Articulation from the Barrel of a Gun: 
Permanent war in the Arab world

Ali Kadri
NUS

Abstract

Wars in the Arab World are a necessary by-product of the crisis of global capital. Under pressure from successive war defeats, international financial capital, with the help of the comprador Arab bourgeoisie, has reversed post-independence Arab development to undermine the combined security of Arab working classes and states. Intertwined with oil control, wars in the Arab World have become an end in themselves serving global capital accumulation. Unrest and uncertainties breed poor quality and low rates of investment. In the absence of alternative socialist ideology, wars also create a sustainable downward spiral that fragments the working classes along ethnic and sectarian lines. Inter-imperialist rivalry remains relevant in the Arab World and the permanent violent conflicts are the way by which the Arab World is articulated in the global economy.

JEL Classification
B 14; B 24; F 54; N 45

Key Words
Arab World, War, Capital, Imperialism, Ruling class, Politics, Investment, Growth, Violence
Articulation from the Barrel of a Gun: Permanent war in the Arab world

Ali Kadri
NUS

The wars launched upon the Arab World (AW) are not an accident of history unrelated to the necessities of world capital. Carved up and remoulded by the continued practice of colonialism, imperialist assault, and re-colonisation, the AW represents an outstanding manifestation of permanent war theory (Lenin, 1916; Luxembourg, 1913; Baran, 1975). Oil in its raw form, in the way it is priced in the dollar, in being the commodity whose control backs the dollar, in the numerous contributions of its derivatives to production, and foremost, in the value of imperial rents wrought from its strategic control at source, represents a decisive constituent of the global accumulation process. US-led capital control of oil by means of violence sustains its rate expropriation and the stature of US Empire. As such, the articulation of the Arab social formation with US-led capital – the capitalist class cutting across national boundaries - issues from US hegemony and wars of encroachment to seize the assets of the Arab region. As the crisis of capital deepens, US-led imperialism heightens the rates of dispossession cum devalorisation of Arab resources by bellicosity – hence the title, which I have taken the liberty of borrowing partly from Mao Zedong’s ‘articulation from the barrel of a gun’ (Mao, 1938). What the necessity of war to imperialism implies for Arab development is that military aggression or the serious threat thereof could result in the collapse of the state. So far, where war is not ravaging society, poor development outcomes of the neoliberal genre characterise the process of Arab development.

In this essay, I address some aspects of the combined condition of war cum botched Arab development as the necessary product of imperialist aggression qua permanent war. The argument will be construed on the basis of six sections dealing with: firstly, the particularity of the region; secondly, the compradorial nature of the Arab bourgeoisie; thirdly, control of oil and ‘war as an end in itself’ as interrelated causes of war; fourthly, uncertainties that restrain investment and capital accumulation; fifthly, the idea that in the absence of an alternative socialist ideology, wars create a sustainable downward social spiral that fragments the
working classes along ethnic and sectarian lines; and, finally, why inter-imperialist rivalry remains relevant in the context of the AW.

1. A Snapshot of the AW

Acute income inequality (nearly the highest rate, according to the Texas Income Inequality Database, 2012), de-industrialisation, and poor long-term average per-capita growth rates characterise the AW. Several war losses shook up society and metamorphosed the ruling nationalist Arab bourgeoisie into a comprador-merchant class fully integrated with international financial capital. With the material grounds for the reproduction of the wealth of the ruling classes shifting from national industry to the international dollar-denominated financial space, social integration, nationally or regionally, faced insurmountable difficulties. Arab merchant classes – sprouting on the back of war defeat and socialist ideological defeatism, and owning the state apparatus – erected openness policies that acted as means for the usurpation of national wealth. Much of regional oil revenues, especially in the Gulf, fly abroad in US T-bills, affluent consumption, and military and regime security spending (defence spending alone is twice the world share from GDP, according to the World Bank, with American military aid to the Arab region ranking highest). In 2004, the Inter-Arab Investment Guarantee Corporation (IAIGC) estimated that Arab assets abroad are at US$1.4 trillion. These are very crude estimates. In the same year, the Union of Arab Banks (UAB) estimated the figure at US$ 21 trillion. The intra-regional disparities are also glaring: in contrast with the rich Gulf States, Yemen, Sudan, Somalia, and Mauritania represent some of the poorest countries in the world. At the time of revising this essay in early 2015, the richest states – the Gulf States - are bombarding one of the poorest countries on earth, Yemen. War is currently desolating Libya, Sudan, Somalia, Yemen, Iraq, Syria, Lebanon and Palestine. While not in an open conflict condition, working families in Egypt and Morocco spend 60 per cent of their income on food (WB, 2011).

The Gulf States are an oddity, with citizens earning some of the highest incomes globally. The rich Gulf economies represent around 5 percent of the total Arab population (Gulf citizens are around 20 Million) but earn 1.6 percent of world income (WDI, 2012). In less oil-endowed economies, around 350 million people earn 0.9 percent of world income, of which the labour share is estimated at 0.3 percent of world income (WDI, 2012). This figure is only slightly higher than the Sub-Saharan rate. Gulf industrialisation centres on costly oil-derivatives or facilities that exhibit few positive technological linkages to the rest of the
economy. By reducing modern industrial expansion and its associated space for worker socialisation, ruling merchant capital contributes to holding back the production of knowledge as the practice that engenders the development of society.

Nearly all Arab states are oil exporters and price their oil in dollars. They also peg the national currency to the dollar despite the fact that most of their trade is taking place outside the dollar zone (China and Europe). For pegging states, the monetary policy becomes ineffective and, because the majority cannot export enough oil to earn foreign currency and pay for imports, their fiscal policy (under neoliberal austerity) would have to contract— save the Gulf States of course. Also apart from the Gulf, Arab states experience a balance of payment constraint and exercise an inflation targeting monetary policy under open capital accounts leading to de-facto dollarisation of the national currency. The impact of dollar fluctuations on the domestic price level has been negative, as in the rise of food prices in 2008 that caused death on bread queues in Egypt.  

It is not easy to measure unemployment in least-developed or war torn Arab countries. Where unemployment has been measured, the official rate may appear as somewhere around 10 percent, but in actuality, with absolute poverty (below 2 dollars) being higher than 50 per cent (AMF, 2011), the true unemployment rate is also closer to the 50 per cent mark. People who are forced to eke out a living at below subsistence in informal employment cannot be counted as employed. Aside from the human rights bill edict on the right to work, counting them as employed contradicts the decent work clause of the International Labour Organisation (ILO). In some Gulf States, unemployment hits the 20 per cent mark, but given their wealth profile the unemployed do not face the same conditions of poverty elsewhere. Yet, in the Gulf one observes nearly 20 million foreign workers who occupy local jobs. With elastic supplies of rights-deprived Asian workers available, more will be hired by profit-driven commerce because for the ruling merchant class investment in local labour is a loss: they neither depend on the industrial skills of the labour force nor on a rising productivity-wage internal demand component. The synergy between labour and industry that may promote rising productivity-led development is central to building security capabilities, and as such, it represents a threat to US-led hegemony. Merchants, their neoliberal policy patrons and their institutions engineer the necessary mismatch between capital and labour at every stage of the labour process. Many highly skilled workers emigrate while foreign labour competes with unskilled national labour for low paying jobs. Productivity growth often exhibits negative signs (KILM, 2014). Although one may posit that
productivity growth fell as a result of a substitution effect (cheaper labour replacing capital), the principal cause is to be found in a combination of slow endogenous technology growth and a ruling class with no commitment to capitalising the national economy.

While de-industrialising and slowing down the rate of decent job creation, the poverty employment service sector jobs naturally swells. Simply put, new-entrants or laid-off working people have no other source of income apart from informal-poverty work. Between 1970 and 2010, the shares of manufacturing in Syria, Egypt, Algeria, and Iraq went down respectively from 19 to 5, 21 to 15, 10 to 2, and 12 to 4 percent (UNIDO, various years). A highly capitalised oil sector had created few jobs relative to its capital stock, and decent job expansion initially arose in the public sector— but only initially, for later public sector wages fell, spearheading wage compression for the economy (UN, 2006). Together de-industrialisation, poverty-wage employment, and the shrinking of decent job creation had resulted in enormous unemployment (measured by the minimum level of decent income). In respect to the development of class consciousness, the capping of resource flows to the working class, the erection of constitutional frameworks that sanctify working class dividedness by identity, and limiting the social spaces or proxy factory-floors that unify labour’s position, resulted in inter-working class divisions eclipsing the development of revolutionary class consciousness.

With comprador-merchant capital rising to power in Arab states—gradually and beginning with Egypt swerving to the US imperialist side after the Camp David Accords 1978—oil revenues had purposefully been used to sow divisions in societies. Apart from working class divisions being a pre-condition for internal war, combined with uncertainty, deepening working class differentiation (labour market segmentation in mainstream parlance) also enhances short-term returns in all sectors. For economic agents holding moneyed wealth, the present becomes more valuable than the future. Above all, geopolitical uncertainty and the threat of war, conjoint with institutional brittleness, underpin inter-temporal investor preferences. Investment lodges in finance or short term gestating projects. However, as I will show in Section 4, it is not individual decision that is going to matter for investment, but the overall geopolitical context. Class disarticulation, both in terms of consciousness and spatial demarcation lines associated with conflicts, in addition to deepening divides in incomes and rural-urban disparities also fuel identity based conflicts. The cause of the working class in steering the circuit of capital for its benefit becomes estranged and demolished by sector tribal politics. Working-class politics becomes a self-defeating goal as the cycle of inter-working
class violence and its subsequent weakening of the state continuously tip the balance in favour of US-led imperialism and its regional class allies.

For comprador-merchant capital, more equitable redistribution in the form of presumptive income and capital gains taxation, as opposed to the predominant form of indirect taxation, and greater interest in regional development via a stronger demand side, are anathema. The merchant class reproduces itself via commerce almost bereft of national industrial production. The social contract that brokers class differences nationally shifts from a contract between national ruling and ruled class, to a contract between international financial capital and the ruling Arab merchant class. In the circulation of value within the triad of state, capital and labour, the policy outcome of the new external social contract is to reduce the cost of the social reproduction of the working class by a combination of dispossession, undermining public services and raising unemployment.

In retrospect, the divide between pan-Arab secularism and Monarchism-Islamism has mirrored the US-Soviet rift during the cold war and continues to form the basis for ‘the rights of the working class versus the charity to the working class’ debate. The Gulf States whose security and sovereignty are determined by US-imperial coverage propagate and fund Wahhabi ideologies and movements – funding the Afghan jihadist is one historical watershed. Throughout the AW a rise in obscurantism and identity schisms, unsettle the foundation of the state or the principal body that could negotiate the position of the working class in the global economy. With socialist ideological decline and much of the working class eking a living in poverty conditions, it takes an insignificant share of the Gulf-petrodollar revenues to fund unrest. One ought to note that in a strategic region such as the AW, political considerations eclipse short term economic-cost considerations. Nonetheless, the total volume of petro-dollar flows from the Gulf is worthwhile to Western financial markets (second to East-Asia in size). The Gulf’s sovereign funds are too substantial to be controlled (not just managed) by the Gulf Sheikhs and, the imperialist edict to arrest Arab industrial development ensures that these assets remain unrequited transfers or uncashed cheques.

The Gulf’s earning-without-work model had served by the demonstration effect to disrupt the industrious and regulated Arab economies of the 1970s and had thwarted work incentives. The petrodollar remittances to non-Gulf Arab countries distorted exchange rate regimes and had Dutch-like disease effects on the national industry, especially on protected economies in Syria and Egypt. These remittances, however, had
not fallen outside the destabilising geopolitical rents component of imperialist intervention. They came laced with a Wahhabi ideological attachment. However, capital outflows from the majority of Arab countries are insignificant in global terms. Most non-Gulf Arab countries exhibit balance of payment constraints. The flows from these non-Gulf countries are gauged not for their money value, but their impact in destabilising national states and, conversely, buttressing the position of US-led imperialism, regionally and globally.

When oil prices fell beginning of 1981 and remained low until 2002, the biggest economy in the Gulf, Saudi Arabia, could not maintain its previous living standards, as did the smaller and richer per-capita Gulf States. Saudi’s real per-capita income fell from around 18,000US$ in 1981 to about 8000US$ in 2000 (WDI, various years). By the late nineties, the Saudis had borrowed more than US$ 200 billion in short term high interest loans to cover fiscal shortfalls (WDI, 2002). In 2003, poverty reports from Saudi Arabia indicated that nearly 25 per cent of the population subsisted at below national poverty line. The oil price hike, beginning in 2003, leveraged the Saudi economy, however under the neoliberal package, power delegated to private actors rose channelling resources further away from labour’s share. The recent fall in oil prices beginning in January, 2015, may yet precipitate another more serious reduction in the standards of living.

In the early eighties, the policies of neoliberalism, effected under the name ‘Infitah’ (Arabic for openness), came into operation. Two significant war losses in 1967 and 1973 raised national social tensions and risks and lured investors to the safety of US-dollar markets. As typical under structural adjustment, policy makers deregulated trade and capital account. National industry started to shrink under falling investment and competition from scale-enhanced foreign industry. On average, economic growth rates fell for everyone, but more so for the Gulf. The combination of shrinking public sector revenues, lower public investment and receding national industries lowered job creation when labour force growth rates were high. In contrast, under Arab socialism, population growth rates had reached the high plateau of 2.5 per cent as of the late 1950s, and job creation nearly tallied with workforce growth then (AMF, 2005). Ironically, neoliberals lay the blame for high unemployment on the demographic transition and supply side elements in spite of the fact that population pressure tapered down as of 1990 and the cyclical contraction lowered the decent job creation rate.
Economic growth rates were on average higher under state dirigisme in the 1960s and 70s (WDI, various years). Unemployment rates were lower as well. In the two decades between the first and the second oil boom (1980-2000), the AW exhibited the highest unemployment rates, the lowest average real per-capita growth rates, and the widest gap in income distribution within and across regional countries (UN, 2005). With lower oil revenues, funds to the social infrastructure retreated, causing the quality of public services to follow suit. As for the economic infrastructure, in 2002 investment rates were the lowest of all regions at 16 per cent (WDI, 2002). Intra-Arab trade remained low, between seven and eight per cent, with much of the Gulf’s excess savings channelled abroad (UN, 2008). With less investment in plant and equipment and the hollowing of capital (lower technical composition of capital), for a good two decades (1980-2000) the AW was the global record holder in mal-performance. As evidenced by the pre-Arab Spring social disaster, when the new oil boom arrived in 2003, the policy of freer markets had already distorted the resource allocation mechanisms and most of growth resulted anti-development outcomes.

Whole cities in the Gulf (‘Cities of Salt’, as per the metaphor of Saudi author Abdul Rahman Munif) that were constructed with little concern for energy conservation serve as monuments of the type of low output to capital ratio investment that the rest of the AW copied. Imported technology neither linked up with the local industry nor deepened the production value chain (Kroegstrup, 2005). The combination of cultural retreat related to the sinking knowledge attendant on the development of national industry and unemployment in the absence of socialist ideological alternatives, facilitated the growth of spiritual fatalism. With capital becoming more united across borders (universalising through financialisation) and its organisation becoming more effective through international financial institutions, the new cultural phenomenon of Salafi Islam – beginning with British backing of the Muslim Brotherhood against Nasser’s regime and later with US support for the Afghan Mujahdeen – splintered working classes. The schism in consciousness– between what it takes for the working class to clasp a higher share of the social product and the illusory ideas that sanctify private property and commercial exploitation as entitlements–gaped further.

In the 60s and 70s, oil revenues funded the social and productive infrastructure through a high rate of public investment. As of 2002, rising oil revenues have leveraged speculative activities on poorly regulated stock markets that grew several folds in the last ten years (WDI, various years). Hollow growth implied that the official unemployment rate for Arab countries went down cumulatively by around three percentage points for some 50 percentage point of growth between 2002 and 2011 (WDI, various years). A comparison
between economic *dirigiste* regimes and the free market would show that it is in the receding role of national agents in development and declining public investment that the difference lies. As public investment fell, private investment failed to fill the gap left behind. As the national agents of development integrate with international financial markets, a class emerges whose target is not so much to industrialise and trade with the region but to gradually dismantle the state. They effectively become part of the international financial class, albeit a subordinate partner of the imperialist class relationship, for whom war is not only a profitable endeavour, but also a condition of its very existence as capital. This is a peculiar case for the AW; the high frequency of conflicts in a strategic region such as this makes war for the sake of war a medium of accumulation. The Arab wars and their associated war economy are more relevant to imperialism than buying and selling dates, cars, etc., to a part of the global working class whose income is a mere one third of one percent of global income. Accumulation by wars of encroachment as opposed to market realisation represents the mode of integration of the AW to the global economy. The implications of war to finance imperialist power re-positioning and imperial rents, as will be seen later, necessitate the disempowerment of Arab working classes and their states.

The AW underwent shrinkage in output per worker, and the quantity and quality of the consumption bundle of the working class deteriorated relative to the rise in the historically determined level. Its ruling classes have become fully articulated with world capital as subordinate partners willing to set ablaze their own nations as their wealth becomes dollarized. Their losses in wars and the gravely tilted balance of military forces against the Arab working classes leave them little room to exercise their civil and national rights. These stark macro quantitative and qualitative departures from the rest of the world re-characterise and differentiate the way the AW is integrated with the global economy. These departures did not spring from the thingified (a particular aspect of reification or to treat living relations as things per the usage of Luckacs) policies of neoliberalism – they emerged from the intermediated human agency in historical time or from shifts in the Arab class structure. Policies are mere instruments that serve class interests.

2. The Comprador Ruling Class

Although no state would be the realisation of the ideal in politics under capital, the Arab state had long lost the semblance of a supporting role for national capital and it rarely embodies the rights of citizenry by intermediation. The working class lacks much needed representation within the state. The state is an
arbitrage by the exercise of violent repression or pacification by direct handout. Each Arab formation has a specific identity determined by its own class structure and the rapport of internal and external forces. As the ruling merchant class integrates fully with foreign capital, it becomes part of the external forces. It feeds off the conversion of national resources into dollar assets or acts as a henchman for imperialism serving its strategic positioning objectives. The merchant class in charge of the social formation holds a necrotrophic relationship with the national economy. It usurps value from the working class without reinvesting in it because it simply does not depend on national production to enhance its wealth. The inherited despotism of the old feudal formations, un-shattered by liberal bourgeois revolutions and lingering under severe accumulation crisis, delivers the regimentation of the labour process. The communal heritage of the rural areas that could potentially found a platform for resistance has been targeted for demolition with lower rates of investment, among other inhibiting factors such as expulsion from the land. Since 1980, the share of investment in agriculture from total investment fell continuously to reach a low 5 per cent by 2009 (ALO, 2010).

It is misleading to conceptualise matters anywhere in terms of ‘us and them’, or ‘national’ as opposed to ‘international’. Classes are inter-related cross-national relationships and the Arab merchant class is part and parcel of the social relationship that is imperialism. In any case, the merchant side of the Arab economy was the only part of economic activity carefully reared by colonialism. However, in an Arab context, the belligerent role of imperialism calls into question the usual characterisation of the relationship between a post-colonial formation and the present imperial powers. The frail sovereignty of the Arab state, its precarious development, and the devastation by war constitute a case of development by wars of encroachment as opposed to trade-based exchange. Unlike East Asia, where the cordon sanitaire and the influence of a militarily toothless Japanese capital were able to pass certain welfare gains from steady capital flows, in the AW, the bellicosity of a US-led alliance and its sponsored national warlords masquerading as nationalists, but whose material reproductive base rests in geopolitical rents, reverse development. War is itself the end goal and the lynchpin of most social structures in the region.

The ‘primacy of politics’, or the consideration that the politics of war and, conjunctionally, oil (war is the control element in oil and the two are inseparable), takes precedence over the issue of developing the capacity of the region for the purpose of trade. Only narrow margins are afforded to national policies, and the weight of imperialist aggression, in addition to use of resources for military ends, forces society to react
in an accommodating way or to comply with the terms of imperialism. The emission of the comprador class, its subsequent compliance with usurpation-cum-tribute policies clothed in the package of neoliberalism, and slow economic asphyxiation are manifestations of the class flux during times of socialist-ideological retreat. The ‘pragmatism’ of surrender to a superiorly armed imperialism and related economic policies ensure the exacting of tribute via neoliberalism. Conversely, the ideological victory of US-led imperialism over the Arab working class is not limited to rents from the Arab region. Given oil’s strategic value, imperial rents flow from the rest of the globe to US dominated markets by virtue of its bolstered power standing in the Arab region.

Wars and the permanent arms economy reshape the social conditions that produce value. Apart from employing millions in the creation, destruction and realisation of value, the metabolism of wars galvanises military technology and civilian spin-offs with public funds. War maintains the US-led capitalist class advantage, whose institutional structure is the US proper, in its technological edge; technological supremacy is the material basis for the sociological condition of supremacy in the international division of labour. Financially, funding for wars expands US indebtedness in the dollar and, hence, the financial assets available for grab from the share of the working class by institutional finance, grows. Enlarged dollar-money supply has in turn to be underwritten by further military expansion and strategic imperialist repositioning. What more appropriate corner for permanent war exists other than the AW?

In the financial age, the growth of moneyed debt spent on wars entails higher tax levies and lower social spending on the central working classes: the all-too-familiar austerity. Save the cultural ‘otherness’ promoted via the war on terror, US-led wars reproduce the social relations by which Arab assets are devalued, including human assets. The latter characteristic of the war relationship commodifies human lives and realises them in death. Like technology, violence is endogenous to capitalism (as in innate to capitalism) and transpires as a result of the fetishism that commands the allocation of resources. These wars not only subjugate the occupied or aggressed nations in the Third World but, more importantly, they reproduce the power underlying the US-led capital’s relationship vis-à-vis others and literally consume human lives and other values whose destruction is central to the commercial exploitation of the periphery. As evidenced by the defeat of peace movements in the twentieth century, the organised dimensions of capital cannot be cultivated or personalised or be used to arrest the death process.
The comprador-merchant class is a subordinate partner of US-led capital and its excessive practices go far beyond what is necessary for the orderly functioning of the state and, as such, it accelerates the demise of the state. It is not exactly what Alavi (1972:59-81) had in mind about the AW when he put forth a similar remark regarding the Indian subcontinent. Much of the AW is undergoing a peculiar process of self-implosion. In an Arab context, national economic relations and policies are not afforded the chance to mature and steer politics in line with nationalist aims. Externally imposed politics appear as a force majeure, with development of economic relations subsumed under political objectives; at this historical moment, with immense global democratic forces bottled up and unable to find a political form of organisation and so many wars fragmenting working people, the horizon for the development of nationalist objectives appears cloudy.

The AW is the region in which the degree of conflicts, foreign military presence and direct occupations have risen over time. The scale of humanitarian disasters could possibly compete with those of the Congo. The rising insecurity of Arab formations after the invasion of Iraq also intensified the rate of resource usurpation from the region. Not much is left for the local population to improve its lot in life. The advance of neoliberalism as an ideology has compromised past gains and put the privatisation of oil in the Gulf States and Iraq on the development agenda. After the Arab Spring’s failure to introduce socialisation policy and the dismay that followed, the region has been subjected to the full force of colonial wars and anti-development agendas. On a parallel track, with resources being directed to private ends, the speed with which growth in national wealth is evaporating without a trace of development will further cheapen and abet the process of commodifying human life. There is a real downward spiral that is commensurate with the slide in socialist ideology.

With the rise of Jihadists in opposing already sectional/sectarian regimes, the Arab working class holds less and less control over their own destiny. The frailty of the left is such that all regional powers are either prostrating at the door of the US Empire and/or wishing to submit; but the empire is not accepting ‘yes’ for an answer for fear of peace breaking out. Meanwhile, the international avarice for regional oil has intensified. Regional open conflicts after the Arab Spring have increased and many of the national authoritarian regimes have further concentrated power by capitalising on the ideological defeat of popular forces after the uprisings. The classes at the helm of these regimes exhibit an inherent tendency to grow through integrating with international financial capital. The underside of this mode of integration is twofold: first, in addition to the
destruction and realisation of value *en masse* by means of war, value-denoted-assets become material for capital (things without owners), and; secondly, the Arab masses are held for a ransom along with their own oil by US-led imperialism that many around the world will continue to pay for by holding dollars.

3. The Cause of the War

If despite vast resources development still remains poor and capitalism imparts very little progress to the AW, a case of capitalist decadence *a la* Luxemburg can be argued (Luxemburg, 2013). Capitalist decadence, as used in the early twentieth century, denotes barbarism; this condition could be applied to development outcomes in Arab countries that are exposed to wars and, subsequently, enfeebled national security and sovereignty. Although the lack of capacity and modern technology signify underdevelopment, the crux of development or the lack thereof could be explained by the success of anti-imperialist fronts composed of national and cross-border working class alliances. The defining moment is labour as the agent of history commandeering the circuits of capital. The least developing countries, principally Africa and Arab states, where the extraction of raw material is vital to global capital accumulation and the *rapport de force* is detrimentally in favour of the imperialist/colonist, are areas where a case for decadence cum reverse development can be made. Insofar as the AW is concerned, the belligerence of US-led imperialism expands in direct proportion to its metabolic requirements for control and the relevance of oil as a strategic commodity. US dollar-seignorage and the oil-dollar standard demand that other imperialists with territorial ambitions be held at bay.

There is unity in the relationship between oil for itself and oil as means for furthering control. As to the ‘for itself’ part of the story, at more than ten per cent of world trade (means of transport ranks second at three per cent, using the SITC at the three-digit level), dollarising oil represents a central goal for US-led capital. On the control side, the energy content from oil of still-rising powers (China and India in particular) in the developing world is twice that of OECD; add to that a high oil-import dependency, and these countries become even more vulnerable to the strategic control element. Only a few months before the invasion of Iraq (2003), it had been hoped that the fight for oil would be carried out in cash and not with missiles (Deffeyes, 2002). Account taken of the scaremongering related to exhaustion, oil is strategic in its own right as collateral against dollar-seignorage and in how it appertains to all levels of the value-production chain. Nearly all production processes require oil as input. Some go as far as assuming that without oil-
condensed energy content, world population growth could not have expanded to present levels (Dyson, 2005).

That is why serious discussion on the cause of wars cannot avoid the oil issue. Even when discussants centre on the balancing act of the US economy – the relationship of American hegemony to the health of the US economy or a stronger, more expansive US power, implies a stronger US economy (later professor Petras (2011) uses the equation Republic versus Empire) – the premise that drives the empire is strategic oil control. Strengthening control over oil resources provides US-led capital with more than adequate leverage on most oil dependent countries. Much in the same manner, oil price fluctuations matter less to the US than others when this strategic commodity is priced in the dollar.

The oil-dollar nexus and, in particular, the dollar-priced barrel bolsters the power of the US-led capital class that underwrites the credit needed to maintain the stable dollar as the world currency (Patnaik, 2008). This is all the more relevant when financialisation and earnings through financial channels have come to represent more than half of corporate profits by 2010 (Fine 2010). The US-led capital class overstretches both its military reach and its financialisation and for this it has to re-empower itself. The debts of the US are not solely the state debts. The debts of the social formation are the sum of private and public debts, and the global transaction guarantees that the US financial standing backs, especially as global money supply (mostly dollarised) is threefold global output. The hegemony of the US over several strategic areas, particularly in the AW, offers its leading class a vantage point in terms of collateral against the future; the Federal Reserve rate policy sets the tempo of global money transactions. Pricing oil by the dollar, and calibrating the level of instability of the AW to a degree at which the US-led class assures itself increasing power, allows the leading US-led financial class to snatch a higher share of the financialised rents. The issue of stability or instability, its tilting of power balances, has a bearing on financial grab just as oil control does. The control of the circular flow of Arab petrodollars for T-bills or weapons sales are only secondary to the much more significant category of imperial rents through financial grab; but because such regional control is key to the value snatch from the working classes globally, aggression against the AW becomes the mainstay of US foreign policy, otherwise imperialism would lose its material grounding.

Crisis as in the downturn of the business cycle or as in the 2008 financial lapse, further displaces commodity realisation (the role of profits derived from the sale of commodities in the market) and boosts the role of
aggressive ventures of capital through encroachment wars. War itself is a way of un-knotting the realisation bottlenecks when surpluses abound (Baran, 1975; Mandel 1975). Permanent war has already been described as the leading practice of imperialism by which the mounting difficulties arising from the predicament of maintaining profit rates and balancing out the production and distribution side are resolved (Lenin, 1916). Lenin also emphasised that militarism represented a decisive moment in the global accumulation process under monopoly capital, which does not preclude that one must assess imperialist militarism against the tide of revolutionary organisation and consciousness. However, in more concrete terms, Lenin asked what means other than war could there be under capitalism to overcome the disparity between the development of productive forces and the accumulation of capital on the one side, and the division of colonies and spheres of influence for finance capital on the other (Lenin, 1916)?

Under modern capitalism, there was no moment at which global accumulation would have gained enough of a momentum to lift investment and consumption simultaneously (Brenner, 2003; Sweezy, 1981). Crisis was already permanent. More so than the usual way of doing things, financialised capital further pushes its progress by commercial exploitation of the periphery, a condition whose early forms included slavery and the depopulation of colonies. The crisis is further exacerbated because finance disparages the real production process, and its expropriation of the share of labour takes place by a combination of austerity at home and war abroad. Financial institutions wed themselves closely to the state, as in the ‘too big to fall’ motto, and like monopolies, exercise power to extract value from decreasing the basic living share of labour. Expropriation proceeds by fetishising financial processes, making them god-like, and in a way that justifies austerity and encroachment wars by the weight of fictitious capital.

In insecure and dependent formations, such as Arab countries, the subordination of state to capital is more pronounced. Ruling capital, the association of local to foreign bourgeoisie, is inspired by the imperialist forces and in its seizing of the state. The collusion between the state and financially integrated capital manifests itself in persistent deflationary policies at home, the most usurping of which is the stabilisation of the national currency with the dollar under open capital accounts. The Arab central banks subsidise the wealthier class by maintaining the currency conversion rate from the drawing-down of national assets under open capital accounts.
Recalling that financial capital expands more by snatching a bigger share of the surplus rather than expanding
the surplus altogether, it thus requires a stabilisation of the exchange rate to hold its assets steady, and
inflation to deprive the working class of a higher share of income. In Arab formations, the alliance of
comprador with international financial capital sanctifies capital accounts openness. For instance, despite
the fact that capital outflows in Egypt were draining the economy after the Arab Spring, not once did the
word regulation protrude in the discussions. The openness condition, all on its own, cripples national
macro policies. It is not that Arab countries have a choice any longer; they simply lose control and regiment
fiscal spending, short-changing labour – as evidenced by the declining labour share. An unrestrained market
mechanism, in the presence of a war-inclined imperialist force domineering the national process through its
proxies, further saps the resources of the working class. Consequently, the unevenness between working
class consumption and the flight of resources will, contingently upon the ideological hold of capital over
society and state, crack society at the seams – as has already happened prior to the Arab Spring.

When US-led capital seizes the oil jugular, it also pressures different contending circles of capital into
further acquiescing to its debt-dollar policies. What simple accounting conceals is that a class in charge of
an empire enjoying dollar-seignorage gains and imperial rents incurs no losses in permanent wars. Borrowing
indefinitely in its own currency affords it power over its lenders and pushes the lenders to support its
military adventurism, as they fear that loss of hegemony over strategic areas may cause dollar-devaluation.
The argument that imperialism has had no vested interest in invading the Third World because ‘it is dollar-
costly’ to the US, overlooks the relationship of imperialist subjugation that is central to the value foundation
of the dollar. It also lumps US working class with ruling class willy-nilly. The money form is an appearance
that does not explain much on its. When the British Empire waned after the First World War, the pound
circulated by US charity. Wars of imperialist conquest are central to the value of the dollar, which is both
signification of value and an instrument of repression.

Every imperialist assault restructures power positions and power standing and is key to accumulation by
expropriation. Colonial policy de-industrialises and, consequently, renders the colonised economy into a
pedestal to its own economy, and furthermore, it prices the resources and values of the subjected population
by its degree of control relative to value. The power behind imperialist price setting and commercial
exploitation is not the typical monopoly power related to high entry costs or prohibitive technological
know-how. It is absolute and brute violence from which historical surplus value has already been amassed (Abdel-Malek, 1981).

Second to the decline of internationalism, invading Iraq was costly to the working classes of Britain and the US, but the returns in imperial rents to the US-led financial class were significant. The power status of financial capital reached such heights that it could shift its debts onto the balance sheets of central banks while continuing to borrow and expand since 2008. The imperial rents and the tribute flows through financial channels to US-led capital acted as bribes to central working classes after the Second World War. Reform led to retrogression in revolutionary consciousness in the centre and resulted in boosting the wealth of already aristocratic nations (Emmanuel, 1972). Yet the underpinnings of imperialism remain sturdy, as the share of global labour falls as a result of international capital becoming homogenised. In the classical political economy sense, capital decides its rate of profit before wages. More so than any other time, there is not an effective and organised labour movement and divides between working people, countries, haves and have-nots have grown.

The flourishing of aristocratic nations was met by a deepening of the divide in international working class solidarity. History has borne out the point made by Emmanuel in 1972, when he posited that it is difficult for the coincidence by which the interests of the international labouring class would converge at a point in time to come into being. The explication of imperialism as intended by Lenin is sociological, in the sense that the imperialist relationship has a momentum of its own driven by its history and organisational character. The knack for economising as in trying to tally prices with values over the long run, should not be over-emphasised as central to the theory of imperialism (Abdel-Malek, 1981). Emmanuel’s interpretation of unequal exchange is more than just the façade of declining terms of trade and capital transfers; it is the totality of the condition of exploitation, particularly the commercial exploitation of the colonies, enrobing class in the national guise. The other side of Emmanuel’s argument is that wages under-price the social cost of reproduction in the colonies. The quantification of value by Western criteria and colonially imposed low productivity do not relegate the developing world to lower value status. The notion of quantifying value by European higher technology to justify higher wages omits the fact that wages and productivity are a priori social. Measurement as such is a convention that requires the subsection of social time to chronological time. What is social and organic is indivisible. The whole pernicious interpretation of assigning higher value to technology-based productivity cum higher wages overlooks the condition that imperialist savagery in the
periphery has been made into a pedestal to higher central productivity. Social wages supersede productivity and there cannot be more productive labour if there is no low productivity and unproductive labour. In metabolic accumulation, one cannot assign importance to this section or that section of labour by the quality of machines. Measurement that tallies productivity to wage is a convention that is perverted by capital’s class values to assign rights and entitlements to European labour. Central labour, whose wages and consciousness partly derive from imperialist aggression, is what ascertains the higher misfortune of peripheral labour and the absolute general law of the development of capitalism. The law holds for the global economy and not for the single reified nation.

Higher central wages have come about as a result of the sociological relationship in which the moral and historical factors play a role in maintaining rising wages (Emmanuel, 1972). In the case of commercial exploitation, the colonising formation resorts to aggression to block industrialisation in developing economies and, subsequently, organises the colonised economy to become a tributary to central production. However, Emmanuel underestimates the value transfer from the periphery per se because of its low productivity (Emmanuel’s response to Bettelheim, 1972). The separation lines between absolute and relative surplus value are subjective, especially as equal-value lives perish in the periphery as a result of the war industry in the process of realisation. War itself is a production enterprise. The social relationship of capital and its violent facet, imperialism, are reasserted by wars of encroachment. How then does the quantity of value exonerate wage differences within a nation and across nations? Only by the ideological chimera of capital can the quantity of value be used as reason for the division of the social wage to the working class. The share of wages under capitalism from the social product is determined by the political power of labour. No matter how productive labour is, without political representation its share of income would drop to zilch. As labour experiences more political dividedness, so do the reasons for engaging labourers in war and accelerating value flows to aristocratic nations.

The reason for the above caption is to say that there is more to colonialism than the simple argument of accounts and money flow in the AW. Colonising to strip the working class of the right to exercise sovereignty through the state over its natural resources also contributes through balance of forces channels to setting the exchange prices against the dollar globally. For the Arab working class, their primary commodities are snatched by employing military capital and for releasing the pent-up surplus in the centre. This condition for the realisation of the central surplus through military aggression forces upon Arab formations a military cost
far beyond their means. It shifts civilian wealth into military enterprise. It literally employs, commodifies
Arab human labour and destroys its value in a process of modern military production that uses far superior
technology to anything around, and hence, the high value of Arab labour by implication. The output of the
smart bomb is determined by the tent it demolishes in the desert. War realises value by the destruction of
the military commodity itself and re-situated power relations that are services of value and at the same time
inputs into value relations. The destruction of value by war, not of the product of labour only but also of
living labour – as in the death rate – is also a quintessential condition to devalue labour globally (counting
the ideological impact). Apart from the immediate impact of war, the value necessary to reproduce the
working population is doubly undercut by the costs of war and its political effect that emasculates the Arab
working classes.

4. Falling Investment

The AW grows from without by the volatile forces of oil revenues and by how wars of aggression force it
to allot much of its resources to security ends. In the post-independence period, security spending addressed
national security concerns. At around 1980 and the beginning of the compradorial era (neoliberalism),
security spending focused on the security of the ruling class, as opposed to national security. One is
reminded that the ruling class is a subordinate partner of US-led imperialism, which would not hesitate in
fomenting a destructive cycle that devalues national capital for imperialist grab.

Relative to its wealth, the AW has been performing way below potential. While the real GDP per capita,
for the region as a whole, was growing annually at a respectable rate during the 1970s of five per cent, it
decreased during the 1980s at the annual rate of −2.5 per cent, and grew at the low rate of 0.5 per cent
during the 1990s. Between 2000 and 2010, the average annual real per capita growth was around 3.5 per
cent. The growth rates of all Arab economies were somewhat steady, save the Gulf States, whose growth
rates exhibit acute volatility in line with jittery oil prices. Egypt, in particular, amongst the Arab countries
which experienced a real 5 per cent yearly average growth between 1980 and 2010, yet its development
record shows higher rates of malnutrition in children (1 in 3 children suffered from malnutrition in 2009),
acute income inequality, and rising illiteracy (UNDP, 2011). The general case remains that the overall
growth performance was modest and the recent growth period (since 2003) was of poor quality growth
that did not ameliorate social conditions.
Openness policies beginning in the 1980s, major war defeats and countless other assaults to follow created an even more uncertain environment for investment. Declining investment rates, especially in industrial plants and equipment, which are usually associated with long-term stability and sizeable markets, contributed to lower than average economic growth rates. Investment rates in the region were on average four percentage points below the developing world rate (WDI, various years). The overall Arab investment rate declined from 29 per cent since it last peaked in 1978 to about 16 per cent in 2002. It later rose to about 24 per cent in 2011, but by then its quality had moved into lower output per capital ratio, save oil. What is more, the neoliberal policies pursued were somewhat pro-cyclical, cutting spending and keeping tax rates steady in crisis time. The role of development policy was pinned on accruing a primary surplus to support the balance of payment shortfalls, save in the Gulf, of course. Fiscal restraint at the expense of public investment in social infrastructure and indirect taxation in contrast to more socially responsible progressive and capital gains taxation (usually in the context of open capital accounts of the balance of payments) did not contribute to development – as always. More important, the transfer of the agency of development from the purview of the state to the private sector severed the welfare-transfer mechanisms and allocated resources from public to the private ends.

Meanwhile, private investment rates did not rise significantly—overall investment fell. Private investment growth follows prospective returns and the degree of risks associated therewith. However, in the AW, the issue is one of context rather than an individual response to market signals. The context is the amalgam of the defenceless state, its acute class contradictions and the impending war. The investment-growth nexus, defined as the ‘inducement to invest’ and determined by the gap between the prospective rate of profit and the rate of interest, is demand and macro context determined (Kalecki, 1972). There is in this, as in any macro accounting framework, the salient tautologies and fallacies of composition. The investment cum growth rate is dependent on profitability, and as demand rises the returns to investment fall along with the inducement to invest, precipitating a downturn. Under normal risk conditions, as the interest rate falls, indicating lower risks and raising investment, growth would rise as a result of a higher capital output ratio (Kaldor, 1989). However, because of diminishing returns to factors, the growth rate and returns begin to rise at lower rates and, as such, higher investment begets lower profit rates. The story changes in a capacity-wanting and war-ridden developing area. With respect to capacity, it would require a deficit in the trade account and falling wages for investment to produce lower returns. Higher risks and financial costs attenuate
the drive for investment. These are standard in analytical rationalities and one may add several variables that would change matters in one way or another, including, no less, an exogenous shock (government push) that would redress the business cycle downturn.

That is all fine. However, that is not the macro picture in the AW. None of these issues matter when Arab-type uncertainties are introduced. Not only do diminishing returns reduce reality to mathematics but also, in an Arab context a formalised recipe for investment does not hold for historical reasons. History, the objective and impersonal social forces, saturated with violence, instantiates a qualitatively different macro context at short intervals. With potential for war and the complete collapse of states, social time develops at such a fast rate such that it compresses the intervals required for normal risk assessment to be carried out. The horizon to plan and invest in long term projects is uncertain because the vortex of history mediating the crisis of capital in war puts the long term in doubt. This uncertainty eschews the viability of a static analytical framework to think about the Arab conditions. An actuarial assessment of returns in a steady period is not possible, for there are few steady periods. In other words, the risks to investment in the AW are serious enough because neither the external political threats nor the internal political and social stability factors would allow long-term policy or production planning to take place. One doubts if there is any animal spirit that would meet this challenge.

Violence alters the course, type and structure of the risks. Institutions, including the state institution, and capital assets could be wiped out quickly in an act of war. Only a peculiar type of animal spirit could deal with the potential of state collapse. The Arab state’s potential collapse effaces the future that is necessary for building private industrial strategy. In this context, private investment decisions will be locked into situations where returns must redress capital costs within short periods; else money capital turns to capital flight.

With uncertainties associated with complete collapse, the inducement to invest private capital nearly vanishes. Algebraically measured risks will bear little reference to reality. Under uncertainty, coincidence collides with necessity and the probability values of future returns under different states of nature become the inevitable war, and only that. It is not a question of change of degree or magnitude of risk, but more so that investors invest because they are part of the war economy in which they are involved by necessity.
Already the record shows that private investment did not respond adequately to laissez-faire reforms. Under more steady conditions, one may posit that the weak inducement to invest is exacerbated by the small market size and declining wages (Nurkse, 1952); however, historical uncertainty is the overriding barrier to fixed capital formation. Uncertainty leaves us with three types of national capitals that are willing to invest in the potentially collapsing economy: state capital, the sections of national private capital that cannot move abroad, and the sections of private capital that metamorphose into war agents of imperialist powers deriving returns from the military economy itself. The many Arab warlords are manifestation of the latter point.

In these circumstances, the implications are for the low productivity capital stay put and for the growth rate to exhibit oil-related high volatility. One cannot wish away war in a war zone. What the mainstream fails to see is that raising investment under these war conditions becomes an operational issue in which Arab countries must ensure a security whose substance is working class security, in order to ensure investment and growth.

5. The Trade-Off between Oil and War

After two decades of decline (1980-2000), oil prices began to rise as of 2002. Oil revenues and economic growth in oil exporting countries, that is, in most Arab countries, also rose. But because the macroeconomic structure had already been transformed into an unregulated framework in which resources flowed up to the ruling class, the developmental impact of the pre Arab Spring high growth period was negligible. Moreover, as the political uncertainties kept on mounting with the sabre rattling against Iran, much of oil revenues ended up being sapped away by persistent tensions or by policies that limited absorptive capacity in industry.

In general, war is costly in the sense that it increases public debts and tax burdens and distorts production through the disproportionate expansion of militarised manufacture and imports. However, this is not why the impact of war in the Arab region appears to be permanent. In the AW, there are very low tax rates on capital (which is practically un-taxed), the public sector is privately controlled and most weapons are imported; hence, the tax consequences of war are less relevant to economic performance than the lingering damage of war itself. Wars exact heavy tolls. Between 1991 and 2002, there was a 14 per cent loss in
Arab output in the immediate aftermath of the First Gulf War. Hypothetically, had the war not occurred, and had the growth rate continued at the modest rate of 3 per cent from 1990 (that is nearly zero per capita), the cumulative losses in constant prices from 1990 to 2002 would have been around US$ 600 billion. In real terms, the losses to capital stock and the trail of destruction left behind from the wars are difficult to calculate because wars persist.

The AW has witnessed several major wars: the Arab-Israeli conflict, the Gulf wars, intra-state conflicts and internal wars such as in Lebanon, Syria, Iraq, Algeria and Yemen, not to mention the disasters of Somalia and Sudan. Following Iraq’s war with Kuwait, the US-led military campaign shattered most of Iraq’s economic infrastructure within six weeks (Parker, 2007). The sanctions that followed caused the deaths of around one and a half million people, including around 500,000 children. The sources for these figures vary. According to Juan Cole, Iraq lost 4 per cent of its population, but the point here is not to play the numbers game. Two-thirds of Iraq’s GDP was lost during this period (Al-Nasrawi, 2001: p 214). The occupation and ethnic cleansing of Palestine planted a colonial-settler society armed and backed by European colonialists in the heart of the AW, which to date has been a source of bellicosity and underdevelopment for much of the Third World (Chomsky, 1983; Petras, 2008). As to the condition of the remaining Palestinians in the occupied territory, ‘their poverty had risen substantially, leaving more than 60 per cent of the population below the poverty line of USD 2.3 per person a day’ (UNCTAD, 2006: p 6). More than 59 per cent of the total population of Gaza depends on food aid from the United Nations (Roy, 2006). The Lebanese civil war (1975-90) caused around 150,000 deaths. Loss of human lives was accompanied by the destruction of capital and infrastructure and the dislocation of more than a million people. The lost output due to the war was around 12 times the value of Lebanese GDP in 1974 (Eken, 1995: pp 4–5). More recently, the Sudanese, Somali, Libyan, Iraqi, and Syrian civil wars are also imperialist sponsored calamities. Apart from the longstanding Palestinian refugee situation, the United Nations High Commissioner for Refugees estimated that more than 1.2 million Iraqi refugees have sought asylum in Syria, Jordan, Egypt, Lebanon, and the GCC countries. Recent estimates of Syrian refugees surpass 1.5 million.

A euphemism may best describe the Arab business cycle: what oil brings, the war more than takes away. Even if oil revenues rise under conditions of instability, the retained savings for investment in the region grow proportionately smaller, and the effect afterwards on the saving rate is negative. In non-Gulf Arab countries, recent oil revenues raised luxury consumption, and lowered the national savings rate. At the
same time, labour share of income, which used to be high in the seventies, fell to less than 30 per cent while state deficits grew and debts soared (Guerriero, 2012). Also, with interest rates relegated as gate-keepers to stem capital outflows under neoliberalism, the costs of high debt service limited government capacity to intervene socially.

In 2006, the fuel-producers surplus (mainly Gulf) eclipsed that of Asia: USD 505 billion versus USD 462 billion from Asian nations (Yang, 2006). The money flows abroad and the incapacitation of macro policies demobilises national resources, hence the obvious inverse relationship between instability and developmental growth. For economic growth to become developmental, oil prices/revenue should, against the odds and consistently, more than cover the instability premium. Even very high oil and growth rates under the disarticulated class structures and open capital accounts would probably result in only improving the general consumption levels as pay-offs to the working class, where imperialists stabilisation policies require it be so; but it will not result in knowledge based development begetting security and sovereignty. The latter conditions are imperialistically imposed taboos.

Destruction to life and infrastructure, the loss in forgone income and the exodus of the labour force, skilled or otherwise, are not reprieved by peace or reconstruction plans. Moreover, what is understated is that wars diminish the socialising space in which universal as opposed to narrower sectarian or sectional values could grow. They create real physical segregation and psychological lines that separate the working population. War in the AW may appear to have indigenous causes arising from the tragic farce of fictitious Arab sect/clan identity as the sole political form of working class representation, but in actuality the courses of war are charted by a cross-national historical agency that also steers development. Sectarian and divisive identities thrive when imperialism wins and this can be traced historically – for instance, mainly Shiite Bahrain in 1970, refused to join mainly Shiite Iran and stuck to Arabism. Tangentially, there is almost no resemblance between the types of political Islam practiced today and past historical forms of Islamic politics. In point of fact, modern day political/economic Islam shares more in its monetary policy with conservative parties in advanced countries than it does with the central banks of the Caliphs, had central banks existed then. The historical agency qua US-led imperialism, intermediated by the institutions of capital, manoeuvres to promote war for its own sake and for oil control irrespective of the humanitarian cant. In more concrete examples, the historical agencies are the mediation of US-led class power in
impersonal and objective social forms such as the Security Council and the Breton Woods institutions, whose governing structures are already US-biased.

The scramble is on by imperialist competitors to stake a foothold and share control over the region’s resources. Geopolitical rents just pour into the region. Iraq, Syria, Libya, and Yemen’s paid militias represent a stark case of flows reproducing divisions and endless wars. Also in Lebanon, the flows earmarked for reconstruction surpass the losses and are devolved along sectarian lines. The US-led imperialist precondition is for the geopolitical flows be distributed along sectarian lines to steepen the social rifts. Because the local forces are being marionetted by irreconcilable international forces, the Arab social formation will once more become incapable of maintaining the living security of its population.

6. Closing comment

In the AW, war is not the continuation of politics by violent means; it is rather the continuation of violence by means of politics. The inverted catchphrase represents the thesis around which this essay has woven an argument. War, or permanent war, is not exclusive to the AW. For one thing, war afflicts or has afflicted the globe at one time or another. But war appears as an enduring feature of the AW. One might interpose that the AW is a strategic corner, so even smaller wars get comparatively blown out of proportion. However, in addition to its strategic position, a good dose of media hype exaggerates its already strategic relevance. There is a sort of ‘Middle East war industry’ that surrounds events. While ISIS was burning a single Jordanian pilot in early February 2015, a machete massacre took place in Eastern Congo but received little coverage in mainstream media. Way back, the much smaller six-day war in 1967 received several times the attention allotted to the much bigger India-Pakistan war of around the same period.

But hyped attention or media sensationalism about the region is not the line of argument one would want to pursue to show that there is a war, which visibly and more so than other regions, mediating the crisis capital. My contention is that war or the enduring prospect of war in the AW is a constant derived from a system of global accumulation and its attendant international relations. In the AW, war is an end in itself. From the decolonisation wars, the colonisation of Palestine and the regional hot wars of the Cold War to the present war on terror, there is but one common denominator and that is the policies pursued were meant to incite conflict. If any of the big players had sought to defuse tensions, the regional historical
trajectory indicates that their efforts systematically failed. The leading capitalist class in the United States, along with its subordinate international allies, ratchet up their power and that of the relationship of imperialism by dismantling the platforms of resistance of the working classes in the AW, including their states; hence, continued aggression.

Frank’s (1991) tripod of oil, weapons and dollar represent the principal pillars upon which an Arab state stands. Arab states have either collapsed from within as result of war or are on the way to collapsing. Chossudovsky (2014) rightly proposes that the Arab formation is metamorphosing from state into a territory as a result of US-led aggression.11 The Arab state falls at the tail end of a system of international relations that necessitates it to be in a condition that swings between full-fledged conflict and or a high degree of tension. The verb ‘necessitate’ is of particular relevance to the permanent war thesis because, first, there is a high frequency of regional conflicts manifest as the highest rate globally (SIPRI, 2012), and secondly but more decisively, by the crisis of central capital that has vanquished the right of Arab working classes to development in order to hold hegemony over a strategic region. Arab development or working class security may entail that communities take charge of their lives in a way that conversely may downgrade US-led hegemony. Account taken of petro-dollars and other value transfers from the AW proper and, more conclusively, of the contribution of power emanating from control of oil as a strategic resource to imperialism, the latter point that US-led imperialism has to deny the Arab working classes their right to development illustrates the necessity to war of capital, as opposed to fortuity.

There are no imperialist bombings based on mistakes or wrong intelligence; history is not a series of gaffes or unintended consequences for the leading imperialist class. The objective forces of history, capital and its accumulation by war do not represent existentialist threats for the ruling class. Capital’s organised dimension rarely forfeits a ‘good war.’ The ‘we made a mistake’ or ‘the consequences were unintended’ are a facile personalisation of history.

Moreover, in a war and defeatism context, distortions abound. The chief of the Middle East and North Africa Region (MENA) at the World Bankin early 2000, when addressing Arab Development, ended his lecture with the false wisdom that Arabs are to blame for their state of underdevelopment. Many on the liberal Left inculcate the false wisdom and apportion blame by national identity and cultural character as opposed to class. The abstract Arab does not exist; Arab working class does. As elsewhere, there is no
culturally incapable Arab who cannot respond to development challenges and, worse yet, by the perverse reasoning of mainstream nationalistic trope: Arab ‘spirit’ happens to be the realisation of his or her state. The Arab in the abstract is an *ad hominem* point. Imperialistically propped Arab regimes hold steady by the degree of repression they deploy against Arab working people. Putting into focus the cross border ties of Arab ruling classes to US-led imperialism underscores the fact that it is the latter class that becomes the agency of Arab development.

The articulation of the Arab formation with world capital is conducted by aggression involving a disproportionate use of force. The complete subordination and piecemeal dismantling of the Arab state, as the potential form of the political expression of the working class, is an indispensable condition for US-led imperialism for the resources it releases – not only from the region but from the rest of the globe. As the lebensraum of US-led imperialism narrows under pressure from a China-Russia backed Iran in the Gulf, the drive to level any development platform, including state structures, which may serve to position competing imperialist forces in Arab region, escalates. Historically, real politik and military power have literally been antecedents to all other forms of politics; hence, all the more substance to the proposition ‘articulation from the barrel of the gun.’

However, as the differences of US-led capital with the opposition forces in the AW grow over issues of controlling indigenous resources, so will differences between various circles of capital, especially nationalist capital (BRICS-like) and US-led financial capital. The pressure that the US faces in the AW from competitors for strategic resources is the main reason why Israel cannot integrate with the Arab region – as opposed to the illusions of existentialist threats. Israel’s trade structure is inherently geared to Western markets and does not address the pittance of Arab market demands (Abou-Anaml, 2006). After years of peace with Egypt and Jordan, Israeli trade with these countries remains low – it is insignificant if one discounts oil and gas (IMF, various years). The sections of Israeli capital and the peace movement requiring the normalisation of relations with Arab neighbours remain inconsequential. The Israeli formation reproduces its living standards and consciousness via imperialist partnering. In turn, US-led assault leads to the strengthening of the colonial-settlement relationship. Israel’s gendarme role to imperialism erects an insuperable barrier that separates Arab and Israeli working classes.
Developments within the circles of central capital hinge on two interrelated axes: the relationship of US-led capital to itself (principally how US imperial rents are performing), on the one hand, and the relationship of US-led capital to other nationally based capital (how the rest of the world views its holding of the dollar as a precarious affair), on the other. US-led capital equates itself with, or differentiates itself from, world capital by the degree of power it enjoys within the international division of labour (its edge in war-driven technology is foremost in this) and the violence exercised upon the periphery, especially the AW. The AW had already tested the limits of inter-imperialist collusion when the US breached the covenants of international security enacted in the Security Council by waging war on Iraq in 2003. There are ceilings to diluting the national identity of capital irrespective of the degree to which financial capital has been globalised (Koechlin, 1999). The nation is subordinate to capital but is also a means for the reproduction of capital. The growing dependency of US capital on resources from abroad and hegemony over oil regions is the bond holding together globally financialised capital with US capital.

Formulaically, the degree of US-led belligerence will rely on the degree to which the dependent growth of US-led capital in its dollar form becomes a liability to other competing world capital and warrants an orderly or disorderly workout out of dollar held debts (this is an area that Prof. Patnaik addresses, but it outside the scope of this work). Also, one ought to note that the liability is in terms of how vital US-led encroachment, particularly in the AW, becomes in securing the long-term guarantees to financial capital. Although foreigners hold US debt and this may potentially infringe on the ownership of US resources, a debilitated AW, held as collateral and policed militarily, will delay the point at which dollar world-seignorage wanes. So long as world capital steadies its dollar savings worth by US-led aggression on the AW, a condition of ultra-imperialism, or a consensus to continuously shift war to the periphery also emerges; hence, the multi-layered complexity of inter-imperialist relations.

In actuality, inasmuch as the growth of US-led capital continues to depend on the growth Arab wars, the pricing of oil in dollars, and high degree of control over moneyed resource flows globally, the differences within the circles of world capital (inter-imperialist rivalry) regarding hegemony over the AW and the division of imperial rents will also grow. Arab wars are proxy wars, especially the Syrian conflict, which drew several Sino-Russian vetoes from the UN security Council and whose funding sends a clear signal that financialisation does not dissipate inter-capitalist differences.
Perceiving the withdrawal of US troops from Iraq, Afghanistan and other assaulted areas in the past as failures of US policy misses the point. In spite of this and other retreats, the share of capital globally from world income continues to rise. Altogether, capital as ideology, expropriation and materialisation in production, the real relationship that transcends nationalist pretence, stands on firmer ground. There is not a single mainstream media channel, which would not reply to someone advocating more government intervention in the social sphere with the cliché: has that not been tried in the Soviet Union and failed. The effect of football culture on modes of thought conflates continuous social processes with one-time win-lose sports events. Real historical time is fantasised into successive stages. Populations do not pack and leave after socio-political transitions just as spectators leave the stadium at the end of the game. The transfers from lesser education, health, life expectancy, and working-class leisure time, etc., which take effect after free market reforms, are the transfers of value from the working classes that do not end when the game ends. Over the last three decades, the real wages of central working classes have stood still or fallen, and the dehumanisation of peripheral working classes has reached new heights.

In an organic-like social order, the mission and the war in the periphery creep back to curtail the benefits and civil liberties of the central working classes. Labour forms part of an organic social relationship, and its various sections are positively inter-correlated. As the divide between aristocratic nations and pauperised nations becomes wider, the under-valorisation cum commodification of both the human being and his or her labour power, pressures in a downwardly fashion the rights of central labour. However, by the time the long-term bonds that tie world labour together dawn, the intermittent periods presented as opportunities for one section of labour to make gains at the expense of another will always be exploited by capital (Emmanuel, 1970).

Imperialism is a complex relationship in which the central nation state is pitted against its own capital, but at the same time, both central capital and its nation state benefit from imperial pillage. With the rise of China, the ballooning of debts in the US, a downgrading of US imperial standing lies in store – only the nation-state but not internationalised capital and its consequent violence in imperialism. US-led capital has historically responded by dollar devaluation to restructure the shares of wealth of different circles of capital. Devaluing the wealth holdings in the dollar entails an opposing reaction from foreign dollar holders and a ratcheting up of imperialist aggression, particularly against the AW– to redress imperialist stature. Until the fall of the Soviet Union, the differences over the redistribution of resources amongst the capitalist formations have
been, for the greater part, mediated through politically engineered mechanisms against the common foe. The rise of unrestrained capital globally was followed by the migration of austerity from the periphery to the centre. The rise of the free market as the uncontested ideology of capital also bolstered fetishism and further alienated the endogenous production of technology and violence from rational social control. In the same way that austerity has migrated north, the violence in the AW too has begun its northwards course of migration.

Notes
1 This essay is based on a lecture that was posted on the University of London website in 2006, but now has only become available for staff and students.
2 http://www.albawaba.com/business/arab-funds-invest-21-trillion-abroad
3 http://www.nytimes.com/2008/01/16/world/africa/16iht-bread.4.9271958.html?_r=1
4 The data from Egypt may be too corrupt. National sources cite a manufacturing rate of 9 per cent around 2009.
6 ‘As a synonym of ‘thingification,’ the inverse of personification, reification metaphorically refers to the transformation of human properties, relations, processes, actions, concepts, etc. into things that act as pseudo-persons, endowed with a life of their own’ F. Vandenberghe, Reification: History of the Concept, Logos, Winter 2015: Vol 14, no. 1. See also Section I “Reification and the Consciousness of the Proletariat” in Georg Lukács’ History & Class Consciousness, Merlin Press, 1967.

References


United Nations (various years) *Standard International Trade Classification*.


