

The Cordon Sanitaire: A Single Law Governing Development in East Asia and the Arab World

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Foreword:

This book compares the most successful region of the developing world, East and Northeast Asia, especially the countries that joined the rich club, with a very unsuccessful region, the Arab world. On the face of it, it may be unnecessary to do so. Looking at the data informs an enormous contrast. In East Asia, we have industrialisation, steadily rising economic growth and closing income gaps, while exactly the opposite image prevails in the Arab region. However, to prove a point comparing data that are already self-evident in the given phenomenon is not the purpose of this book. Data alone without a conceptual framework rooted in categorical knowledge or without a specific social dynamic motivating success or failure are only part of the story. Beyond the obvious averages, industrialised Israel and the smaller Gulf states, which are among the highest global per capita incomes, fall in an Arab region afflicted by several wars. The industrial Northeastern Asian states and a couple of smaller states in South Asia are also situated in an area with significant poverty and sweatshop working conditions. Although with so many Arab countries in a state of war, in addition to severe cases of malnutrition and near starvation in some countries like Yemen, the Arab region appears to fare worse, statistical weighting alone cannot tell us why some crossed the development threshold and others did not. At any rate, heterogeneity is akin to natural and social being, and empirical differences occur at every level between and within regions. Still, with a certain dose of subjective arbitrariness, empirics may lead us to innumerable theories or a sort of solipsism.

There is an additional remarkable difference between these two regions. East Asia has had its big wars about four decades ago and has become integrated with the global economy through market expansion or the sale of civilian end-use commodities, while the Arab region has experienced the highest frequency of war over the last four decades and is integrated with the world via the industry of war and the strategic control of oil. While the richer industrial Northeastern states assimilate the surrounding economies through lower end tech-production processes and sweatshops, Israel's expansion and superior power are a constant feeder of the war industry and integrate the Arab region via a domain of accumulation known as militarism. Yet, there is also a remarkable similarity between these regions. Rich countries in both regions are closely allied with US-led imperialism. In particular, the developed Asian countries serve as part of a Cordon Sanitaire hedging the advance of China and hence, the choice of title. Accordingly, one may deduce that to

develop as such, or to grow wealthy and sustain a pro-imperialist working-class consciousness, a given country has to supplement US-led imperialist hegemony.

However, development under capitalism answers to the higher rates of profit through laying the appropriate social and political groundwork for production. Society receives the messages to remould social conditions to the desired profits from a market in which the exchange between commodities doubles for exchange between humans. In such a dynamic system, the input of labour into production is variable, and its costs must be kept to a minimum for profit rates to grow. The most violent practice of cheapening labour is a principal characteristic of the law of value. The subtitle of this book 'a single law governing development in East Asia and the Arab World, refers to the law of value. This law also regulates how much of society's labour and other resources should be used and to which areas of production they should be allocated. An obvious conclusion of such law is that it sets aside or destroys many resources, including human resources, especially when such resources do not cheapen labour or, inversely, boost profit rates. Through the sale of labour power on the market, private labour becomes social labour or value. Unlike previous historical stages, it is only under capitalism that labour time becomes value via the exchange of its products in an alienated and objective institution called the market.

This value, socially necessary labour time, is the resource society puts to use to reproduce itself. No society can go on without working and that is why no social theory can be complete without a theory of value. Neoclassical economics also understands the importance of having a theory of value and it has its own: a subjective theory of value. It is a nice theory—maybe too nice! What I mean by nice is in this theory of value, the individual develops tastes for chewing gum or bombs, measured in utils (units of happiness) and that is essentially why these commodities acquire different values and prices relative to each other. What I mean by too nice is that while each individual is signaling with a certain taste what the world should produce, society achieves Pareto optimality and equilibrium: social costs meet social benefits at the juncture where no one can be better off without making somebody worse off. With a bit of egalitarianism, the neoclassical set-up becomes utopia. In such utopia, the activity and tastes of polymorph individuals may not be governed by regulations and technical or social articulations but will be managed by social needs (tastes).

In a society where production caters to tastes, the state may be dissolved as a separate instance from public coercion and politics—much as it voices the interests of social groups and covets the conquest of power—may be de facto dissolved. These two preceding sentences are not mine; they are the paraphrased version of Marx's definition of generic Communism. Had Marx only known that neoclassical economics also seeks the perfectibility of man, he probably would have kept at arm's length from such tiring critique of capital. Realistically, however, subjective value theory is trans-historical. Naturally, a

well-to-do minority of individuals across history who enjoy the luxury of choice valued certain things more than others. But most people are choiceless and work out of necessity. More importantly, each historical period has its own characteristics. This theory does not explain how society survives as capital socializes and commodifies everything under the sun, including labour power. The capitalist system overproduces for profits, while social needs cannot be met because the profit motive necessarily requires cheaper labour inputs and, hence, opposes the public demand for welfare. In the capitalist age, overproduction persists with underconsumption as two sides of the same coin. While production for profits in East Asia meets the socially conditioned tastes for chewing gum and garment lovers around the world, production of bombs also meets tastes of a class with an in-built proclivity for devastating fireworks.

Though much has been said about East Asian super-exploitation and its high rates of surplus value creation supporting profits, it has also been somewhat taboo for Eurocentric social science to speak of militarism and its commercial exploitation. Colonisation, colonial wars and slavery are forms of commercial exploitation. In its early stages, capitalism was born in crisis and its law of value operated with more than just super-exploitation. It required the outright enslavement of people and the regulation of labour reproduction by measures of depopulation. But capital never came out of its crisis. Its appetite for higher rates of commercial exploitation had risen and acquired new forms. The bombing of states like Iraq into continuously warring territory depriving its working class from its potential medium of self-representation on the global stage (the state) is a form of mass de-subjectification similar to enslavement. An industry of war and drastic austerity, which combine to strip people of their collective will and regulate the reproduction of labour, are the structural representation of militarism.

There are broadly two views on why this militarism and its associated commercial exploitation, including depopulation or the premature extinguishing of labour power alongside the labourer in war and war-related industry, do not pierce the debate. First, the Eurocentric left considers colonial pillage and imperial assaults as a historical bent pertinent to empires across history that falls outside capital's sphere of reproduction. Eurocentric accounts consider imperialist violence extraeconomic activity separate from the accumulation cycle. Much of the more violent facet of capital, imperialism, does not matter for exchange, and therefore, it does not involve the production of value. Even when such products of imperialism enter the sphere of exchange, they are produced with primitive technology and circulated at low prices, indicating little value relevance. Some also rely on the Marxian dichotomy of productive/unproductive labour, assuming that militarism cum commercial exploitation engages unproductive labour. Second, the neo-Malthusian position considers that a population violently auto-regulating its reproduction relative to scarcity or finite resources to be more of a burden to capital because the lifebuoy

of the planet (the Western hemisphere) bears the cost of refugee floods and interventions. Whether it is the death and starvation of Iraqi children under the UN embargo between 1991 and 2003 or the slowly inflicted Rwandan massacre of 1994, dispensability of human life is not a significant money-making operation. This approach is backed by a technological determinism, which disengages less productive labour whose empty stomachs become the devil's playground. With a handful of humans with advanced machinery producing plenty of goods, the rest may perish because they hold little value for capital. Since Malthus, the earth has become more able to support its inhabitants. Apart from the fact that overproduction flies in the face of Malthusianism, its real problem is in its mode of analysis. Reproductive behaviour and moral codes change with changes in the social forces guiding accumulation and their partition in thought partitions reality. Scarcity is socially construed, and technology can be put to the service of humanity. Shooting or sinking refugees at sea fleeing to Europe is not a sport, it is the product of ages of imperialist aggression in Africa and the Arab world. Once the fullness of reality is brought in, the conceptual rigidity of its analysis serves as the basis for right-wing demagoguery.

Now, we come to the less insipid explanation of the Eurocentric left and its ideological progeny in the former colonies. For a very long time, Western democracy has been a conveyor belt for paying off the central working classes, the imperialist foot soldiers of aristocratic nations and their ideological progeny in the developing world. Democracy, in that sense, is another name for the distributional function of the state reasserting the international division of labour. It is no coincidence that many brands of Marxism predominant in the North, whose liberal adherents restrict their struggle to online activism on wealthy university campuses, are almost completely alien to Southern hemisphere. When social being and material circumstances determine consciousness, discrepancy between Marxist ideologies, North and South, comes clear. In a word, there is a material/ideological foundation why the left and right of Europe consider the non-European part of the planet cheap and outside the totality of the capital relationship. In justification of its position, social democracy reverts to something of a holy scripture in Marx's Capital vol. I. Workers who do not own the better machines produce higher surplus value because the commodity they make, be it useful or just waste (bomb-like), is realised for higher prices in Northern markets. The one-sided abstractions in Capital vol. I, such as productive and unproductive labour, or prices set at values, which were adopted to reveal the source of surplus value, were also meant to be surpassed under fully mature capitalism. Whenever formal or one-sided concepts develop in reality, they will be fraught with contradictions.

Reality develops by contradiction and that is why logical fallacies abound. Unless the whole world is of one quality and quantity, there will always be a transformation problem. For instance, it is not to the productivity of one worker that determines his or wage rate. The

working class receives its share from the additional wealth it created through its own struggle and unity or by the power balance of the class struggle. The politics of working-class struggle mediate such manifold differences of employed/unemployed, productive/unproductive and/or different skills. On capital's side too, it is not the single factory owner in *Capital* vol. I who revamps social conditions to lower necessary labour or their form in wages, it is the politics of the capitalist class and its practice of imperialism. The fixation of social democracy with the formal side of Marx, as opposed to the historical, is not innocuous. It says that our central wages are higher, and deservedly so, because our productivity is higher. Imperialism has little or nothing to do with it. Confronting colonial slaughter in Algeria, Frantz Fanon critiqued the reluctance of European communists to support the liberation struggle and called for Marxism to be stretched. But in a theory of history rooted in the global class struggle, the revolutionary content of Marxism is already stretched. Moreover, value or wealth is both subject and object. Value is the pile of commodities and the subject cum relationships governing the reproduction of commodities. Over the last five centuries, not only Western wealth grew—commodities as such—but all the relations that ensure the perpetuity of such wealth or historical surplus value also grew. Militarism, new forms of de-subjectification or enslavement, and more of production as waste took hold to sustain the flow of labour and nature at minimum costs. A leading civilisation whose material culture evolves with the commodity as self-expanding value, that is, the contradiction between use value and exchange value, which ex ante takes its cue to allocate or destroy resources from things exchanging for things, developed an impenetrable ideological arsenal to further the rule of commodities over society. Working in the early sixties, Anouar Abdel Malek likened the imperialist stance of such ideology as Orientalism. It is not the same as the more recent literary critique of the bourgeois cant designated as hate jargon; it is the magnification of the contradiction within value itself, the commodity, which necessarily develops by violence. With imperialism grounding the material basis for the reproduction of European culture, revolutionary change from within is highly unlikely without a 'Re-Orient', as per Andre Gunder-Frank's major work, or the re-emergence of a counter-acting civilisation from the South, as per Anouar Abdel Malek's work 'Changing the world'.

Under capital, violence is both cause for itself, as in war for war's sake, and cause to pursue strategic interests. Both strands of violence are a domain of accumulation, a militarism as Rosa Luxemburg called it. In any accumulation process, it involves production, exchange and circulation of value. Subject to the law of value, it produces surplus value. How this surplus value is assessed depends on the power controlling the production of value, its unit of measure and the accounting system it uses to capture a moment of the process. In a structural world composed of a centre integrating some other less productive tertiary markets clustered around it, money-capital flows do not reflect the value arising in production. The dominant subject, imperialism, exercises authority to undermine the price

of the value being produced. Theoretically, the centre could be funnelling money in aid and/or pseudo-humanitarian fair-trade measures, but at least by the inertia of the historical surplus value or the growing avarice of imperialism, a transfer of value from the subjugated markets has to persist. In the sphere of circulation, such as increasing wages at home or development aid abroad, the activity of capital promotes its resiliency so long as demands for equalising value distribution in the sphere of production are halted. In this single but hierarchically structured market, in which the share of labour from the surplus product is determined by its solidarity, while conversely, capital manifests itself as subject in the dividedness of labour, the class struggle itself becomes the determinant of production. In militarism, war as industry and the class struggle coincide. As value is the share of the potential labour from total labour, regulating the reproduction of labour and labour power by militarism becomes the furnace of surplus value creation. Militarism is the sphere of accumulation integrating the Arab world in a system of anachronic production in which the realisation stage of commodities presupposes wars at the beginning and at the end of the production process. That is a world not orderly structured around a Manichean binary of 'good capitalism' and 'bad capitalism' and in which revolution is inevitable. It is the real overdetermined structure, intercausal, dominated by hegemonic imperialism opposed by weak antisystemic liberation movements and where each subject realises its own material substance or class content. In such a world, many stages of production and realisation presuppose each other.

Northern production pre-envisages war, and war itself becomes a stage in the realisation of Northern production. War as a form of militarism intensifies the consumption of peoples stripped of their will and rendered commodity-like. The accelerated use of labour power, brain and brawn, in production as war is commercial exploitation. In relative terms, the Arab rate of surplus value creation by militarism and its commercial exploitation exceeds the East Asian super-exploitation. In most of this work, I make the point that exactly the same law of value, applied in two different forms of exploitation, imposes two different modes of exploitation to undergird the exponential profit rates. In the last chapter, I investigate the possibility of relapse into militarism in East Asia. China's rise is inexorable. An American Asian pivot is confronting China's market expansion whose latest glitzy name is the One Belt-One Road. East Asia could slip back into militarism as a result of the recent military build-up. China is growing in real terms; it is owning assets abroad in areas controlled by the USA, not only financially. Its financial growth alone is not a threat to US-led capital. China is developing a fully integrated endogenous developmental capacity, including a sovereign production matrix, exacerbated by, and contingent on China's size. It is big in engineering and STEM subjects (science, technology, engineering and mathematics). Such is the real threat to US-led capital. At last, the 'East wind is prevailing over the West wind'. Yet, in language meant to stultify and allude to war something inherent in human nature, mainstream social science has dug up pre-capitalist imperial

wars to analogise the possibility of war as result of China's ascent. Unlike past imperialist wars, capitalism has a peculiarly nasty motivator for war: commodity fetishism. China's and the USA's proxy wars are already afoot. The comprador elements of ruling classes in nations of the Asian Cordon Sanitaire and some of their downstream production subsidiaries may be itching for war, but the rest are in a bind. A war in Asia has a reputation for being big, and this time around, it may involve mutually assured destruction. War or not will depend on how the working classes around the world realise the seriousness of the existential debacle.