactorily accomplished, despite a spate of theoretical propositions, ranging from Manuel Castells' (1996) 'space of flows' replacing the 'space of place' and Anthony Giddens' (1990) 'time-space disarticulation' as the 'lifting' of social relations from territorial place and their stretching around the globe in ways that may eliminate territorial friction. This notion of ongoing and novel reconfigurations of time and social space is central to a number of globalization theories. It in turn points to the larger theoretical issue of the relationship of social structure to space, the notion of space as the material basis for social practices, and the changing relationship under globalization between territoriality/geography, institutions, and social structures.

The crucial question here is the ways in which globalization may be transforming the spatial dynamics of accumulation and the institutional arrangements through which it takes place. The subject—literally, that is, the agents/makers of the social world—is not global space but people in those spaces. What is central, therefore, is a spatial reconfiguration of social relations beyond a nation-state/interstate framework, if not indeed even beyond territory.

States are institutionalized social relations and territorial actors to the extent that those social relations are territorialized. Nation-states are social relations that have historically been territorialized, but those relations are not by definition territorial. To the extent that the US and other national states promote deterritorializing social and economic processes they are not territorial actors. The US state can hardly be considered as acting territorially when it promotes the global relocation of accumulation processes that were previously concentrated in US territory. Harvey's approach is at pains to explain such behaviour since by his definition the US state must promote its own territorial aggrandisement. Harvey (2003, 106) observes that as local banking was supplanted by national banking in the development of capitalism 'the free flow of money capital across the national space altered regional dynamics'. In the same vein, we can argue that the free flow of capital across global space alters these dynamics on a worldwide scale.

Let us return to the question: why would Harvey propose separate logics for the economic and the political—for capital and the state? By separating the political and the economic he is able to claim that indeed globalization has transformed the spatial dynamics of accumulation—hence capital globalizes—but that the institutional arrangements of such global accumulation remain territorial as nation-states. The state has its own independent logic that brings it into an external relation to globalizing capital. Here we arrive at the pitfall of theoreticism. If one starts with the theoretical assumption that the world is made up of independent, territorial-based nation-states and that this particular institutional-political form is something immanent to the modern world—Wood (2003) makes the assumption explicit, a law of capitalism; for Harvey it seems implicit—then the changing world of the twenty-first century must be explained by theoretical fiat in these terms. Reality must be made to conform to the theoretical conception of an immutable nation-state based, interstate political and institutional order. But since Harvey acknowledges the reality of globalizing capital he is therefore forced to separate the logic of that globalizing capital from that of territorially-based states; he is forced either to abandon the theoretical

construct altogether or to build it upon a dualism of the economic and the political, of capital and the state.

Following closely Harvey's dualist logic, Alex Callinicos (2007) also argues that capital accumulation and the state system are to be understood as 'distinct determinations'. Two groups of actors—capitalists and state managers—respond to distinct rules of reproduction that are driven by respective processes of economic and geopolitical competition. There is a non-identity of interests, but pursuit of these distinctive interests, he argues, draws each into an alliance with the other. But state managers and political elites are dependent for their own reproduction on the reproduction of capital, as Callinicos (Chapter 1, 53) himself acknowledges.

Yet, once we acknowledge such dependency we are forced to examine the form of the structural power that capital exercises over the state. Stated in simplified terms, the transnationalization of capital transnationalizes the basis upon which state managers and political elites achieve their reproduction. To the extent that accumulation becomes transnational or to the extent that transnational capital becomes dominant among the capitals operating in their distinct political jurisdictions, state managers would come to reproduce themselves as a status group not through Harvey's and Callinicos's 'territorial aggrandizement', but through the reproduction of the dominant transnational accumulation processes on which they depend.

Theory needs to illuminate reality, not make reality conform to it. The pitfall of this theoreticism is to develop analyses and propositions to fit theoretical assumptions. Since received theories establish a frame of an interstate system made up of competing national states, economies and capitals, then twenty-first century reality must be interpreted so that it fits this frame one way or another. Such theoreticism forces theorists of the 'new imperialism' into a schizophrenic dualism of economic and political logics. In any event, Harvey has trapped himself in a blind alley that underscores the pitfall. Despite his acknowledgement of capital's transnationalization he concludes that the US state's political/territorial logic is driven now by an effort to open up space vis-à-vis competitor nation-states for unloading national capital surplus, hence the new US imperialism. This inconsistency in Harvey's argumentation reflects a general contradiction in the 'new imperialism' literature: the dualism of the economic and political, of capital and the state, is negated by the claim that the state functions to serve (US national) capital.

Global capitalism and the transnational state apparatus

'New imperialism' theories more generally analyze US foreign policy in relation to the realist assumption of competition among national capitals and consequent political and military rivalry among core nation-states. 'Intercapitalist rivalry remains the hub of the imperialist wheel,' claims John Bellamy Foster. 'In the present period of global hegemonic imperialism the United States is geared above all to expanding its imperial power to whatever extent possible and subordinating the rest of the capitalist world to its interests' (Foster 2003, 13). 'The European Union,' writes Wood (2003, 156), 'is potentially a stronger economic power than the US'. Yet, to interrogate Wood's affirmation, an empirical study of the global economy reveals that transnational

corporations operate both inside and outside of the territorial bounds of the EU; that transnational investors from all countries hold and trade in trillions of Euros and dollars each day, and, that European investors are as deeply integrated into transnational circuits of accumulation that inextricably pass through the 'US' economy as are US investors into such circuits that pass through the 'EU' economy. These transnational capitalists operate across US-EU frontiers and have a material and political interest in stabilizing the 'US' and the 'EU' economy and 'their' financial institutions. Once we belie the realist notion of a world of national economies and national capitals then the logical sequence in 'new imperialism' argumentation collapses like a house of cards since the whole edifice is constructed on this notion. By coming to grips with the reality of transnational capital we can grasp US foreign policy in its organic, not merely functional, relation to the actual structure and composition of the dominant social forces in the global capitalist system.

My claim that a TNS apparatus is emerging does not imply that supranational institutions such as the IMF or the WTO *replace* or—in Wood's words—'make irrelevant' the national state. Rather, the national state, to the extent that it is captured by transnationally-oriented capitalists and elites, becomes transformed and increasingly absorbed functionally into a larger transnational institutional structure that involves complex new relations between national states and supra- or transnational institutions, on the one hand, and diverse class and social forces, on the other. Transnational bodies such as the IMF and the WTO have worked in tandem with national states to rearticulate labour relations, financial institutions and circuits of production into a system of global accumulation. As national states are captured by transnational capitalist forces they tend to serve the interests of global over local accumulation processes. The TNS, for instance, has played a key role in imposing the neoliberal model on the old Third World and therefore in reinforcing the class relations of global capitalism.

Few commentators suggest that the nation-state is disappearing, or that capital can now—or ever has been able to—exist without a state. The observation by Wood and others that global capital needs (local) states is neither original nor particularly controversial. I, among others, have argued for many years that a fundamental contradiction of global capitalism is that for historic reasons economic globalization has unfolded within the political/authority framework of a nation-state system, and moreover, that this system is functional to the reproduction of the class power of transnational capital. The real issue is not whether global capitalism can dispense with the state—it cannot. Rather, it is that the state may be in a process of transformation in consort with the restructuring and transformation of world capitalism. The question is, to what extent and in what ways may new state forms and institutional configurations be emerging, and how may we theorize these new configurations?

There are vital functions that the national state performs for transnational capital, among them, sets of local economic policies aimed at achieving macroeconomic equilibrium, the provision of property laws, juridical arbitrage, infrastructure, and of course, social control and ideological reproduction. However, national states are ill equipped to organize a supranational unification of macroeconomic policies, create a unified field for transnational capital to operate, impose transnational trade regimes,

headquartered, for evident historical reasons, in Washington. The questions for global elites are: In what ways, under what particular conditions, arrangements, and strategies should US state power be wielded? How can particular sets of US state managers be responsive and held accountable to global elites who are fractious in their actions, dispersed around the world, and operating through numerous supranational institutional settings, each with distinct histories and particular trajectories?

We are witness to new forms of global capitalist domination, whereby intervention is intended to create conditions favourable to the penetration of transnational capital and the renewed integration of the intervened region into the global system. US intervention facilitates a shift in power from locally and regionally-oriented elites to new groups more favourable to the transnational project. The result of US military conquest is not the creation of exclusive zones for 'US' exploitation, as was the result of the Spanish conquest of Latin America, the British of South Africa and India, the Dutch of Indonesia, and so forth, in earlier moments of the world capitalist system. The enhanced class power of capital brought about by these changes is felt around the world. We see not a reenactment of this old imperialism but the colonization and re-colonization of the vanquished for the new global capitalism and its agents. The underlying class relation between the TCC and the US national state needs to be understood in these terms.

In sum, the US state has attempted to play a leadership role on behalf of transnational capitalist interests. That it is increasingly unable to do so points not to heightened national rivalry but to the impossibility of the task at hand given a spiraling crisis of global capitalism. This crisis involves a number of interrelated dimensions that by 2008 acquired systemic dimensions, among them, social polarization, overaccumulation, legitimacy, and sustainability (Robinson, 2004; 2008).

This multidimensional crisis of global capitalism generated intense discrepancies and disarray within the globalist ruling bloc that had begun to congeal in the 1990s. The political coherence of ruling groups always frays when faced with structural and/or legitimacy crises as different groups push distinct strategies and tactics or turn to the more immediate pursuit of sectoral interests. Faced with the increasingly dim prospects of constructing a viable transnational hegemony—in the Gramscian sense of a stable system of consensual domination—the transnational bourgeoisie did not collapse back into the nation-state. Global elites, instead, mustered up fragmented and at times incoherent responses involving heightened military coercion, the search for a post-Washington consensus, and acrimonious internal disputes. The more politically astute among global elites began to clamour by the turn of the twenty-first century for a 'post-Washington consensus' project of reform—a so-called 'globalization with a human face'—in the interests of saving the system itself (see, for example, Stiglitz 2002). But there were others from within and outside of the bloc that called for more radical responses.

Neoliberalism 'peacefully' forced open new areas for global capital in the 1980s and the 1990s. This was often accomplished through economic coercion alone, made possible by the structural power of the global economy over individual countries. But this structural power became less effective in the face of the three-pronged crisis mentioned above. Opportunities for both intensive and extensive expansion dried up

supranational 'transparency', and so forth. Emergent transnational state apparatuses may never be able to provide these conditions or perform such functions. Nonetheless, transnationally-oriented capitalists, state managers and other elites have in recent years attempted to transform existing international institutions, to create new transnational ones, and to operate through transnational institutional networks to construct a supranational legal and regulatory system for the global economy and to manage the contradictions of global capitalism—efforts that they accelerated in the wake of the late 2008 global financial meltdown, as suggested by the quote by British Prime Minister Gordon Brown at the start of this chapter. The policy prescriptions and actions of these transnational institutional networks have been synchronized with those of neoliberal national states that have been captured by local transnationally-oriented forces.

This transnational institutional structure has played an increasingly salient role in coordinating global capitalism and imposing capitalist domination beyond national borders. This transnational institutionality needs to be theorized. Clearly the IMF, by imposing a structural adjustment program that opens up a given country to the penetration of transnational capital, the subordination of local labour, and the extraction of wealth by transnational capitalists, is operating as a state institution to facilitate the exploitation of local labour by global capital. 'New imperialism' dogma reduces these IMF practices to instruments of 'US' imperialism (see, for example, Bello 2005; Gowan 1999; Wood 2003). Yet I know of no single IMF structural adjustment program that creates conditions in the intervened country that favours 'US' capital in any special way, rather than opening up the intervened country, its labour and resources, to capitalists from any corner of the world. This outcome is in sharp distinction to earlier imperialism, in which a particular core country sealed off the colonized country or sphere of influence as its own exclusive preserve for exploitation.

The continued existence of the national state is a central condition not for 'US hegemony' or a 'new US empire' but for the class power of transnational capital. The TCC has been able to use local core states to mould transnational structures and to impose these on distinct nations and regions. The real issue is not the continued existence of national states and of powerful national states in a globalized system—a fact that does not contradict the thesis of a TCC and a TNS—but their function. We must analyze US foreign policy in relation to this structural role of US state power in advancing global capitalism. US policies such as the imposition of neoliberal structural adjustment programs and the sponsorship of free trade agreements by and large served to further pry open regions and sectors around the world to global capitalism. And an analysis of TNS institutions suggests that they act not to enforce 'US' policies but to force nationally-oriented policies in general into transnational alignment.

The crisis of global capitalism and the US state

'US' imperialism refers to the use by transnational elites of the US state apparatus to continue to attempt to expand, defend and stabilize the global capitalist system. We face an *empire of global capital*, as I have argued elsewhere (Robinson 2004; 2005b),

as privatizations ran their course, as the 'socialist' countries became integrated, as the consumption of high-income sectors worldwide reached ceilings, as spending through private credit expansion could not be sustained, and so on.

As the space for 'peaceful' expansion, both intensive and extensive, became ever more restricted, military aggression became an instrument for prying open new sectors and regions—for the forcible restructuring of space in order to further accumulation. The train of neoliberalism became latched on to military intervention and the threat of coercive sanctions as a locomotive for pulling the moribund Washington consensus forward. The war on terrorism provided a seemingly endless military outlet for surplus capital, generated a colossal deficit that justified deeper dismantling of the Keynesian welfare state and locked neoliberal austerity in place, and legitimated the creation of a police state to repress political dissent in the name of security.

The Bush White House militarized social and economic contradictions, launching a permanent war mobilization to try to stabilize the system through direct coercion. Was this evidence for a new US bid for empire? We need to move beyond a conjunctural focus on the Bush regime to grasp the early twenty-first century moment and the US role in it. In this sense, interventionism and militarized globalization was less a campaign for US hegemony than a contradictory political response to the crisis of global capitalism—to economic stagnation, legitimation problems, and the rise of counter-hegemonic forces.

Despite the rhetoric of neoliberalism, the US state undertook an almost unprecedented role in creating profit-making opportunities for transnational capital and pushing forward an accumulation process that left to its own devices (the 'free market') would likely ground to a halt. A Pentagon budget of nearly \$500 billion in 2003, an invasion and occupation of Iraq estimated at upward to \$3 trillion and a proposed multi-billion dollar space program that would rest on a marriage of NASA, the military, and an array of private corporate interests must be seen in this light, as a spectacular mobilization of global resources by the US state in function of militarized global accumulation. Some saw the trillions invested by the US state in the war on terrorism and the Iraq invasion and occupation as evidence that the US intervention benefits 'US capital' to the detriment of other national, for example 'EU', capitals.

However, Bechtel, the Carlyle Group, and Halliburton are themselves transnational capital conglomerates. It is true that military, oil, and engineering/construction companies, many of them headquartered in the US, managed to secure their particular sectoral interests through brazen instrumentalization of the US state under the Bush presidency. Yet, these companies were themselves transnational and their interests were those not of 'US capital' in rivalry with other countries but of particular transnational clusters in the global economy.

Transnational capitalists are themselves aware of the role of the US state in opening up new possibilities for unloading of surplus and created new investment opportunities. 'We're looking for places to invest around the world,' explained one former executive of a Dutch-based oil exploration and engineering company, and then 'you know, along comes Iraq' (as quoted in Monthly Review 2004, 64). The picture that emerges is one in which the US state mobilized the resources to feed a

vast transnational network of profit making that passed through countless layers of outsourcing, subcontracting, alliances and collaborative relations—the open veins of the global economy—benefiting transnationally-oriented capitalists from many parts of the globe and sustaining, until 2008, global accumulation circuits in the face of severe overaccumulation and limits to financial speculation. The US state was the pivotal gear in a TNS machinery dedicated to reproducing global capitalism.

Concluding comments: imperialism and the extensive and intensive enlargement of capitalism

Let us recall that there are two inter-related components to classical and more recent theories of imperialism: 1) rivalry and conflict among core capitalist powers; 2) exploitation by these powers of peripheral regions. Much of my concern here has been with the premise of competing national capitals that informs the first. But what about this second component? If the world is not divided into rival national economies and national capitals, do we still need a theory of imperialism? Is there any contemporary relevance to the concept?

In the post-WWII period, and drawing on the tradition established by Rosa Luxemburg, Marxists and other critical political economists shifted the main focus in the study of imperialism to the mechanisms of core capitalist penetration of Third World countries and the appropriation of their surpluses. Imperialism in this sense referred to this exploitation and also to the use of state apparatuses by capitals emanating from the centres of the world system to facilitate this economic relation through military, political, and cultural mechanisms. If we mean by imperialism the relentless pressures for outward expansion of capitalism and the distinct political, military and cultural mechanisms that facilitate that expansion and the appropriation of surpluses it generates then it is a structural imperative built into capitalism; not a policy of particular core state managers—to see it as such was John A Hobson's fallacy—but a practice immanent to the system itself.

Alexander Anievas (2008), Adam David Morton (2007), and Calinicos (2007), among others, have argued that Trotsky's 'law of uneven and combined development' proves that capitalism inherently develops (accumulates) unevenly and that this uneven development belies my thesis on the transnationalization of the state. The central question then is whether there is anything inherent to capitalism which would perpetuate a territorial configuration of class interests and state power, and therefore, a multiplicity of states', states Anievas. 'The answer lies in what Trotsky termed the "law of uneven and combined development"' (Anievas 2008, 200). But why must the uneven accumulation of capitals be a territorially-uneven accumulation in which the spatial unit of this uneven accumulation is the nation-state? Lenin and Hilferding theorized an historical moment in world capitalism on the basis of an application of the laws of capitalist development, specifically, the manifestation of the outward expansion of competing capitals as imperialism. Trotsky, similarly, applied the laws of capitalist development—the uneven accumulation of capital as a consequence of the competition among capitals—to the world of the early twentieth century that he was analyzing. The historical forms that are thrown up by the laws of

motion of a social order are just that: historical and therefore subject to transformation as the system evolves.

The centre-periphery division of labour created by modern colonialism reflected a particular spatial configuration of the law of uneven development that is becoming transformed by globalization. I suggested above that there is nothing in the concept of asymmetric exchanges that by fiat gives them a territorial, much less a nation-state, expression. And I have argued at length elsewhere (Robinson 2003; 2008), it is not that globalization does away with space or territory but that it reconstitutes the spatiality of world capitalism. I concur with Sassen (2007) on the historicity of scale and on the need to recode national and local processes as 'instantiations of the global' without assuming, as she observes, that if processes or conditions are located in national institutions or national territory they must be national. According to Alexander Anievas (2008, 201),

another central factor perpetuating this uneven development, manifested in territorialized and geographical forms, is the construction of spatially-embedded physical infrastructures (e.g. transport and communication technologies) necessary for the expanded reproduction of capital. Investments in built environments come to define regional spaces for the circulation of capital.

As a result, he argues, 'capital demonstrates a clear tendency towards concentrating in specific regions at the expense of others, thereby producing a somewhat porous but nevertheless identifiable "territorial logic of power"—regionality—inherently arising out of the process of capital accumulation in space and time' (Anievas 2008, 201 quoting in part Harvey 2003).

Political economists have long observed what is known as agglomeration dynamics or the tendency for capital to concentrate in particular built environments. But there is nothing in this theory of agglomeration economies that would suggest these spaces must be nation-state spaces and in fact a great deal of empirical evidence indicates an ongoing erosion of the correspondence of national space with such economies and the accumulation circuits and levels of social development that adhere to them. The literature on global cities, for instance (see especially Sassen 2001; for a summary, Robinson forthcoming), and my own case studies on Latin America (Robinson 2003; 2008), show how capital accumulates unevenly in space and time and results in sharp social and spatial polarization within agglomeration economies nested in local, sub-national, cross-border and other spaces that do not correspond to nation-state spaces in an interstate logic.

These and other studies show that uneven accumulation tends to increasingly unfold in accordance with a social and not a national logic. Different levels of social development adhere from the very sites of social productive activity—that is, from social, not geographic, space. Moreover, privileged groups have an increasing ability to manipulate space so as to create enclaves and insulate themselves through novel mechanisms of social control and new technologies for the built environment. The persistence, and in fact growth, of the North-South divide remains important for its theoretical and practical political implications. What we must ask is whether the

divide is something innate to world capitalism or a particular spatial configuration of uneven capitalist development during a particular historic phase of world capitalism, and whether tendencies towards the self-reproduction of this configuration are increasingly offset by countertendencies emanating from the nature and dynamic of global capital accumulation. To explain the movement of values between different 'nodes' in globalized production, clearly we need to move beyond nation-state centric approaches and apply a theory of value to transformations in world spatial and institutional structures (the nation-state being the central spatial and institutional structure in the hitherto history of world capitalism).

It is in the nature of global capitalism to create uneven spaces if only because of the mapping of functions onto space with the system. The law of uneven and combined accumulation postulates that the unevenness or inequality between regions together with their combination in a single international division of labour underlies capital accumulation. The spatial distribution of unequal development between North and South (or centre and periphery) as a particular territorial feature of the world system was determined in large part by the role of states as instruments of territorially bound classes and by the distinct socioeconomic and historical conditions that capitalism confronted in its genesis and worldwide spread.

The reality of capital as a totality of competing individual capitals, and their concrete existence as a relation within specific spatial confines determined geographically as nation-states, worked against a trans- or supranational unifying trend. Now globalization reconfigures the spatial relations of accumulation. Capitalists regardless of their national origin are able to use the uneven accumulation of capital and distinct spaces and political jurisdictions to their advantage in accumulation strategies. The Mexican multi-billionaire Carlos Slim and his Grupo Carso conglomerate, for instance, have operations that span all six continents (Robinson 2008). The conglomerate utilizes the Mexican and the US states as well as state agencies and managers in many other countries where it operates, taking advantage of uneven accumulation between Mexican and US territorial spaces for its own transnational accumulation strategies. The Grupo Carso has no intrinsic interest in 'developing' Mexico and no intrinsic aversion to uneven accumulation across national and other spatial boundaries; to the contrary, these often work to its advantage. Global capitalism, it is clear, has a global social base; it is a relation internal to virtually all countries and regions of the world. North-South contradictions are real yet complicated by capitalist globalization. The fundamental global social contradiction in global society is between subordinate and dominant classes in a transnational setting.

We need tools to conceptualize, analyze, and theorize how the expansionary pressure built into the capitalist system manifests itself in the age of globalization. We need these tools politically so as to help make effective our confrontation with the system. I would agree to this extent with Ray Kiely (2006, 219) that a theory of imperialism 'remains indispensable for understanding both the contemporary world order and the place of the South in that order'. Yet, capitalist imperialism is considerably more complex under globalization than the facile North-South/core-periphery framework through which it is typically viewed.

The class relations of global capitalism are now so deeply internalized within every nation-state that the classical image of imperialism as a relation of external domination is outdated. Failure to comprehend this leads to such superficial and misleading conclusions as, for instance, that the failure of popular projects to materialize under the rule of the Workers Party in Brazil or the African National Congress in South Africa is a result of a 'sell out' by the leaders of those parties or simply because 'imperialism' undercut their programs. Imperialism is not about nations but about groups exercising the social power—through institutions—to control value production, to appropriate surpluses, and to reproduce these arrangements. The challenge for such a theoretical enterprise is to ask: how and by whom in the world capitalist system are values produced (organized through what institutions), how are they appropriated (through what institutions), and how are these processes changing through capitalist globalization? During the 500 years since the genesis of the world capitalist system, colonialism and imperialism coercively incorporated zones and peoples into its fold. This historical process of 'primitive accumulation' is coming to a close.

The end of the extensive enlargement of capitalism is the end of the imperialist era of world capitalism. The system still conquers space, nature, and human beings. It is dehumanizing, genocidal, suicidal, and maniacal. But with the exception of a few remaining spaces—Iraq until recently, North Korea, etc.—the world has been brought into the system over the past half millennium. The implacable logic of accumulation is now largely internal to worldwide social relations and to the complex of fractious political institutions through which ruling groups attempt to manage those relations. We need a theory of capitalist expansion—of the political processes and the institutions through which such expansion takes place, the class relations and spatial dynamics it involves.

Notes

- 1 This is a revised version of an article first published in *Sociologists Without Borders* (issue 2, 2007).

5 Many capitals, many states Contingency, logic or mediation?

Neil Davidson¹

Introduction: three imaginary futures

Imagine that at some point in the future a single global polity has come into being and taken ownership and control of the entire world economy. Society under these conditions could be organized in one of two different ways. One way would be without classes, where the state has been replaced by a 'proto-governmental' or 'proto-political administration' (on these concepts see Draper 1978, 240). The other way would leave class divisions intact, but with state managers now directly occupying the position of the ruling class. The first would be world socialism. The second would be entirely new in human history, although comparable futures have been imagined in science fiction since HG Wells' *A Modern Utopia* (1905), and many attempts to classify the USSR as either 'totalitarian' or a new form of class society envisaged a dictatorial world state as the outcome of Russian victory in the Cold War.² From a Marxist perspective, such a monolithic economic entity would have one thing in common with socialism: it too would have ceased to be capitalist. For the nature of capitalism is determined by competition, and competition requires 'many capitals'. A 'universal' capital, as Marx put it, is a 'non-thing', an impossibility (Marx 1973, 414, 421fn2).³ But how feasible is this hitherto unknown form of class society?

Marx (1976, 779) thought the 'entire social capital' of an individual society could be united under a single capitalist or company. Subsequent Marxist theorists of imperialism projected this theoretical possibility onto a global scale, with capital continuing to become ever-more concentrated and centralized until it formed one body, which they variously described as a 'general cartel', a 'universal capitalist trust' or a 'single world trust' (Hilferding 1981, 234, 311; Bukharin 1972, 133–43; Lenin 1972, 12–14). For the thinkers of the Second and Third Internationals, however, this new and universal Leviathan was highly unlikely ever to be realized. It is sometimes claimed that this was because they expected working class revolution to cut short developments in this direction (Lacher and Teschke 2007, 576). But there was another reason. Any consummation of trends towards centralization and concentration would also be prevented by political-military conflicts, both among the imperialist powers and between them and emerging capitalist states. The development of a global state is even less likely now, since the aspect of the period which made them