

Interview - Leo Panitch

Written by E-International Relations

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Leo Panitch is a renowned political economist and Marxist theorist, and currently Distinguished Research Professor of Political Science at York University. Editor of the *Socialist Register* – originally founded by Ralph Miliband and John Saville – for twenty-five years. His many books and articles include *Global Capitalism and American Empire, In and Out of Crisis*, and *The End of Parliamentary Socialism, Globalisation and the State*, and *The New Imperial State*.

This discussion follows the publication of, alongside co-author Sam Gindin, Prof. Leo Panitch's incontrovertible magnum opus, *The Making of Global Capitalism: The Political Economy of American Empire*. Prof. Panitch and co-author Sam Gindin upturn several received truths, including the view of globalisation as a natural economic tendency producing a diminution of the state, the prognosis of American decline under Chinese or multipolar ascendancy, and – within Marxist circles – the classical theories of imperialism articulated in the early twentieth-century. In their stead, a cogent account of the rise of a qualitatively new form of (US-American) empire – one undertaking responsibility for the superintendence of global capitalism itself – is placed.

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How do you define “imperialism”?

Imperialism has been understood, and perhaps traditionally properly understood, as the ambition to impose a given state or ruling class' interests on the rest of the world. In that sense, imperialism goes back to the pre-capitalist notion of the expansion of territory in order to secure more surplus or military power for a given ruling class. There was always, of course, an element, even in these classical politico-territorial cases, of states – or the monarch, or the emperor – having to take responsibility for the governance of a broader area, with all the complexity which that entailed.

I think what became mistakenly incorporated into late twentieth-century notions of imperialism – and it's still around, for the most part – is the notion that the US-American empire is *always* acting in terms of projecting its own interest. Whereas if we theorise the US-American state as responsible for the very problematic governance of a complex social order reproducing the global capitalist economy – which now unfortunately covers the whole world – which is unplanned, chaotic, and in many ways irrational, then it's too simplistic to see this in terms of American state actors merely projecting their own self-conscious and all-knowing interest. One rather sees them as engaged in the very problematic business of managing the world. That's a very different notion of “empire” than most International Relations theorists, and most Marxists, unfortunately, have been operating with during the twentieth century.

How has your view of the world changed over your life, and what or who have been most significant in prompting that change?

My co-author Sam Gindin and I read economics together as undergraduate students, and by second or third year at university, I whispered to him in the library – I think after reading Marx's “Preface to the Critique of Political Economy” – that ‘I think I'm a Marxist’. So my fundamental world-view dates back a very long way. Sam went onto a PhD in economics at Madison on the transition to socialism in the USSR, but forsook that to become the first research

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assistant for the UAW in Canada, and moved on to become the Chief Economist of the Canadian Auto-Workers Union, playing a major role in the Canadian labour movement. We had always said that we would write a book together, and that's what we did when he retired from the CAW and joined me at York University. It was one of those rare friendships where, even if we didn't see one another for two or three years, when we reunited it was as though our minds had been on parallel track the whole time. So, have I changed that much over the years? Well, that is an indication not.

On the other hand, it was only upon meeting Ralph Miliband – under whom I completed my PhD at the LSE – that I let myself adopt the label “Marxist”. My generation became Marxists *against* the example of the Soviet Union, and indeed I have never been a Leninist or Trotskyist. Miliband's very sober approach to the limitations of Marxism, and specifically Marxist political theory, was enormously influential on me. That the Marxist theory of the state was under-developed, yet nonetheless averted the deficiencies of mainstream political science – the poverty of positivism and apologetics of pluralism – led to the most exciting and substantive theoretical and methodological debates in the 1970s, an experience which broadened my Marxist analysis and enriched my political perspective. In the famous Miliband-Poulantzas debate, I was very much on the former's side, but I recognized that Poulantzas' appreciation of international relations – of the state and the international sphere – was far more profound than Miliband's. He cut through the notion, widely shared among Marxists, that Europe's post-war redevelopment amounted to the recrudescence of inter-imperial rivalry. That being said, I continued, as I still do, to share Miliband's view that one shouldn't see states as merely ‘fields’ of class representation and struggle. I think that state actors certainly act within the constraints of capitalism, but nonetheless are not merely the cyphers of class interests; in fact, they are often providing leadership to classes through their autonomy from classes. I think there's a misreading of this, to some extent, by people who think Giddin and I were going all the way down with Poulantzas – we were not.

Your work on the US-American state and international capitalism has been carefully developed in the pages of the Socialist Register over the last decade. Could you speak to that development?

That's correct, although that project actually began on a Fulbright, in which I spent a year as a Visiting Professor at the Graduate Centre in New York. The first piece I wrote on this was actually in the *New Left Review* in 2000. The two big Socialist Register volumes – “The New Imperial Challenge” and “The Empire Reloaded” – were indeed where we first featured some of this. But the heavy, detailed, empirical work making up the substantive matter of the book – the historical work – is entirely new. It took us a decade, from 2002 to 2012. I learned more in that decade than I have in all the rest of my academic life.

‘The Making of Global Capitalism’ has been making waves in radical circles since its publication. Why do you think this is? What do you think made the work such a distinctive contribution?

I have actually been struck by how mainstream International Relations scholars, for the most part – and especially in the United States – have ignored the book. I must say that this surprised me, insofar as the work is both so empirically rich, and engages with them and takes their work very seriously. I mean that all the way from Jeff Frieden to John Ikenberry. I think this is because they recognize that the book simply isn't relevant to them vis-à-vis to U.S. foreign-policy advice. So many of them are really motivated in the end by being heard in Washington, such that they invoke arguments about the decline of the United States in not a very serious way – as a way to lever their own policy preferences by frightening policy makers that the United States might be losing its role. I don't think they really believe that. Whereas my goal is to find a way beyond capitalism to a better world, while of course acknowledging the overwhelming role that the US-American state plays, and will continue to play in the foreseeable future – in the superintendence of global capitalism.

On the other hand, it is true that the book has had a very warm response in other circles – a very broad range of circles – and that is very gratifying. I think this has to do with the fact that we deliberately avoided making this a dense, explicitly theoretical book. There's obviously a lot of theory guiding the analysis, but we did not want to engage in the very boring exercise stating that this here theorist said that, and that there theorist said the other, and we're asserting the third, backed by often then- very- selective and thin historical or empirical examples in order to sustain that theoretical debate, rather than attempting to use conceptual tools to actually investigate history. As

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such, our work is one of applied theory, and I think people have appreciated that. It has allowed those who aren't specialists in Marxist state theory, International Political Economy, and so forth, to appreciate the book as a contribution to understanding how we got the present world.

It is also true that it made something of a splash among Marxists because it is so critical of the classical Marxist theory of imperialism. I think people were ready for that. Since the 1970s, when Arrighi, in his *Geometry of Imperialism*, said that Marxists had made a hash of the theory of imperialism and that it was a Tower of Babel, people have been both uncomfortable with it, yet seemed stuck with it, in a sense. The classical thesis of inter-imperial rivalry has simply been historically confounded since 1945: today it is becoming increasingly evident that we are dealing with Chimerica rather than a challenge from China to America, while the 2007-08 crisis proved that the Euro is not a genuine alternative reserve currency, and is not challenging the dollar. Similarly, the development of the global south clearly undermines the development of underdevelopment thesis, while the notion that the BRICs constitute a cohesive challenge to the US state's role in managing the world is threadbare, as we show in the book. So for all kinds of reasons, I think people were ready for an alternative theorisation, and one was very badly needed in terms of understanding that all states are not the same. We need to understand, for whatever reason it happened – there is nothing in Marx or Smith that would tell you this would happen – that the American state has come to be burdened with the responsibility of managing a global capitalist economy.

What would you say is your relationship to the classical theorists of imperialism of the early twentieth-century: Lenin, Hobson, Kautsky, Hilferding?

They had great insight in terms of understanding that what was new by the beginning of the twentieth-century was the export of capital. That said, they tended to see the export of capital as an inevitable outcome of the barriers to accumulation *inside* each of the leading capitalist countries, and this wasn't the case for the most part. The export of capital was taking place because of the dynamism of capitalism simply spilling over into investment abroad, not because there were absolute barriers to accumulation at home. They combined this notion of a domestic crisis of accumulation with a theorisation of all capitalist social formations as being dominated by the merger of finance and industry, which Hilferding, generalising from the German case, called "finance capital". These great trusts or monopolies were conceived of as using the state instrumentally in a one-to-one relationship. When all this was combined – a crisis of accumulation at home, the advent of finance capital, its capture of the state, and the associated export of capital – the thesis of inter-imperial rivalry was come up with, which they saw in their most extreme form as the what Lenin called "the highest stage of capitalism". That being the case, Marxists spent the rest of the century looking for that finally to be realised, or trying to theorise why it was being postponed.

By the end of the twentieth-century, one needed to pause to see what was wrong with that thesis. Not only in terms of obviously being incorrect in predicting inter-imperial rivalry, but also in not understanding the way in which old empires – the pre-WW1 empires – became incorporated into the very different type of American empire. It was an empire that didn't operate with colonies, but it was an empire in the sense of being engaged in the extended political rule that came with promoting and managing the internationalisation of capital, but not in the sense of colonisation. Rather, in the sense of taking responsibilities for maintaining order and reproducing the conditions of accumulation, not just for its *own* social formation in the US, but, by virtue of its major responsibility for accumulation much more broadly, internationally.

'The Making of Global Capitalism' contains occasional allusions to the role of ideology in the (informal) American US empire, such as the following: "What added to the legitimacy of the informal American empire was the cachet that liberal democratic ideas and the 'rule of law' lent to the United State abroad". What space do you give to the role of ideology within your conceptualisation of empire? Would you, for example, make sense of a work like Edward Said's 'Culture and Imperialism'?

If you mean ideology in the sense of ideational identities, inspirations, and commitments, and their effect on practices, then I think their role is a large one. I would go along with the Poulantzasian-Althusserian insistence that we need to analyse the economic, political, and ideological levels as a totality, although, as I have indicated, I have some trouble with trying to only using the element of class analysis in that, or only see class actors in that.

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In the American case, I think that the American Revolution, and the form Republicanism took in the United States, placed very important ideational constraints on the American US empire's initial tendency to colonisation. It made it highly problematic to justify in popular and political discourse. So they always had to hide this, even in the case of Cuba, the Philippines, and Puerto Rico. The greatest empire the world has ever known – the US since 1945 – has ideologically committed to decolonization. Moreover, insofar as ideology enters deeply into popular culture – the extent to which the good life around the world is defined by the American shopping mall, by American films, by American commodities –, is an enormously important factor in under-writing the US-American imperial role in the world, and in the spread of American capitalism.

The democratic peace thesis famously postulates two-fold: an empirical claim that democracies have not, or with few exceptions, warred with one another; and a causal explanation of that phenomena, rooted in Kant's Perpetual Peace (structural features of democracy, mutual norms and respect, and economic interdependence). Do you think that empirical claim holds up, and, if so, under what explanation? Moreover, democracies only reached a sufficient number and proximity for the absence of their mutual war to become statistically significant in the post-war era – the era of informal American empire, on your account. Do you see a relationship between the two?

Very interesting – yes, I do see a relationship there. The power of the thesis pertains most to the post-WW2 developments amongst previously warring imperial states. I think that perhaps more important than the political form of democracy was the economic (and military and security agency) integration of the North America, Western Europe, and Japan over this period. Nevertheless, I think the nature of the integration is such that it couldn't have taken place without the liberal democratic political form, in both its institutional and ideological instantiations. So I see your point, and I think there's a lot in it.

That said, I think one needs a dynamic, rather than a static, notion of liberal democracy. Germany, by 1900, had already given rise to the largest, most influential, and most creative working class party in the world – Germany was being democratised. To be sure, the elected parliament had not achieved responsible governance, but it was hardly an uninfluential force in the German social formation. Although Britain had a liberal democracy, in a fuller sense of responsible governance and competing parties, the Labour Party was not nearly as strong, in terms of freedom of association and its impact on society, as the German Social Democratic Party was. Let's remember that the majority of even working class men in the UK did not have the franchise until 1918. In any case, these two limited democracies were at the centre of WW1, and similar points could be made about the other central combatant states. Following WW1, the new democratic regimes in Italy and Germany gave rise to fascism, and the unceremonious end of liberal democracy, and became embroiled in the conflict that lead to WW2. In this sense, the dynamic notion of democracy is one which envisages that the practices of liberal democracy – and the contradictions in it – may yield something that is no longer liberal democratic. The thesis you advance may reflect too static a view that once liberal democracy is achieved, that's it – the end of history.

There have been recursive theories of American decline over the last half-century:, ranging from the threat to the dollar imminent in the emergence of a European common currency, to the hegemonic potential seen latent in Japan in the late 1980s. The latest and perhaps most convincing iteration of this argument is the rise of China. What do you take to be the problem with this thesis?

These analyses typically turn on astonishingly superficial markers of GDP, or balance of payments statistics, rather than looking at the much deeper social and political linkages that exist between the US-American state and these so-called rivals. I think there are two explanations for the constancy of such arguments. Firstly, a case of wishful thinking on behalf of radicals. Secondly, mainstream academics use these arguments as levers to try and become policy advisers; they use them to scare administration officials into thinking that if they don't listen to their policy advice, America is going to decline.

I'm not saying the American empire is there forever;, heaven knows I don't think capitalism is here forever. But I think it has a very long run to go on any sober assessment of the world. It's not an American empire than needs to be understood as more than simply American domination around the world: it holds a unique position, responsibility, and

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burden for governing this world.

How do see the 'unmaking of global capitalism' as possible?

Firstly, I think that the search for inter-imperial rivalries – of an ascendant Europe capable of delivering a more humane form of capitalism, or a similar rise of Japan or China – that would lead us out of the American empire, overlooks the inequalities, exploitation, and domination *within* Europe, Japan, and China. In that sense, its analytic defects aside, such an eventuality is not very attractive politically or ideologically. Secondly, I think the degree of integration between capitalist classes and states now means that the real fault lines don't exist between, but within, states. I may be a non-conformist Marxist, certainly in rejecting the view that what state actors do can be directly read off from the imputed intentions of class actors who 'know' their own interests, but I retain enough of classical Marxism to believe that those societal fault-lines, although they may take the form of all kinds of other conflicts, have a class basis.

Moreover, the degree of alienation and exploitation – including the environment, of course – that capitalism is producing means that there's going to be a lot of disturbances in every state in the world. Whether there's an undoing of global capitalism will depend on whether those disturbances – those class conflicts – result in a fundamental restructuring of those states. When it does, that will have the effect of making it far more difficult for the US-American state to manage global capitalism. That said, those changes in those other states can only go so far until there is a similar development of class conflict and state restructuring in the United States itself. Of course, this is a very long process. New political parties that will pursue this unmaking will emerge, and in some places have already emerged, but it's a long, slow project of building- up socialist capacities, analysis, and understanding. We're talking about a two-, three-, four-, five- decade-long process, I think.

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This interview was conducted by Louis Fletcher. Louis is a Commissioning Editor for E-IR.