Globalisation, Agency, Theory: A Critical Analysis of Marxism in Light of Brexit

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Introduction

There has long been a vivid debate about the growing interconnection of the world into a global system of interaction referred to as globalisation.[1] Two centuries ago, Marx and Engels postulated that the global expansion of capitalism would lead to a “universal interdependence of nations”[2] through which national differences become homogenised under a ruling bourgeoisie that “creates a world after its own image.”[3] The Marxist debate on globalisation and its effect on the nation-state has come a long way since, and yet, it still centres around the question of whether growing economic interconnectedness automatically leads to a transnationalising process that gradually surpasses the nation-state, or whether instead, the fragmented character of the nation-state system is an inherent feature of capitalist modernity.[4]

This paper sets out to critically review these two main strands of the Marxist globalisation debate. The structure of this essay is as follows. Firstly, part one introduces Robinson’s theory of a global capitalist state formation and the decline of inter-state rivalry, which, to some extent, resembles Marx and Engels’ argument above. However, the essay argues that inter-societal fragmentation undoubtedly persists in the contemporary age of globalisation, which has only recently been illustrated with the British decision to exit from the European Union (Brexit). The second part then introduces the theory of ‘new imperialism’ advanced by Callinicos, who seeks to explain the persistence of geopolitical competition. Here, the essay supports the argument that a Marxist theory of the relationship between capitalism and the inter-state system must be able to take account of the centrifugal pulls of geopolitics, which demands the integration of the international as a determining feature in the analysis. However, in the following, it is argued that it is not enough to simply add the international as an external determinacy, as suggested by Callinicos.[5] Rather, in order to make sense of the complex socio-economic reality that shapes historically situated actors’ decision-making, the international must be re-integrated into an analysis of the social, as proposed by the theory of uneven and combined development (U&CD).[6] The third and last section of the essay is then applying this prior established critique to a case study of Brexit, in order to show that, while the theory of new imperialism enables the conceptualisation of the EU as an imperialist project in which national interests are at play, Callinicos’ ‘realist moment’ is unable to explain the complex social dynamics involved Britain’s decision to leave the EU.

Beyond the Inter-state System?

The Transnational State

In their portrayal of a world in which sovereign nation states give way to a single global system ruled by capitalism, Hardt and Negri’s understanding of Empire as ‘imperial postmodernity’,[7] as well as William Robinson’s account of the transnational state (TNS) can be described as a “Marxist version of the theories of globalization”. [8] Coming from an orthodox Marxist background, Robinson uses the classical social theory of historical materialism as a tool to theorise transformational processes of the current capitalist age and to draw out their implications for the international.[9] According to him, economic globalisation is gradually transplanting political decision-making from the national to the global level, resulting in the formation of a TNS, which operates in the name of a newly emergent transnational capitalist class (TNCC). The consequence of this development is the “determinating inter-relationship of capital to the state”[10] and the eclipse of national interest and
Robinson’s argument is best summarised by firstly outlining a materialist conception of historical change, before mapping out the author’s understanding of globalisation, the state and changing class relations. According the concept of historical materialism, social change is driven by economic development. Karl Marx has argued that changes in the means of production (e.g. due to technological innovation) create a tension with previously established relations of production that now constitute an obstacle to the newly established productive capacity. The subsequent adjustment in the relations of production following from this tension then lead to a wider process of societal transformation. Thus, developments in the economic base are regarded as initiators of change in the institutional superstructure that encompasses the political establishment of the given society.

Globalisation, so Robinson, represents such a change in the capitalist base. Capital is increasingly mobile across the globe and production processes are transnationalised, “unifying the world into a single mode of production”. However, in contrast to many globalists, he regards this not as a new phenomenon but an ongoing process of capitalist expansion, gradually leading to the “total commodification or ‘marketization’ of social life worldwide.” Subsequently, there is a growing disjuncture between the transnationalisation of economic processes and the hitherto existing relations of production institutionalised in the historically specific form of the territorial nation-state.

In this, Robinson frames the state as the institutional embodiment of the respective class relations around a particular mode of production, thereby regarding the political and the economic to be two “distinct moments of the same [capitalist] totality”. Subsequently, the state does not possess an independent logic and is therefore not inherently territorial or national in character but may vary in its form across history. Locating the origins of the territorial nation-state in early capitalist relations of production, Robinson draws the conclusion that economic globalisation is inevitably undermining the nation-state’s autonomy and heralding a new era of ‘deterritorialised’ politics.

For Robinson, the key lies in the transformation of class relations. Prior to globalisation, class struggles centred around gaining control over the state’s regulatory capacities in order to take hold of surplus shares (e.g. in the form of the welfare state). With economic transnationalisation however, production processes are shifted to the realm of the international, thereby surpassing the constraints that states impose on them. According to Robinson this exposes the limits of the national state, whose policies are increasingly undermined by the rise of transnational institutions, in which new global class relations are manifested, polarising the world into denationalised classes of capitalists and workers. Subsequently, global capitalists have significantly more power over and less responsibility for labour and social reproduction, which Robinson sees evidenced in deteriorating working conditions. Under the hegemonic TNCC, national states no longer operate in the name of the national interest but are gradually incorporated into a larger framework of a TNS, whose sole purpose is to advance the bourgeois interests. Hence, being part of the wider structure of the TNS, national states will no longer be in geopolitical competition with each other.

Returning to a Geopolitical Reality

However, conflicts over territory continue to appear in news headlines and extensive global interconnectedness seems to be complemented by persistent geopolitical competition among nation-states. The world has seen the emergence of a dense network of supra-national political and economic forums, such as the IMF, UN, WTO, G8 and OECD. Policy-making and economic regulation is increasingly undertaken at an international level, compromising the policy-choices available to national governments, which are dependent on cooperation with other institutions in order to realise their domestic agendas. And yet, one would have to live in an idealised parallel world to argue that geopolitics and national interest have been relegated to history with the end of the Cold War or the turn of the century. Eurasia has been described as “decisive geopolitical chessboard” on which global and regional powers compete for economic and military dominance over energy resources in a post-cold war world. Both the war in Kosovo and Afghanistan can be framed as geo-strategic attempts by the US to control the regional flow of oil and thereby advance her interests over those of rising China and Russia.
recent geopolitical developments have seen an increasingly assertive China making territory claims in the South China Sea and thereby contributing to the subsequent militarisation of the region.[31] The Russian annexation of the Crimean peninsula in 2014, whether undertaken for expansionist or defensive reasons,[32] is certainly Europe’s most memorable concretisation of geopolitical rivalry. And lastly, the ongoing fighting in Syria serves as a good example. Arguably, the conflict has been transformed into a proxy war, in which predominantly Western countries and Russia struggle to advance their national interests by competing for strategic political and economic alliances with Arab countries.[33]

Clearly, Robinson’s theory of the TNS seems to be stripped off this geopolitical reality, which cannot be said to follow his teleological account of the declining nation-state. In a sense then, it is what Benno Teschke calls a ‘supra-historical abstraction, based on logical deductions untampered by historical experience.’[34] Starting from the historical materialist conception of the state in its single form, Robinson’s theory of the TNS neglects the distinctiveness of the international, thereby succumbing to economic reductionism,[35] which explains his inability to account for the endurance of inter-state rivalry.

So why is it then that geopolitical competition persists in a post-cold war era of unprecedented economic interconnectedness?

The Intersecting Logics of Territory and Capital

New Imperialism

Callinicos and Harvey set out to answer precisely this question by proposing the concept of ‘new imperialism’, which is a reformulated version of earlier Marxist theories of capitalist imperialism.[36] They both identify three imperial blocs of political and capitalist power – the US, Western Europe and East Asia – which, although significant power differentials exist, engage in geopolitical struggles with each other, as well as with other states, such as Russia and China.[37] Contrary to Robinson, Callinicos therefore argues that despite international economic integration, the world continues to be shaped by conflicts over security, territory, resources and influence, which constitute “the main forms of interaction among units of the state system”.[38] This broad definition of geopolitical competition allows Callinicos to reconceptualise the central issue of his paper. Arguing that few Marxists have looked beyond the nation-state in its singular form and have attempted to theorise the political and territorial multiplicity of the international, Callinicos’s theory centres around the question of whether there is a “structural cause for the existence of a plurality of states under capitalism”.[39]

In contrast to Robinson, Callinicos locates the origins of the inter-state system in pre-capitalist relations of production, where surplus appropriation took place in the form of territorial expansion.[40] Drawing on Brenner’s idea of the ‘rules of reproduction’ that shape the behaviour of actors within a particular system of production,[41] Callinicos regards state-building to be an outcome of feudal strategies of surplus appropriation, whereby political organisation was increasingly necessary in order for lords to retain control over large territories.[42] Within this emergent system of absolutist states, capitalist relations of production proved to be a comparative advantage in territorial disputes, which eventually lead to the spread of capitalism across Europe.[43] According to this historical conceptualisation, capitalism and the inter-state system are not causally related, but follow independent logics. From this, Callinicos concludes that there is a “a realist moment in any Marxist analysis of international relations”,[44] in order to account for the “spontaneous ideology of state managers”.[45]

However, applying the method of ‘non-deductive concretization’ enables Callinicos to acknowledge the causal “determinacy of the geopolitical while denying it substantive autonomy”. [46] Modern imperialism, he argues, must be understood as the subsumption of “interstate competition under that between capitals”. [47] He locates this “transformation in the nature of competition”[48] in the 19th-century when economic power was increasingly concentrated in national monopolies, due to the industrialisation of warfare.[49] Thus, while avoiding the pitfalls of reductionism, Callinicos nevertheless assigns capitalist competition explanatory primacy, regarding territorial competition as but “one amongst many determinations of the capitalist mode of production”. [50] Although, or rather because they are following distinctive rationalities, state managers and capitalists are subsequently
assumed to be drawn into an alliance.[51]

Having conceptualised the relationship between capitalism and the inter-state system, Callinicos finally turns to explain the persistence of international plurality.[52] The reason he identifies, lies in capitalism’s inherent tendency to develop unevenly.[53] Drawing on Lenin, he argues that competition for surplus-appropriation constantly alters global power relations, thereby giving rise to conflicting interests among states, which in turn prevents any attempts of permanent integration.[54]

A ‘Realist Moment’ or Inter-societal Multiplicity?

Callinicos’ argument seems well suited to make sense of the contemporary developments of economic globalisation alongside the persistence of geopolitical competition in international relations. Nevertheless, it has been widely criticised and not least for its high level of abstraction. However, keeping in mind the limits of this essay, the critique will be restricted to Callinicos’ proposal of a necessary ‘realist moment’ in Marxist IR. While avoiding the pitfalls of reductionism, Callinicos has given in to reifying Realism through his incorporation of the international “as a theoretical externality”. [55] When introducing the ‘realist moment,’ Callinicos assigns the international a structural determinacy whose source cannot be explained by Marxist theories and must therefore be found elsewhere, namely in the theory of Realism.[56] In doing so, he relies on Realism’s structural and ahistorical explanation of complex social processes, by ascribing “one generic rationality of permanent politico-territorial (imperial) accumulation to state managers”. [57] Consequently, he neglects to take into account the complex and historically specific context in which capitalists and state actors are situated and the various factors that shape their actions and interests.

In his letter exchange with Callinicos, Justin Rosenberg argues that the theory of U&CD precisely provides the necessary tool with which to avoid both reductionism and reification when theorising the international.[58] According to him, societal and geopolitical plurality pre-existed feudalism and cannot be derived from pre-capitalist modes of production.[59] Instead, he regards it a trans-historical phenomenon that fundamentally shapes social reality and historical development, by adding an interactive and multilinear dimension to it.[60] Not only is capitalism, but social development in general, inherently uneven in terms of the variations in the characteristics of different social units, and combined, meaning that local processes of development are necessarily shaped by external influences.[61] Employing the theory of U&CD, thus enables the ‘reintegration’ of the international into an account of the social, rather than to conceptualise it as independent logic.[62] While being a general theory and in this sense not dissimilar from Realism,[63] U&CD has the advantage of leaving the causal properties of social processes unspecified,[64] which allows for the incorporation of classical social theories and a much needed agency-centred approach that takes account of the spatio-temporal context in which historical actors are situated.

Agency and the International in 2016

Having outlined two of the major strands of the Marxist debate on the inter-state system, this final part of the essay is now moving beyond a purely theoretical endeavour to apply some of the arguments and their critiques to a case study of the 2016 Brexit referendum. According to Callinicos, the British decision to leave the EU can be explained by the conjuncture of the 2007-8 financial crisis and the erosion of US dominance, resulting from the geopolitical challenge posed by an increasingly assertive Russia and China.[65] His theory of new imperialism enables the conceptualisation of the EU as an imperial project that, although dependent on the US for military cooperation, is noticeably dominated by the national interests of its leading member states, which would individually be unable to pursue imperial agendas.[66]

Following his understanding of modern imperialism as the subsumption of geopolitical competition under that of capital, Callinicos assumes that economic and political actors enter an alliance. Yet, an agency-based analysis of the Brexit referendum draws a different story of complex negotiations and class conflict, a story that is necessary in order to move beyond the narrow realist account of geopolitics.[67] The case of Brexit shows how assigning “one generic rationality”[68] to either capitalists or state actors distorts the historically specific socio-economic
Far from being a homogenous entity, the EU is an arena of contestation and struggle over policies.[69] Thompson argues that Britain has long had an ambivalent relationship with the EU.[70] On the one hand, integration into the European community served as a means of propelling the City of London to its position as the world’s leading financial centre in euro and dollar denominated business.[71] On the other hand, with the financial crisis and the subsequent move towards more regulatory policies, the EU posed a serious risk to the City’s financial interests and threatened to marginalise its offshore business.[72] The proposal to hold a referendum on Britain’s EU membership, made by the British Prime Minister David Cameron, can subsequently be regarded as a strategic “attempt to reconstruct British influence in the Union […] by making a credible threat to the other EU states to leave the European Union”[73] in order to defend the City’s financial interests by securing an opt-out of the new EU rules. However, governmental support for the City waned with the growing popularity of UKIP and the politicisation of the freedom of movement of labour that reoriented the Conservative’s agenda towards issues of immigration in the run up to the general elections.[74] With his referendum promise, Cameron had effectively made the City’s financial interests subject to a process of democratic decision-making, in which the City lacked political influence.[75] The eventual decision to leave the EU was a dramatic setback for Britain’s financial sector and posed the serious risk of eroding London’s offshore euro position by jeopardising its access to the Single European Market.[76] Subsequently, capitalist and political interests cannot simply be assumed to be aligned at all times, strictly following the structural logics of capital. In the case of the British referendum, the internationalisation of the economy was contested and politicised by the public, which ultimately limited the government’s ability and eagerness to defend the City’s interests.[77]

However, while having introduced some of the different issues at stake in the run up to the referendum, this essay has yet to make sense of its result. Why this sudden upsurge of Euroscepticism? Callinicos explains both the British referendum and the election of US President Donald Trump in 2016 as “voter revolts”,[78] resulting from the socio-economic deterioration of living standards, which in turn were caused by the 2008 financial crisis and the subsequent recession.[79] Such crises, so Callinicos, are inherent to the competitive accumulation of surplus under capitalism, which displays a tendency to uneven and combined development that gives rise to unequal power relations. Brexit is thus an attempt to “displace the costs of [the] economic crisis[es]”[80] onto others.

However, by incorporating the international as external determinacy, Callinicos’ explanation remains descriptive and unable to concretise the complex interaction of different factors involved in shaping the outcome of the referendum. Recently, Boyle and Rosenberg[81] have suggested what the inclusion of the inter-societal fragmentation as a determining factor in an analysis of the Brexit vote may look like. Conceptualising the referendum itself as uneven and combined development, they show how the national backlash against a neoliberal establishment was the product of growing income disparities that were merely aggravated by the financial crisis but ultimately caused by the rise of China and its growing share in manufacturing exports, leading to job losses in Britain and America.[82] Certainly, this is but one in many ways of how the international and its inherent societal plurality may feature as a causal dimension in an analysis of the Brexit vote. However, the point is that, contrary to Realism’s rigid account of the international, the theory of U&CD does not rule out alternative non-structural and agency-based interpretations but allows for the international to be integrated as a causal determinacy into an analysis of the social.

Conclusion

In conclusion it can therefore be said that a Marxist account of the relationship between capitalism and the interstate system must acknowledge the continuous existence of geopolitical competition, despite the increasing degree of economic and financial integration. In order to do so, the international must be acknowledged as a determining feature in the analysis and cannot be derived from the logic of capital. Yet, such an incorporation of the international must be careful not to reduce complex processes of decision-making to a structural, trans-historical explanation of Realism. Finally, it is suggested that the theory of U&CD provides a tool to recognise the distinctiveness of the international, while at the same time allowing for the necessary attentiveness to historical agency. This argument has been constructed in three main steps, of which the third and final part was aimed at re-
grounding the highly abstracted arguments in a case study of Brexit in order to illustrate the relevance of this debate for understanding contemporary socio-economic events.

References


Rosenberg, J. (2007) International Relations – The ‘higher bullshit’: A reply to the globalization theory


**Footnotes**


[6] Ibid., p. 86.


[10] Ibid., p. 191.


Globalisation, Agency, Theory: A Critical Analysis of Marxism in Light of Brexit
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[13] Ibid.

[14] Ibid.


[16] Ibid.

[17] Ibid., p. 160.

[18] Ibid., p. 163.

[19] Ibid.


[21] Ibid., p. 160.

[22] Ibid., p. 168.

[23] Ibid., p. 169.


[26] Ibid., pp. 174-5.

[27] Held, p. 12.

[28] Ibid., p. 13.


[30] Ibid.


[37] Ibid., p. 536.

[38] Ibid., pp. 537-8


[43] Ibid., p. 541.

[44] Ibid., pp. 542-3.


[48] Ibid., p. 540.

[49] Ibid., p. 541


[52] Ibid., p. 544

[53] Ibid.

[54] Ibid.


[56] Ibid., pp. 79-80.


[58] Callinicos and Rosenberg, p. 81.


[60] Rosenberg in Callinicos and Rosenberg, p. 85.


[64] Rosenberg in Callinicos and Rosenberg, p. 86.


[70] Ibid.

[71] Ibid., p. 217.

[72] Ibid., 219.

[73] Ibid., p. 222.

[74] Ibid., p. 223.

[75] Ibid., p. 222.

[76] Ibid., p. 224.

[77] Ibid., p. 224.


[79] Ibid., pp. 193-4.


[82] Ibid.