NOTES ON CONTEMPORARY IMPERIALISM

Phases of Imperialism

Lenin dated the imperialist phase of capitalism, which he associated with monopoly capitalism, from the beginning of the twentieth century, when the process of centralization of capital had led to the emergence of monopoly in industry and among banks. The coming together (coalescence) of the capitals in these two spheres led to the formation of "finance capital" which was controlled by a financial oligarchy that dominated both these spheres, as well as the State, in each advanced capitalist country. The struggle between rival finance capitals for "economic territory" in a world that was already completely partitioned, not just for the direct benefits that such "territory" might provide, but more importantly for keeping rivals out of its potential benefits, necessarily erupted, according to him, into wars, which offered each belligerent country's workers a stark choice: between killing fellow workers across the trenches, or turning their guns on the moribund capitalism of their own countries, to overthrow the system and march to socialism.

We can distinguish between three different phases of imperialism since then. The first phase of which the second world war was the climax, corresponded almost exactly to Lenin's analysis: rivalry between different finance capitals to repartition an already partitioned world bursting into wars which in turn led to the formation of a socialist camp. The precise course of events through which this general trend unfolded after Lenin's death included an acute economic crisis (the Great Depression of the thirties), to which the disunity among capitalist powers contributed, and which in turn created the conditions for the emergence of fascism that unleashed the second world war and that represented in Dimitrov's words the "open terrorist dictatorship of the most revanchist sections of finance capital".

The second world war greatly weakened the position of financial oligarchies. The working class in the advanced capitalist countries that had made great sacrifices during the war emerged much stronger from it and was unwilling to go back to the old capitalism. (A symptom of this was the defeat of Winston Churchill's Tory Party in the post-war elections in Britain and the enormous growth of the Italian and French Communist Parties). The socialist camp had grown significantly and was to grow even further with the victory of the Chinese Revolution. Capitalism had to make concessions to survive, and two concessions in particular were significant: one was decolonization, where it was so reluctant to proceed that even after the formal process was completed it refused voluntarily to yield control over third world resources, as evident in the cases of Iran (where Mossadegh was overthrown in a CIA *coup* after nationalizing oil) and Egypt (where an Anglo-French invasion was launched after Nasser nationalized the Suez Canal). The other was State intervention in "demand management" in advanced countries to maintain high levels of employment, which until then had never been experienced in capitalist economies. State intervention in demand management in turn was made possible through the imposition of controls over cross-border capital flows, and also trade flows. A new international monetary system where the dollar was declared "as good as gold" (exchangeable against gold at $35 per ounce) and which allowed such restrictions on trade and capital flows, came into being. It reflected the new reality of the domination of US imperialism, and a muting of inter-imperialist rivalries in the new scenario. This was the second phase of modern imperialism.

The conditions for the third phase within which we are currently located were created by this second phase itself. The dollar's being "as good as gold" meant in effect that the U.S. was handed a free and unlimited gold mine: it could print notes and the rest of the world was obliged to hold such notes since they were "as good as gold". As a result, the US did print notes to finance, among other things, a string of military bases all over the world with which it encircled the Soviet Union and China. These notes started pouring into European banks which then started lending all over the world. They wanted to lend even more as the torrent of notes increased during the Vietnam War. Capital controls were a hindrance in their way and were therefore gradually removed. The International Monetary System under which the dollar was officially convertible to gold could not be sustained and was abandoned in the early seventies, though the pre-eminent position of the dollar as the form in which a large chunk of the world's wealth was held remained. But the easing of capital controls and increased mobility of finance across the globe brought into being a new entity, international finance capital.

This third phase of modern imperialism is marked by the hegemony of international finance capital, which is the driving force behind the phenomenon of globalization, and the pursuit of neo-liberal policies in the place of Keynesian demand management policies in the advanced countries and Nehru-style "planning" (or what some development economists call *dirigiste* policies) in the third world.

Finance Capital Then and Now

In this third phase of imperialism there has been such an immense growth of the financial sector within each capitalist economy and of financial flows across the globe that many have talked of a process of "financialization" of capitalism, rather like "industrialization" earlier. While this may be an accurate description of the processes involved, it does not draw attention to the entity that has come into centre-stage, namely international finance capital. This entity differs from finance capital of Lenin's time in at least three way.

First, while Lenin had talked about the "coalescence" of finance and industry and had referred to finance capital as capital "controlled by banks and employed in industry", which tended to have a *national* strategy for expanding "economic territory" that would also serve the needs of its industrial empire, the new finance capital is not necessarily tied to industry in any special sense. It moves around the world in the quest for quick, speculative, gains, no matter in what sphere such gains accrue. This finance is not *separate* from industry, since even capital employed in industry is not immune to the quest for speculative gains, but industry does not occupy any special place in the plans of this finance capital. In other words not only does capital-as-finance function as capital-as-finance, but even capital-in-production also functions as capital-as-finance; capital-as-finance on the other hand has no special interest in production. This is basically what the process of "financialization" involves, namely an enormous growth of capital-as-finance, pure and simple, and its quest for quick speculative gains.

Secondly, finance capital in Lenin's time had its base within a particular nation, and its international operations were linked to the expansion of national "economic territory". But the finance capital of today, though of course it has its origins in particular nations, is not necessarily tied to any national interests. It moves around globally and its objectives are no different from the finance capital that has its origins in some other nation. It is in this sense that distinctions between national finance capitals become misleading, and we can talk of an international finance capital, which, no matter where it originates from, has this character of being detached from any particular national interests, having the world as its theatre of operations, and not being tied to any particular sphere of activity, such as industry.

Thirdly, such uninhibited global operation requires that the world should not be split up into separate blocs, or into economic territories that are the preserves of particular nations and out of bounds for others. The interests of international finance capital therefore require a muting of inter-imperialist rivalry. If this process of muting of inter-imperialist rivalry began in the post-war period as an outcome of the overwhelming economic and strategic strength of the U.S. among capitalist powers, it gets sustained in the current phase by the very nature of international finance capital.

To say this is not to suggest that contradictions do not exist among these powers, or that they are not engaged in intense competition in world trade, of which the present currency wars (which amount to a "beggar-my-neighbour" policy) are a reflection. But such contradictions are kept in check by the need of globalized finance to have the entire globe as its unrestricted arena of operations. Certainly, the idea of these contradictions bursting into open wars *among the advanced capitalist countries*, or even proxy wars among them, appears far-fetched in the foreseeable future.

Many have seen in this fact a vindication of Karl Kautsky's theory of "ultra-imperialism", which referred to the possibility of a peaceful and "joint exploitation of the world by internationally-united finance capital", as against Lenin's emphasis on inter-imperialist rivalry and the inevitability of wars. But the world has moved beyond the Kautskyan perception as well, so that using his concept of "ultra-imperialism" in today's context is misleading for at least two reasons. First, "internationally-united finance capital" of Kautsky is not the same as "international finance capital" of today. We are not talking about unity among a handful of national finance capitals of major capitalist countries, but we are talking about an international phenomenon, which goes beyond national finance capitals and is no longer confined to a handful of powerful countries. It is both composed of finance capitals of different national origins, including from third world countries and also moves around the entire globe pursuing its own interest, and no particular national capitalist interest. Secondly, Lenin's emphasis on wars as accompanying imperialism remains as valid today as it was in his time. *World wars* among imperialist countries may not appear on the horizon; but other kinds of war arising from the phenomenon of imperialism, of which the Iraq war, the war in Afghanistan, and the earlier war in the Balkans are examples, continue.

<u>Globalization of Finance and the Nation-State</u>

In the current phase of imperialism, finance capital has become international, while the State remains a nation-State. The nation-State therefore willy-nilly must bow before the wishes of finance, for otherwise finance (both originating in that country and brought in from outside) will leave that particular country and move elsewhere, reducing it to illiquidity and disrupting its economy. The process of globalization of finance therefore has the effect of undermining the autonomy of the nation-State. The State cannot do what it wishes to do, or what its elected government has been elected to do, since it must do what finance wishes it to do.

It is in the nature of finance capital to oppose any State intervention, other than that which promotes its own interest. It does not want an activist State when it comes to the promotion of employment, or the provision of welfare, or the protection of small and petty producers; but it wants the State to be active exclusively in its own interest. It brings about therefore a change in the nature of the State, from being an apparently supra-class entity standing above society, and intervening in a benevolent manner for "social good", to one that is concerned almost exclusively with the interests of finance capital. To justify this change which occurs in the era of globalization under pressure from finance capital, *the interests of finance are increasingly passed off as being synonymous with the interests of society*. If the stock market is doing well then the economy is supposed to be doing well no matter what happens to the level of hunger, malnutrition and poverty. If a country is graded well by credit-rating agencies then that becomes a matter of national pride, no matter how miserable its people are.

The point however is that this "inverted logic", this apparent illusionism, is not just a misconception or false propaganda; it has an element of truth and is rooted in the actual universe of globalization. It is indeed the case that if finance lacks "confidence" in a particular country and flows out of it, then that country will face dire consequences through a liquidity crisis, so that pleasing finance, no matter how oppressive it is, is a pre-condition for economic survival *within this system.* This "inverted logic" therefore is the direct off-shoot of a real life phenomenon, namely the hegemony of international finance capital. It cannot be overcome by appealing to some "correct logic" or some "correct priorities of the State"; it requires the transcendence of the hegemony of international finance capital. It requires in short not "reform" within a system dominated by finance capital but an overcoming of the system itself.

Finance capital's insistence upon a non-activist State, except when the activism is in its own interest, takes in particular the form of imposing fiscal austerity upon the State. In the old days, the "sound finance" on the part of the State that was favoured by finance capital consisted in a balancing of its budget. At present it takes the form, pervasively, of a 3 percent limit on the size of the fiscal deficit relative to GDP. This is the limit legislated across the world from the EU to India and sought to be enforced. (The one exception among capitalist countries is the U.S. which systematically ignores whatever "fiscal responsibility" legislation exists in its statute books, and alone among these countries enjoys a degree of fiscal autonomy. But this is because its currency is still considered *de facto*, though no longer *de jure,* "as good as gold", and hence constitutes the medium in which much of the world's wealth is held; capital flight out of the U.S., owing to displeasure on the part of finance over the size of its fiscal deficit therefore will be resisted by the entire capitalist world, a fact that speculators themselves are well aware of).

Since the nation-State pursuing trade liberalization has to cut customs duties, and therefore must restrict excise duties (so as not to discriminate between domestic and foreign capitalists), and since, in the interests of "capital accumulation" it keeps taxes on corporate incomes, and hence, for reasons of *inter se* parity, on personal incomes, low, the limit on the fiscal deficit causes an *expenditure deflation* on its part. And this provides the setting for "privatizing" not only State-owned assets "for a song" but also welfare services and social overheads like education and health.

All this is usually referred to as constituting a "withdrawal of the State" and its rationale is debated in terms of "the State" versus "the market". Nothing could be more wrong than this. *The State under neo-liberalism does not withdraw*; it is involved as closely as before, or even more closely than before, in the economy, but its intervention is now of a different sort, viz. exclusively in the interests of finance capital.

The recent events in Greece and Ireland underscore this point. The State in those countries incurred a fiscal deficit in order to shore up the banks which had financed speculative bubbles earlier and have now come a cropper with the bursting of the bubbles. To cut the fiscal deficit however the State now has to wind up its Welfare State measures, at the expense of the working masses. The State in short intervenes in favour of finance capital, but withdraws from intervention in favour of the working people. Closer home, in India itself, despite a massive food price inflation now, the State hoards 60 million tonnes of foodgrains because its release through the PDS will raise the fiscal deficit, and hence offend finance capital.

Not surprisingly, both Keynesian demand management in the advanced capitalist countries and third world *dirigisme* become untenable in the era of globalization. The nation-State in the era of globalization in short becomes a custodian of the interests of international finance capital, which has the obvious effect of attenuating, diminishing and making a mockery of political democracy.

The Global Financial Community

The restrictions on the activities of the nation-State are imposed not just by the fear of a capital flight. A whole ideological apparatus, and with it a whole army of ideologues, gets built for supporting neo-liberal policies. Since finance capital itself becomes *international* in character, the controllers of this international finance capital constitute, to borrow Lenin's expression, a *global financial oligarchy*. This global financial oligarchy requires for its functioning an army of spokesmen, mediapersons, professors, bureaucrats, technocrats and politicians located in different countries.

The creation of this army is a complex enterprise, in which one can discern at least three distinct processes. Two are fairly straightforward. If a country has got drawn into the vortex of globalized finance by opening its doors to the free movement of finance capital, then willy-nilly even well-meaning bureaucrats, politicians, and professors will demand, *in the national interest*, a bowing to the caprices of the global financial oligarchy, since not doing so will cost the country dear through debilitating and destabilizing capital flights. The task in short is automatically accomplished to an extent once a country has got trapped into opening its doors to financial flows.

The second process is the exercise of peer pressure. Finance Ministers, Governors of Central Banks, top financial bureaucrats belonging to different countries, when they meet, tend increasingly to constitute what has been called an "epistemic community". They begin increasingly to speak the same language, share the same world view, and subscribe to the same prejudices, the same theoretical positions that have been aptly described as the "humbug of finance". Those who do not are under tremendous peer pressure to fall in line; and most eventually do. Peer pressure may be buttressed by the more mundane temptations that Lenin had described, ranging from straightforward bribes to lucrative offers of post-retirement employment, but, whatever the method used, conformism to the "humbug" that globalized finance dishes out as true economics becomes a mark of "respectability".

But even peer pressure requires that there should be a group of core ideologues of finance capital who exert and manipulate this pressure. The "peers" themselves are not free-floating individuals but have to be goaded into sharing a belief-system. There has to be therefore a set of key intellectuals, ideologues, thinkers and strategists that promote this belief system, shape and broadcast the ideology of finance capital, and generally look after the interests of globalized finance. They are not necessarily capitalists or magnates; but they are close to the financial magnates, and usually share the "spoils". The financial oligarchy proper, consisting of these magnates, together with these key ideologues and publicists of finance capital, constitute the "global financial community". The function of this global financial community is to promote and perpetuate the hegemony of international finance capital. And this global financial community insinuates its way into the political systems of various countries, initially as IMF and World Bank-trained "advisers" into economic ministries, and subsequently as cabinet ministers, and even office-bearers, of established political Parties.

Reforms are undertaken everywhere in the education system to rid it of the vestiges of any world-view different from what the global financial community propagates. They play an important role in the ideological hegemony of finance capital. The process of privatization and commoditization of education facilitates the instituting of such reforms.

Contradictions of Globalization

The neo-liberal regime imposed upon the world by the ascendancy of globalized finance capital entails a number of serious contradictions which bring the system to an *impasse*. What we are witnessing at present is such an *impasse*. There are at least four contradictions which need to be noted.

The first consists in the fact that free movement of goods and services and of capital (though not of labour) has made it difficult to sustain the wage difference between the advanced and backward economies that had traditionally characterized capitalism. Since broadly similar technologies are available to all economies (and the free movement of capital ensures this), commodities produced with the cheaper labour that exists in the third world economies can outcompete those produced in the advanced countries. Because of this, wages in the advanced countries cannot rise, and if anything tend to fall in order to make their products more competitive, to move a little closer towards the levels that prevail in the third world, levels which are no higher, thanks to the existence of substantial labour reserves, than those needed to satisfy some historically-determined subsistence requirements. Advanced country workers in other words can no longer escape the baneful consequences of third world labour reserves (which were created through colonial and semi-colonial exploitation that caused "deindustrialization" and a "drain of surplus"). And even as wages in the advanced countries fall, at the prevailing levels of labour productivity, labour productivity in the third world countries moves up, at the prevailing level of wages, towards the level reached in the advanced countries. This is because the wage differences that still continue to exist, induce a diffusion of activities from the former to the latter. *This double movement means that the share of wages in the total world output decreases.*

Such a reduction in the share of wages in world output also occurs for yet another reason: as technological progress in the world economy raises the level of labour productivity all around, the wages of workers do not increase in tandem, again owing to these wages being tied to the existence of substantial labour reserves in the world economy.

As a result, taking the world economy as a whole there is both an increase in income inequalities, and, as a consequence, a growing problem of inadequate aggregate demand: since a dollar in the hands of the working people is spent on consumption while a dollar in the hands of the capitalists is partly saved, any shift in income distribution from wages to profits tends to depress demand and create a "realization problem". Credit financed expenditure and expenditure stimulated by speculative asset price "bubbles" provide only temporary antidotes to this tendency towards over-production at the world level, but with the bursting of such "bubbles" and the inevitable termination of such credit financing, the basic underlying crisis of the world economy reappears with all its intensity.

The second contradiction under the neo-liberal regime arises from this. Any deficiency of aggregate demand resulting in unemployment and recession naturally affects the high-wage and therefore high-cost producers in the advanced countries more severely than those in the low-wage countries like India or China. Countries like the United States therefore experience, as a result of this world tendency towards over-production, *not only higher levels of unemployment but also continuous and growing current account deficits on their balance of payments*. In short, acute unemployment, particularly in the hitherto high-wage economies, and the so-called problem of "world imbalances" (whereby countries like China have continuous and growing current account surpluses while the United States has growing deficits and hence gets increasingly indebted) are both caused by the neo-liberal regime imposed upon the world by globalized finance capital. While the US multinational corporations and US financial interests demand neo-liberal regimes everywhere, the fall-out of this demand is reduced wages and employment for the US workers.

If the State in the advanced economies like the U.S. could intervene to promote demand then unemployment there could be reduced. But as we have seen the regime of globalized finance entails a rolling back of State intervention in demand management. Of course, the State of the leading economy, the US, whose currency, being almost "as good as gold", enjoys a degree of immunity from the caprices of international finance capital in this respect, still retains some fiscal autonomy and can still undertake demand management, since capital flight away from its currency will not be too serious. But since the leading-currency country itself is getting progressively indebted, its ability to undertake demand management also suffers. The incapacity of the capitalist State to undertake demand management as earlier constitutes the third contradiction of the neo-liberal regime, within which therefore there is no effective solution to the problem of global over-production and global imbalances.

Neo-liberalism in short pushes capitalism towards a protracted crisis for several co-acting reasons: it creates a tendency towards over-production in the world economy by engendering inequalities in world income distribution; it enfeebles capitalist nation-States for undertaking demand management; and it also undermines the capacity of the leading State for playing a similar role, but for a different reason, namely by saddling it with continuous and acute current account deficits.

It may be thought that the crisis we are talking about is primarily concerned with the advanced capitalist world, which will continue to remain sunk in it for a long time to come (and if by chance there is a new "bubble" that temporarily lifts it out of this crisis, its inevitable collapse will plunge it back into crisis); that the third world, especially countries like India, are immune to it. This, however, is where the fourth contradiction of neo-liberal capitalism becomes relevant. *This relates to the fact that the bourgeois-led State in the third world withdraws from its role of supporting, protecting and promoting the peasant and petty producers' economy, as the domestic big bourgeoisie and financial interests become closely integrated with international finance capital under the neo-liberal regime, leading to a fracturing of the nation and the development of a deep hiatus within it.* The abandonement of this role which the bourgeois-led State had taken upon itself during the *dirigiste* period as a part of the legacy of the struggle for decolonization, causes a decimation of petty production, the unleashing of a process of primitive accumulation of capital (or what may be more generally called a process of "accumulation through encroachment"). Multinational retail chains like Walmart come up to displace petty traders; agribusiness comes in to squeeze the peasantry; land grabbing financiers come in to displace peasants from their land; and petty producers of all descriptions everywhere get trapped between rising input prices caused by withdrawal of State subsidies and declining output prices caused by the withdrawal of State protection from world commodity price trends. When we add to all this the rise in the cost of living, because of the privatization of education, health and several essential services, which affects the entire working population, we can gauge the virulence of the process of primitive accumation that is unleashed.

The current period therefore is one where it is not only the advanced capitalist countries that are beset with crisis and unemployment, but even apparently "successful" "high growth" countries like India. The former are affected by the problem of inadequate demand, the latter by both the fall-out of the former's crisis (via its effects on peasants' prices and export activities) and also by the additional problem of distress and dispossession of petty producers and the unemployment enegendered by it. Both segments of the world economy therefore get afflicted by acute social crisis.

Some Other Perspectives on Contemporary Imperialism

We have discussed contemporary imperialism so far on the basis of Lenin's analysis, i.e. taking his analysis as our point of departure. In contemporary writings on imperialism however we come across certain other perspectives. Let us examine some of these.

One such perspective sees imperialism not in terms of the immanent economic logic of capitalism, which, through the process of centralization of capital, gives rise first to the finance capital that Lenin had analyzed, and subsequently to international finance capital; instead it emphasizes imperialism as a political project undertaken by the State of the leading imperialist country, the U.S., for globalizing its brand of capitalism through enlisting the support of other advanced capitalist States. It therefore sees continuity in the imperialist project in the post-war period, in terms of a persistent attempt by the U.S.State to build an "informal empire" by taking other capitalist States on board. This project might have been thwarted in some periods (such as the *dirigiste* period in the third world) and advanced rapidly in others (such as the more recent "era of globalization"). But through all these vicissitudes it is essentially a conscious, planned political project.

The difference between this perspective and the one outlined earlier is methodological and hence quite fundamental. By taking the leading country's State as the driving force behind imperialism, it attributes not just a *relative autonomy* to the State but in fact an *absolute autonomy*. The State, it admits, acts within an economic milieu, but it does not see economics as driving politics. In fact it rejects such a proposition as being "reductionist". It therefore departs from the fundamental understanding of capitalism as being a "spontaneous" or self-driven system that is unplanned, and therefore incapable of resolving its own basic contradictions.

An immediate consequence of this position is to underestimate the current *impasse* of capitalism. More generally, the methodological flaw in the approach that attributes an autonomy to politics is that it cannot anticipate events, but can only explain them *post facto*. There are no foreclosed options for capitalism in any given situation imposed by the intrinsic economic logic of the system; the State as an autonomous agency can always mould the system to overcome whatever predicament it may happen to be in. Whether it will be able to do so or not can only be known after the event. This approach therefore is not conducive to conscious revolutionary praxis founded upon the building of revolutionary class alliances on the basis of anticipating the course of movement of society as a whole.

A very different perspective is provided by the influential work *Empire* (2000) by Hardt and Negri, which talks of a transition from "modern" imperialism based on nation-States to a "post-modern" global Empire, a transnational entity comparable to ancient Rome. With the rise of the Empire, there is an end to national conflicts. The Empire is total: victorious global capitalism completely permeates our social lives, appropriates for itself the entire space of "civilization" and presents its "enemy" only as a "criminal", a "terrorist" who is a threat not to a political system or a nation but to the entire ethical order.

Unlike the standard Leftist position, however, which struggles to limit the destructive potential of globalization, by preserving the Welfare State for instance, Hardt and Negri see a revolutionary potential in this dynamic; the standard Left position from their perspective therefore appears to be a conservative one, fearful of the dynamics of globalization. In this sense they can claim an affinity to Marx who did not advocate limiting the destructive potential of capitalism but saw in it an enormous advance for mankind *which had to be carried forward through the transcendence of capitalism itself*.

But even if this affinity is granted for argument's sake, there is nonetheless a basic difference even in this regard between Marx on the one hand and Hardt and Negri on the other. This difference consists in the fact that while Marx saw not only the necessity for the transcendence of capitalism but also the fact that the system produced the instrument, viz. the proletariat, through which it could be carried out, Hardt and Negri's practical proposals for going beyond contemporary globalization come as a damp squib.

The authors propose political struggles for three global rights: the right to global citizenship, the right to a minimal income, and the right to a re-appropriation of the new means of production (i.e. access to and control over education, information and communication). Instead of concrete strategies of struggle, we thus end up with mere pious wishes.

Take for instance the right to a minimal income. The immanent tendency of capitalism to produce "wealth at one pole and poverty at another" is manifesting itself at present through a vicious process of absolute immiserization, caused by an unleashing of primitive accumulation of capital that is not accompanied by any significant absorption of the impoverished into the ranks of the proletariat. The demand for a minimal level of income in this context is meaningless unless we are willing to transcend capitalism and struggle for an alternative system which is free of any immanent tendency to produce such absolute impoverishment. The logic of this alternative system, the nature of this alternative system, the roadmap for getting to this alternative system (which we call socialism) must therefore be worked out if we are serious about the right to a minimal level of income. The demand for such a right within capitalism then can only play the role of a *transitional demand* (in Lenin's sense), which is unrealizable within the system but which can act as a mobilizing, educating and illuminating device.

To argue *in general* for a minimal level of income therefore is an illusion if it is considered achievable within capitalism, and a mere pious wish if the contours of a society within which it is achievable are not analyzed. To detach this demand from the struggle for socialism is reflective of a theoretical flaw, which afflicts *Empire.* The book, notwithstanding its several insights, does not have any analysis of the tendencies immanent in globalization, does not examine the economics of the system, does not see its "spontaneity", its self-driven character that both creates its own grave-diggers and gives rise to conjunctures for revolutionary political praxis.

Georg Lukacs had once said that the remarkable property of Marxism was that every idea that apparently went beyond Marx was in fact a reversion to something pre-Marxian. Hardt and Negri's post-Marxist analysis paradoxically ends up regressing to a position that is even pre-utopian-socialist.

The Struggle Against Imperialism

The nature of the crisis it was argued earlier differed somewhat between the first and the third worlds. In the former it is primarily a crisis of insufficiency of aggregate demand, which manifests itself in terms of unemployment and unutilized capacity, while in the latter (especially in countries like India) this aspect of the crisis, though not altogether absent, is muted (as yet), but impoverishment of the peasants and petty producers through a process of primitive accumulation of capital, and of the workers too as a consequence of it, takes centre-stage. It follows that class alliances behind the struggle will be different in the two theatres.

In the former, the working class, the immigrants, the so-called "underclass", together with the white-collar employees and the urban middle class, will combine to provide resistance, as is happening in Greece, France, Ireland and England, though of course, as also happens in all such situations there is a parallel growth of fascism promoted by finance capital that seeks to thwart and disrupt this resistance. In the latter it is the peasants, petty producers, agricultural labourers, marginalized sections like the tribals and dalits, and the working class that will combine to provide the resistance, while segments of the urban middle class, who are as yet untouched by crisis in any form and benefit from the high growth ushered in by globalization, may for the time being become followers of the big bourgeoisie and financial interests.

The crucial difference thus relates to two segments: the peasants and petty producers who are a significant anti-imperialist force in the third world but are of less significance in the first, and the urban middle class which is a militant force in the first world (as exemplified for instance by massive student protests) but vacillates or tails the big bourgeoisie at the moment in the third world. (Latin America is different in this respect both in having a relatively small peasantry and in having an urban middle class that has experienced acute distress caused by its longer history of globalization and unrestrained neo-liberalism).

Given this difference, a co-ordinated global resistance is not on the horizon, in which case the struggle against imperialist globalization must take diverse forms in diverse regions. In countries like India at any rate, it must entail forming a worker-peasant alliance around a national agenda based on a judicious de-linking from the global order.

The proposal for a selective de-linking of the national economy from the global economy will be objected to by many, since it appears to involve a retreat to "nationalism" from a regime of globalization. True, globalization is dominated by international finance capital and is carried out under the aegis of imperialism, but the way to fight it, many would argue, is through coordinated international actions by the workers and peasants. Nationalism, even anti-imperialist nationalism, they would hold, represents a retreat from such international struggles, and hence a degree of shutting oneself off from the world, which has potentially reactionary implications.

There are two basic arguments against this position. First, internationally-coordinated struggles, even of workers, is not a feasible proposition in the foreseeable future. And when we see the peasantry as being major force in the struggle against imperialist globalization in countries like ours, so infeasible is the international coordination of peasant struggles, that one cannot help feeling that those who insist on such international coordination are altogether oblivious of the peasant question. In other words, any analysis that accords centrality to the alliance of workers and peasants as the means of embarking on an alternative strategy, cannot but see the struggle against imperialist globalization as being nation-based, with the objective of bringing about a change in the nature of the nation-State.

Secondly, as already mentioned, such de-linking is essential for bringing about an improvement in the living condition of workers in any country. And the workers who struggle for such an improvement cannot possibly be asked to wait until a new World State has come into being that is favourably disposed to the interests of workers and peasants.

Any delay on the part of the Left in third world countries like ours in working towards such a worker-peasant alliance against imperialist globalization will have serious consequences for another reason: the peasants will not wait for the Left to organize them; they will turn to all kinds of fundamentalist organizations to spearhead their resistance against the new global order if the Left does not step in. It is possible to detect the class support of peasants and petty producers behind the Islamic fundamentalism of an Ahmedinijad in Iran, just as the same class support lies behind the rise of an Evo Morales in Bolivia. Whether we follow the Iranian or the Bolivian trajectory depends upon how quickly the Left moves to organize the peasantry as a militant force aligned with the working class against imperialist globalization.

But, leaving aside pragmatism, doesn't a retreat into a national agenda represent a conservative, defensive reaction of the sort that Hardt and Negri had criticised, as opposed to seizing the dynamics of globalization for a revolutionary carrying forward of the process? Isn't a retreat to a national agenda against the march of history, an un-dialectical act of setting the clock back? The answer to this question lies in the fact that the forward march of history is ensured by the lead provided by a force that comprehends "the historical process as a whole", a force that brings the revolutionary class outlook to the working class and organizes the peasantry around it. The march of history is not reducible to formulae about whether the *terrain of* resistance is national or international; it depends upon whether the leading force in the resistance is *internationalist* or reactionary.

The crisis of capitalism, as argued earlier, is likely to be a protracted one. It will pass through many phases and many twists and turns, some even adverse to the Left, just as during the unfolding of the 1930s crisis. But it is pregnant with historical possibilities of a socialist transition for mankind if the Left makes proper use of this conjuncture, as Lenin had done earlier.

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Further Readings

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