

IMPERIALISM AND GLOBAL POLITICAL ECONOMY



ALEX CALLINICOS

Table of Contents

Cover

Dedication

Title page

Copyright page

TABLES

PREFACE AND ACKNOWLEDGEMENTS

**INTRODUCTION: EMPIRE OF THEORY,
THEORIES OF EMPIRE**

0.1 Marxism and imperialism

0.2 The need for theory

**0.3 Imperialism and global political
economy today**

Part I: THEORY

1 THE CLASSICAL LEGACY

1.1 Continuing Marx's Capital

1.2 Luxemburg's fertile diversion

1.3 The Lenin-Bukharin synthesis

1.4 Organized capitalism and economic crises

1.5 Spectres of ultra-imperialism

2 CAPITALISM AND THE STATE SYSTEM

2.1 Rethinking the theory of imperialism

2.2 Conceptualizing the state system

2.3 Interests and ideologies

Part II: HISTORY

3 CAPITALISM AND LA LONGUE DURÉE

3.1 What is capitalism?

3.2 Markets and empires

3.3 The sinews of capitalist power

4 AGES OF IMPERIALISM

4.1 Periodizing imperialism

4.2 Classical imperialism (1870-1945)

4.3 Superpower imperialism (1945-1991)

5 IMPERIALISM AND GLOBAL POLITICAL ECONOMY TODAY

5.1 The specificity of American imperialism

5.2 Global capitalism at the Pillars of Hercules?

Index

To Sam, again, with love

Imperialism and Global Political Economy

Alex Callinicos

polity

Copyright © A.T. Callinicos, 2009

The right of A.T. Callinicos to be identified as Author of this Work has been asserted in accordance with the UK Copyright, Designs and Patents Act 1988.

First published in 2009 by Polity Press

Polity Press

65 Bridge Street

Cambridge CB2 1UR, UK

Polity Press

350 Main Street

Malden, MA 02148, USA

All rights reserved. Except for the quotation of short passages for the purpose of criticism and review, no part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher.

ISBN-13: 978-0-7456-4045-7

ISBN-13: 978-0-7456-4046-4(pb)

ISBN-13: 978-0-7456-5824-7(Single-user ebook)

ISBN-13: 978-0-7456-5823-0(Multi-user ebook)

A catalogue record for this book is available from the British Library.

The publisher has used its best endeavours to ensure that the URLs for external websites referred to in this book are correct and active at the time of going to press. However, the publisher has no responsibility for the websites and can make no guarantee that a site will remain live or that the content is or will remain appropriate.

Every effort has been made to trace all copyright holders, but if any have been inadvertently overlooked the publishers will be pleased to include any necessary credits in any subsequent reprint or edition.

For further information on Polity, visit our website:

www.politybooks.com

TABLES

- 1.1 Global GDP growth rates 1820-2003
- 3.1 Levels of per capita GDP ad 1-2003
- 4.1 Relative shares of world manufacturing output, 1750-1980
- 4.2 Area pattern of British overseas investment, 1860-1929
- 4.3 India's trade and bullion balances
- 4.4 Ratio of merchandise trade to GDP
- 4.5 Direct foreign investment in selected foreign country groups 1965-1983
- 5.1 Defence expenditure of top fifteen economies, 2006
- 5.2 Foreign direct investment inflows, 1992-2006
- 5.3 US non-financial corporate net profit rate by business cycle, 1948-2007
- 5.4 Leading economies GDP, 1980-2007

PREFACE AND ACKNOWLEDGEMENTS

Imperialism, to many people's surprise, survived the Cold War. More to the point, it has also survived the presidency of George W. Bush. So it is an important subject. I have been fortunate enough to write about it during what can only be considered a great renaissance of the Marxist theory of imperialism. This has allowed me to develop my own ideas in dialogue - and sometimes in confrontation - with many of the leading contributors to this revival. Thanks to a variety of social forums, congresses and conferences, mostly generated by the contemporary movements against neoliberal globalization and imperial war, I have been able to debate with, and learn from, Gilbert Achcar, Samir Amin, Giovanni Arrighi, Daniel Bensaid, Bob Brenner, Frank Deppe, Peter Gowan, Michael Hardt, David Harvey, David McNally, Toni Negri, Leo Panitch and Claude Serfati.

I have also benefitted from being allowed to present the thought that forms the subject of chapter 2 of this book - that there is a necessary relationship between capitalism and the international state system - in various forums, including the *Cambridge Review of International Affairs*. I am grateful to the editors of this journal, and particularly to Alex Anievas, who has both orchestrated and contributed to a much more extensive debate about Marxism, the international, and uneven and combined development in the pages of *CRIA*. It has also helped to have had the opportunity to present my ideas to seminars at Birmingham, Cambridge, London Metropolitan, and Nottingham universities, and at Goldsmiths College, to the Historical Sociology Group of the British International Studies Association, and to the 7th International Relations

Conference of the Middle East Technical University in Ankara. My thanks to all involved, and perhaps especially to Gonso Pozo-Martin for his searching criticisms both in print and in discussion.

Sam Ashman, Chris Harman, Nigel Harris, Justin Rosenberg, Andrew Wright and an anonymous reviewer all read this book in draft and made very helpful comments. Both Sam and Andrew are engaged in research of their own, some of whose findings overlap with my arguments; I am very grateful to the intellectual support their work has given me. My correspondence and conversations with Justin have provided enormous stimulus and pleasure. Chris and Nigel wrote at once the most detailed and much the rudest comments, showing that old comrades may diverge politically without losing the robust intellectual training all three of us received from the late Tony Cliff. I particularly appreciate Nigel's patience and kindness in sticking with a train of thought that he regards as thoroughly misguided.

At Polity David Held suggested that I write a short book about imperialism and has taken this much longer one on the chin. I am grateful to him and also to Clare Ansell, Helen Gray and Sarah Lambert for guiding the book to publication.

My biggest debt, however, is to Sam Ashman. We have talked non-stop about many of the topics that I have ended up writing about in this book. My debt to her is enormous, not just intellectually, but also for the support she has provided in what have proved to be quite stressful times. It is in token of what I owe that I am dedicating this book to her.

INTRODUCTION: EMPIRE OF THEORY, THEORIES OF EMPIRE

Empire is back with a vengeance.¹ This is largely because the thing imperialism has increasingly obtruded itself on us all over the past few years, till now all the blood and clamour, the colonial expeditions and the grand financial and commercial manoeuvres are quite inescapable and undeniable. But, as historians have noted, empires have often disavowed themselves, and here there was a marked discursive shift in the United States, most notably during the administrations of George W. Bush. The journalist Ron Suskind reports a remarkable conversation with ‘a senior adviser to Bush’ during the summer of 2002, when the drums of war against Iraq were beating ever louder:

The aide said that guys like me were ‘in what we call the reality-based community’ which he defined as people who ‘believe that solutions emerge from your judicious study of discernible reality’. I nodded and murmured something about enlightenment principles and empiricism. He cut me off. ‘That’s not the way the world really works anymore,’ he continued. ‘We’re an empire now, and when we act, we create our own reality. And while you’re studying that reality – judiciously, as you will – we’ll act again, creating other new realities, which you can study too, and that’s how things will sort out. We’re history’s actors ... and you, all of you, will be left to just study what we do.’²

These remarks reverberate with a hubris that was soon enough to meet its nemesis at the hands of the armed resistance to the occupation of Iraq by the US and its allies. But the willingness to conceive America explicitly as an

empire is by no means confined to the right-wing nationalists and neoconservatives who drove US global policy under the younger Bush. In the 1990s, Zbigniew Brzezinski, National Security Adviser to President Jimmy Carter, an influential figure in Bill Clinton's administrations, and a ferocious critic of the Iraq adventure, was also willing to view the world in explicitly imperial terms:

America's global supremacy is reminiscent in some ways of earlier empires, notwithstanding their more confined regional scope. These empires based their power on a hierarchy of vassals, tributaries, protectorates, and colonies, with those on the outside generally viewed as barbarians. To some degree, this anachronistic terminology is not inappropriate for some of the states currently within the American orbit.³

But the willingness to perceive the present through the grid of empire is also a marked feature of the contemporary academy. The energetic and ambitious Tory economic historian, Niall Ferguson, has now devoted two books to the theme of what he calls 'Anglobalization'. The first celebrates the British Empire as 'an agency for imposing free markets, the rule of law, investor protection and relatively uncorrupt government on roughly a quarter of the globe'.⁴ The second reiterates the case for 'liberal empire' (which Ferguson describes as 'the political counterpart to economic globalization'), namely that the 'only hope' for the 'failed states' of the world 'would seem to be intervention by a foreign power capable of constructing the basic institutional foundations that are indispensable for economic development'. Ferguson considers the US to be the sole candidate for resuming the burden once borne by Britain of 'imperial globalization', even though he has doubts whether American political culture has the resources necessary to sustain such a role.⁵

Ferguson is by no means alone in articulating the nostalgia for the British hegemony, deeply embedded in the unconscious of the Anglo-American ruling classes, that often merges with more current preoccupations. How else can we explain that Peter Clarke, a clever, middle-of-the-road historian of the modern British centre-left (subject and object mirroring each other in a satisfactorily Hegelian way), should in retirement mimic Gibbon with a grand tome entitled *The Last Thousand Days of the British Empire*? But the high-profile monographs of Clarke and Ferguson are the tip of a much larger academic iceberg. In recent years: the English-speaking humanities have experienced a remarkable explosion of scholarship devoted primarily to the study of the European colonial empires and their aftermath, which has rescued colonial studies from what Frederick Cooper has called 'the doldrums of imperial history' and transformed them into a cutting-edge form of interdisciplinarity in the contemporary academy.⁶

0.1 Marxism and imperialism

So empire and imperialism have become an acceptable topic again. But this begs the question of how they are to be understood. Imperialism can be defined very broadly or very narrowly. Thus historians and sociologists conceive it as a specific form of political domination. Michael Doyle, for example, succinctly defines empire as 'effective control, whether formal or informal, of a subordinated society by an imperial society'.⁷ Cooper offers a looser 'family description' that seeks to emphasize that the differences between dominant and dominated are reproduced and institutionalized by this kind of 'political unit that is large, expansionist (or with memories of an expansionist past), and which produces differentiation and inequality among

people it incorporates.’⁸ Such broad definitions are of transhistorical scope, designed to cover ancient Rome and China, the Ottomans and the Mughals, as well as more modern candidates. By contrast, imperialism is also sometimes equated with a very specific historical episode, namely the policy pursued during the nineteenth century by the European Great Powers, and later by the United States and Japan, of formally subordinating most of the rest of the world to their rule.

The classical Marxist conception of imperialism, formulated above all by Lenin, is more specific than the broad definition, more general than the narrow one. Imperialism is neither a transhistorical political form nor a state policy, but ‘a special stage in the development of capitalism’.⁹ Oddly enough, despite the rise of colonial studies and postcolonial theory, for quite a long patch of my own intellectual life, particularly during the 1980s and 1990s, this approach to imperialism was not an academically respectable one. As Fred Halliday has complained, the debate on globalization that became obsessive in the social sciences in the latter decade suffered from ‘the absence, or suppression, within orthodox discussion of the two analytic terms central to the analysis of this process’ – namely capitalism and imperialism.¹⁰ Even on the Marxist left, the theory of imperialism suffered the indignity of being ignored or relegated to the past. ‘Whatever happened to imperialism?’ asked the Indian Marxist economist Pratap Patnaik in 1990:

An outsider cannot help noticing a remarkable transformation in the Marxist discourse in America over the last decade or more, namely, hardly any body talks of imperialism any more. I left Cambridge, England, in 1974, where I was teaching Economics, and have returned to the West, this time to the USA, after a lapse of 15 years.

When I left, imperialism perhaps occupied the most prominent place in any Marxist discussion, and nowhere was more being written and talked about on this subject than in the USA, so much so that many European Marxists accused American Marxism of being tainted with Third Worldism ... That is obviously not the case today. Younger Marxists look bemused when the term is mentioned. Burning issues of the day, such as Eastern Europe, or Perestroika, are discussed, but without any reference to imperialism. Radical indignation over the invasion of Panama, or the wars promoted in Nicaragua and El Salvador, does not jell into theoretical propositions about imperialism, and the topic has disappeared from Marxist journals, especially those of a later vintage.^{[11](#)}

The most influential example of this intellectual shift was offered by Bill Warren in his posthumous *Imperialism - Pioneer of Capitalism* (1980), which portrayed colonialism as an essentially progressive force, drawing the societies of the South into the dynamism and liberty that a global capitalist system with a long future ahead of it offered. If you think this sounds a bit like George W. Bush you wouldn't be wrong. And maybe this helps to explain the anomaly that the quarter of the contemporary political world where resistance to acknowledging the reality of contemporary imperialism is strongest is among some intellectuals from a left-wing background. A prominent British example is Norman Geras, a Marxist philosopher with impressive achievements to his name, but who has in recent years been vehement in his support for the wars in Afghanistan and Iraq and in his denunciation of the movements that have opposed them. The main intellectual error that he argues lies behind this is what he calls the 'anti-imperialism' of 'most of the socialist left'. He states:

even if more advanced models of theoretical explanation are now available to the left, it nonetheless seems to

suffice in any given international conflict to know that on one side is the United States, and that the United States is a capitalist power that always has designs on the natural and human resources of the rest of the world. If you know this, everything else falls instantly into place; all other levels of analysis, all other considerations, are superfluous. They can either be ignored altogether, or they can be conceded in passing, but as merely secondary and hence ignorable in practice. The political alignments are always defined by the primary determinant - imperialism.¹²

The implication of this diagnosis is that a reductive obsession with American imperialism morally and politically blinds much of the left to the existence of evils unassimilable to this 'primary determinant' - for example, the Taliban in Afghanistan and Saddam Hussein in Iraq. But of course the contemporary anti-war movement never denied that these and other regimes like them were real evils (though they also pointed to the role played by the US in allowing these regimes to come into existence and to flourish). Their - our - main point, however, was that unleashing the military might of the United States on these countries was not the best way of removing these evils - and indeed was much more likely to bring in its wake even greater evils. I think it is clear whose judgement has turned out to be right. Maybe anti-anti-imperialism is a source of its own forms of moral and political blindness. To misquote Oscar Wilde, a map of the world that does not find a place for imperialism is, alas, of little use to us.

In criticizing Geras, I don't want to suggest that traditional Marxist thinking about imperialism (or indeed about anything else) is beyond reproach. On the contrary. In part, writers such as Warren were reacting to a rather caricatural view of imperialism that owed more to influential Third Worldist writers of the 1960s and 1970s, such as Andre

Gunder Frank or Samir Amin, than it did to Lenin or Nikolai Bukharin or Rosa Luxemburg. On this conception, imperialism is about the systematic economic and political domination of the global South by the rich countries of the North, a condition that bred what Frank called 'the development of underdevelopment', preventing any economic progress in the countries of the 'periphery'.

One has only to utter the word 'China' to indicate what's wrong with the Third Worldist understanding of imperialism – though twenty years ago, 'South Korea' would have done just as well.¹³ But to recognize that the global domination of capitalism does not prevent significant processes of industrialization in parts of the South cannot expunge from the historical record the real human disasters wrought as a result of this domination – what Kenneth Pomeranz has called the 'great divergence' that transformed China and India, a few centuries ago the most advanced economies of the world, into vast pools of poverty and misery, the great famines under British rule of India remorselessly diagnosed by Mike Davis in his book *Late Colonial Holocausts* (the last of which devastated Bengal in 1943, killing up to 3 million people, on the edge of Peter Clarke's 'last thousand days', though he barely registers it), the massacres that accompanied the colonial empires to their grave.¹⁴

Now, of course, the words 'India' and 'China' have turned into different kind of clichés – metonyms for the liberty and prosperity that capitalist globalization and information technology are bringing to what we used to call the South, according to Thomas Friedman in his magnificently absurd potboiler *The World is Flat*, evening out the differences between rich and poor countries. And yet the figures for global poverty and inequality remain an obscenity. One statistic must suffice here. In 2005, the year when the Group of Eight met in Gleneagles and solemnly promised to rescue Africa from its fate, 10.1 million children died. And

the colonial massacres continue, even though there are hardly any formal colonies any more – just ‘failed states’ subjected to the benevolent guardianship of the United Nations and NATO and the martial power of the Pentagon.

0.2 The need for theory

So imperialism has rightly become a topic again. This has been reflected in a revival in specifically Marxist discussion of imperialism, symbolized by the immense success of Michael Hardt’s and Toni Negri’s book *Empire* (even though it is highly critical of the classical Marxist approach). But registering this revival leaves the question of how to talk about imperialism. Hence the duality of the title of this introduction. Understanding imperialism requires close empirical study since it concerns a historical phenomenon that has complex characteristics and is subject to change. But it also demands theoretical reflection on what makes the imperialism we encounter today historically distinctive.

This seems rather more controversial. One reason why empire and imperialism are, once again, on the agenda is that they connect with preoccupations internal to the academy. If one thinks (as I do) of postmodernism as a sort of virus, then one way in which it survived the growing boredom and incredulity created by its arguments was by transmuting itself into postcolonial theory. Characteristic poststructuralist themes of instability, undecidability, dissemination, contamination, hybridity were given a more definite political and historical content by being reframed in the context of the long encounter between colonizer and colonized. This didn’t, in my view, make the underlying philosophical ideas any more plausible, but it would be silly to deny that postcolonialism opened fruitful lines of enquiry. Indeed, one consolation for someone – such as I – lacking enthusiasm for the preoccupation with cultural themes that

allowed many historians to retreat back into the cosy empiricist shell from which they had been prodded by the great ideological dramas of the 1960s and 1970s is that postcolonialism has provided a political stiffening and a wider horizon for scholars who might otherwise have been lost forever in the archives.¹⁵

Linda Colley's brilliant book *Captives* is a particularly distinguished example of what historical writing organized around the theme of empire can achieve. Colley uses the modes in which would-be colonizers could find themselves subjected to the Other - as Barbary slaves or Native American war booty - to construct a highly differentiated account that is, interestingly, sensitive to the contrasting social trajectories that are imposed by class position even in captivity. This is in striking counterpoint to Colley's earlier *Britons*, which sought to deliver the quietus to Edward Thompson's *The Making of the English Working Class* by seeking to demonstrate the hold that Church and King, rather than the radical-democratic dissenting tradition, had on the English crowd in the late eighteenth and early nineteenth centuries.

The intellectual fertility of this rediscovery of empire is, then, demonstrable. But empire itself is under-theorized. Take, for example, *After Tamerlane*, a recent book by the Oxford historian John Darwin. As the book's subtitle, *The Global History of Empire*, indicates, Darwin's aim is to reinstate the active role played by non-European empires - for example, the Ottomans, Mughals and Safavids - in the construction of the modern world. Empires may come and go, Darwin suggests, but empire is perennial:

A glance at world history suggests ... that, for most of the time, the default position so far as politics went was imperial power. Empires were systems of influence or rule in which ethnic, cultural or ecological boundaries were overlapped or ignored. Their ubiquitous presence arose

from the fact that, on a regional scale, as well as a global, the endowments needed to build strong states were very unequally distributed.¹⁶

As the figures for child deaths I gave earlier indicate, 'endowments' are still 'very unequally distributed'. And indeed Darwin believes empire, or empires, to remain our fate today: 'What we call globalization today might be candidly seen as flowing from a set of recent agreements, some tacit, some formal, between the four great economic "empires" of the contemporary world: America, Europe, Japan, and China.'¹⁷ I agree with this empirical judgement, which is substantially closer to the truth than the most celebrated contemporary radical theory of Empire - Hardt's and Negri's argument that national antagonisms have been dissolved into a decentred transnational network capitalism, a Marxist version of Thomas Friedman's flat world thesis.¹⁸

In other words, the world in which we live is characterized by enormously unequal distributions of economic power that drastically limit the life chances and well-being of the large majority of the world's population. These inequalities are closely related to the - again highly unequal - distribution of military and political power. The correlation isn't complete. Famously, the United States is, as Colin Powell put it, 'the bully on the block' militarily but it's also the world's biggest debtor. The European Union remains, despite its economic weight and all the current bragging about its 'soft power', a geopolitical pygmy.¹⁹ All the same, the basic relationship between economic strength and military capabilities continues to hold, as is demonstrated by the Pentagon's growing edginess about Beijing's efforts to use its vastly increased productive resources to modernize its armed forces.

But if that is the core of contemporary imperialism - the continuing domination of the globe by a handful of Great

Powers – how are we to understand the sources and nature of this domination? Is it enough simply, as Darwin suggests, to treat ‘imperial power’ as the ‘default position’ throughout human history? A similar view is to be found even in quite unexpected quarters. The greatest contemporary anti-imperialist, Noam Chomsky, seems to think something like this. Imperial domination, he suggests, is something that tends to arise when power is unequally distributed. His formidable powers of empirical research are deployed relentlessly to illustrate and provide corroboration for a limited number of transhistorical generalizations – for example: ‘Revenge knows few limits when the privileged and powerful are subjected to the kind of terror they regularly mete out to their victims.’ Or again, the US effort to dominate space militarily ‘makes good sense if hegemony, with its short-term benefits to elite interests, is ranked above survival in the scale of operative values, in accord with the historical standard for dominant states and other systems of concentrated power’.²⁰ Of course, Chomsky doesn’t therefore think that empire is inescapable: as a lifelong anarchist, he believes strongly that democratic, cooperative relationships represent the desirable and feasible alternative to the present, profoundly unjust world, but he doesn’t seem to regard imperialism as something that needs special explanation. It is just the likely concomitant of systems of domination, the external expression of inegalitarian social relationships.

The trouble with this way of thinking is that – while not exactly wrong – it fails to address the specificity of contemporary imperialism. Take the case of the United States, undeniably the greatest imperial power today. Among its distinctive features are: (1) the fact that the US still usually disavows its imperial status – ‘We don’t do empire,’ as even Donald Rumsfeld said; (2) as apparent support for this disavowal, the fact that other countries are

not formally politically subordinated to the US. Washington's global power is exercised through a complex set of more or less institutionalized relationships with sovereign independent states. In a provocative recent essay, Bernard Porter, a distinguished historian of the British Empire, suggests that these features are less distinctive than is frequently thought.²¹ Till the late nineteenth century, Victorian Britain was a lot less comfortable about its empire than retrospect suggests. And some of the areas most important to British capitalism - for example, Latin America - were never politically subordinated to the British state, but instead integrated economically through what John Gallagher and Ronald Robinson famously called the 'imperialism of free trade', based on the 'willingness to limit the paramount power to establishing security for trade'.²²

This phrase very accurately captures a key feature of how the world is presently organized. The imperialism of free trade is exactly what the EU, as well as the US, have been pressing on other countries, particularly since the establishment of the World Trade Organization in the mid-1990s. Boosters of the flat world of globalized capitalism, such as Friedman, are effectively propagandizing for this very aggressive attempt to crack open the markets of the world for the capital and commodities of the North.

But, although Brussels has been a very active partner in this process of forcing trade liberalization through globally, this has been a much longer-term project for Washington. The Imperialism of the Open Door is the name that William Appleman Williams gave to the project on which American economic and political elites converged at the beginning of the twentieth century.²³ Formal colonies can be expensive and difficult to run, as the US discovered when it annexed the Philippines after the Spanish-American War, only to be confronted with a pattern of national resistance, imperial

atrocities and domestic opposition that was to be repeated in Vietnam and Iraq. Far better to leave the locals to run themselves, so long as they don't interfere with the free movement of capital and goods, with military power – preferably in the form of offshore aerial and naval bombardment – in the background to deal with anyone who fails to respect the sacred flows of money and commodities.

It is when we confront this updated version of the Victorian imperialism of free trade that we get closer to what makes modern imperialism distinctive. Max Horkheimer wrote in his famous essay 'The Jews and Europe', first published in 1940, that 'those who do not wish to speak of capitalism should be silent about fascism'.²⁴ I think Horkheimer was right about fascism, but his remark could be applied to imperialism: modern imperialism is *capitalist* imperialism. Of course, this is very far from being news. As I have already noted, the Marxist theory of imperialism has been defined, since its initial formulation before and during the First World War, by the claim that the geopolitical struggles among the Great Powers for global domination were a consequence of changes in the structure of capitalism at the end of the nineteenth century – in particular, the increasing concentration of economic power and its interweaving with the state.

Now this theory has, in my view, great explanatory power. But it became vulnerable to criticism for a variety of reasons. As Mike Kidron pointed out in pioneering essays written in the 1960s, 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 Rudolf Hilferding extrapolated far too much from characteristics that were distinctive particularly to late nineteenth-century Germany.²⁵ Furthermore, the treatment of economic crises by the theorists of imperialism was generally problematic. And, quite simply, they were

overtaken by how capitalism changed in the course of the twentieth century.

None of these criticisms constitute good reasons to give up the theory of imperialism. But here it is worth saying something about theory itself. 'Theory' as a noun on its own, without either a definite article or a particular subject matter *of* which it is the theory, has become a way of referring to the seduction of English and other domains of the humanities by poststructuralism over the past generation. This is a usage whereby it is perfectly coherent for Terry Eagleton to write a book – rather a good one, in fact – called *After Theory*. But there is a slightly earlier version of the same usage that got lost in the rush after Derrida & Co. 'Theory' with a capital T was the name that, at the height of his fame in the 1960s, Louis Althusser gave to Marxist philosophy, to highlight its role as what he called 'the Theory of theoretical practice', the source of a general ontological guarantee to all the particular sciences.²⁶

That whole project, megalomaniacal as it evidently was, soon came crashing down, and its collapse helped to legitimize the postmodernist cult of fragmentation and uncertainty. And for postcolonial theorists such as Robert Young, Althusser's conceptual imperialism is somehow complicit with the West's domination of the world.²⁷ Maybe this is a fair cop in Althusser's case. In contrast with his friend and colleague Jacques Derrida, like him brought up in colonial Algeria, Althusser says nothing about this dimension of his upbringing.

But, directed as a charge against Marxism in general, as Young's accusation is intended to be, it is nonsense. The connection between Marxism and anti-imperialism runs deep, even in Britain. One of the two greatest Marxists born in these islands, James Connolly, died facing a British firing squad for his part in leading the Easter 1916 rising. British Communists such as the historian John Saville worked

closely with the Indian independence movement while serving in the British armed forces during the Second World War. For all the distortions it suffered through its subjection to Stalinism, the Communist International gave rise to mass parties in such key outposts of the South as India, Iraq, and South Africa.

And even the Althusserian enterprise contained elements of lasting value, I think. Particularly in the collective book, *Reading Capital*, Althusser and his pupils sought to undertake a rigorous conceptual interrogation of Marx's *Capital* as the starting point of a broader renewal of Marxism intellectually and politically. They weren't the only ones to do this. In Italy this was undertaken by the workerists, and in Germany by the capital-logicians, but, as David Harvey has recalled, on a much broader scale: thousands, maybe tens of thousands, of young radicalized intellectuals who took part in *Capital* reading groups all over the world in the late 1960s and early 1970s, all sought to study Marx's great work as a means of more effectively understanding and overthrowing capitalism itself.²⁸

Not surprisingly, given the grandiose ambitions with which it was invested, Althusser's version of this huge intellectual effort was riddled with error and plain old bullshit. But there remained a 'rational kernel', to borrow a metaphor of Marx's of which Althusser made heavy weather. *Capital*, on Althusser's reading, portrayed the capitalist mode of production as a nexus of relationships that imposed themselves imperatively on individual subjects:

the structure of the relations of production determines the *places* and *functions* occupied and adopted by the agents of production, who are never anything more than the occupants of these places, insofar as they are the 'supports' (*Träger*) of these functions. The true 'subjects' (in the sense of the constitutive subjects [*sujets constituants*] of the process) are therefore not these

occupants or functionaries, are not, despite all appearances, the 'obviousness' of the 'given' of naïve anthropology, 'concrete individuals', 'real men' - but *the definition and distribution of these places and functions. The true 'subjects' are these definers and distributors: the relations of production* (and political and ideological social relations). But since these are 'relations', they cannot be thought within the category *subject*. And if by chance anyone proposes to reduce these relations of production to relations between men, i.e., '*human relations*', he is violating Marx's thought, for so long as we apply a truly critical reading to some of his rare ambiguous formulations, Marx shows in the greatest depth that the *relations of production* (and political and ideological social relations) are irreducible to any anthropological inter-subjectivity - since they only combine agents and objects in a specific structure of the distribution of relations, places and functions, occupied and 'supported' by objects and agents of production.[29](#)

What's wrong with Althusser's argument here is the idea that individual human subjects are the mere 'supports' of the relations of production. This is his notorious 'anti-humanism', which Edward Thompson memorably denounced in *The Poverty of Theory*. But the idea that what constitutes capitalism as an economic system is the relations of production, which determine the access that persons have to productive resources in a definite way, is of fundamental importance. One might seek to specify the relationality of capital by saying that it involves two closely interconnected dimensions: first, the exploitive relationship between wage-labour and capital, which presupposes the exclusion of workers from direct access to any productive resource other than their own labour-power; and, second, the competitive relations that exist among the individual capitals that together control the bulk of society's

productive resources - the capitalist class is a fragmented, internally divided class whose members struggle among themselves, each trying to grab the largest possible share of the profits they jointly extract from workers.

You may think that the relationality of capital is an abstruse philosophical formula of no practical interest or relevance. You would be wrong about this, as is shown by the sad case of Adam Applegarth, former chief executive of the Northern Rock bank. Mr Applegarth had what he thought was a splendid business model. This involved lending money on ever more generous terms to homeowners. These loans were themselves financed by being packaged in obscure ways, in fancy financial instruments called collateralized debt obligations, that were then sold on to investors all over the world. All went fine till the American housing market, which had become increasingly driven by this kind of practice, collapsed in the first half of 2007.

In August 2007, banks everywhere woke up to the fact that not only were they individually carrying a lot of bad debt, but so was everyone else. Even worse, collateralized debt obligations and the like, previously praised as a terrific example of financial 'innovation', made it much harder to work out where the debt was and which lenders were in real trouble. So the banks stopped lending to each other. A critical feature in the relationship, at once competitive and cooperative, among financial capitals just stopped working. Northern Rock, previously one of the masters of the universe, was now in great difficulty because it relied so heavily on short-term borrowing - hence the first run on a British bank since the collapse of Overend, Gurney & Co in 1866. The baffled (though, it transpired, generously compensated) Mr Applegarth received rather a hard lesson in what Hegel might have called the actuality of the relationality of capital.

But, although I think the relationality of capital is a thoroughly operational concept, it does also have philosophical significance. The priority that Althusser gives to relations over subjects runs counter to the dominant trend in contemporary radical thought, which is to privilege subjectivity. Thus, if we take the case of Hardt's and Negri's theory of Empire, though Empire itself is understood as a nexus of institutions, it isn't where the action is. The locus of creative power lies rather in the multitude, the tendentially existing macro-subject whose affirmation of life is increasingly subverting the dominance of capitalism. Alain Badiou's ontology is much more austere, but philosophically he goes even further than Negri, denying relations any being and giving primacy to the rare events – for example, the emergence of Christianity, the French, Russian and Chinese Revolutions, the formulation of set theory – through which crystallizes a new truth that may be embodied in a subject.

This preoccupation with subjectivity may have been a corrective to Althusser's anti-humanism, in which history is conceived as 'a process without a subject'. But Badiou's events, in the absence of an account of their necessarily relational context, are a mystery, while the Hardt-Negri theory of the multitude is little more than wishful thinking. This doesn't mean, as Negri rather crossly suggested when I put these criticisms to him, giving up on the idea that it is possible to resist and to win. On the contrary, understanding that capital is a relation helps us to recognize its fragility, as the case of Northern Rock indicates. But Althusser's insistence on putting relations before subjects seems to me basically right, even if he got subjects badly wrong.[30](#)