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*Editorial*

JOTTINGS ON  
THE CONJUNCTURE

**T**HE CONTEMPORARY PERIOD—datable at one level from the economic and political shifts in the West at the turn of the eighties; at another from the collapse of the Soviet bloc a decade later—continues to see deep structural changes in the world economy and in international affairs. Just what these have been, and what their outcomes are likely to be, remains in dispute. Attempts to read them through the prism of current events are inherently fallible. A more conjunctural tack, confining itself to the political scene since 2000, involves fewer hazards; even so, simplifications and short-cuts are scarcely to be avoided. Certainly, the notations below do not escape them. Jottings more than theses, they stand to be altered or crossed out.

I. THE HOUSE OF HARMONY

Since the *attentats* of 2001, the Middle East has occupied the front of the world-political stage: blitz on Afghanistan—sweep through the West Bank—occupation of Iraq—cordon around Iran—reinvansion of Lebanon—intervention in Somalia. The US offensive in the region has dominated the headlines and polarized opinion, domestic and international. A large literature has sprung up around its implications for the flight-path of American power, and of the direction of world history since the end of the Cold War. In the US establishment itself, fears of a debacle in Iraq worse than that in Vietnam are not uncommon. The analogy, however, should be a caution. Humiliating military defeat in Indochina did not lead to a political weakening of the global position of

America. On the contrary, it was accompanied by a tectonic shift in its favour, as China became a de facto ally, while the USSR sank into a terminal decline. Little more than a decade after the US ambassador fled from Saigon, the US president landed as victor in Moscow. In Vietnam today, American companies are as welcome as missions from the Pentagon. Historical analogies can never be more than suggestive, and are often misleading. But such reversals are a reminder of the contrast that can exist between depths and surface in the sea of events.

## I

Seven or eight years make a short period for dropping a plumb-line. But if we try one, what look like the major developments? Far the largest, by any measure, must be the emergence of China as the new workshop of the world: not just the rapid expansion of one outsize national economy, but a structural alteration of the world market, with a global impact closer to Victorian England than the more parochial settings of Gilded Age—perhaps even Post-War—America. Three consequences of China's high-speed growth have followed. Domestically, it has created, amid dramatically increasing inequality, a substantial middle class attached to the status quo, and a more widespread ideological conviction, extending well beyond the middle class, of the benefits of private enterprise. Internationally, it has locked the PRC into a close embrace with the United States, through a level of economic interdependence surpassing that of Japan. Globally, it has in the past four years helped sustain—or unleash—world growth rates not seen since the sixties.

## 2

What of Japan, still the second largest capitalist economy? After a decade of deflation and stagnation, it has finally recovered some momentum—in significant part, on the back of Chinese demand—posting a growth rate well above Europe over most of the last period. Politically, its ruling party has sought to remodel itself as a more coherent neo-conservative force. To a more openly right-wing course at home has corresponded an aggressive shift towards a more hawkish foreign policy, in tune with Washington, abroad—dispatching troops to Iraq, screwing up pressure on North Korea, preparing to jettison the peace clauses in the

constitution. Currently checked by loss of electoral support, this line has met no consistent alternative from an opposition in large part derived from the same matrix.

## 3

The major European development, overshadowing all other processes, has been the enlargement of the EU to the East. The successful integration of the Warsaw Pact zone into the Union is now all but complete—an impressive accomplishment of European capital. Privatization of the former Communist economies has been driven through by Brussels and a close watch maintained on local governments to keep them aligned with West European norms. Politically, on the other hand, the expansion of the Union has so far not strengthened but weakened it, as American ability to mobilize support for the war in Iraq, from new as well as old members, and subsequent divisions have shown. The EU is now a vast free-trade area, dotted with governments representing a somewhat wider spectrum than in the US or Japan, but without much external common will or coherent inner direction. Its three leading continental states have drifted sluggishly in a more neo-liberal direction—Schroeder's Agenda 2010 in Germany, Raffarin's reforms and Sarkozy's sequels in France, Prodi's packages in Italy—without yet matching New Labour in Britain.

## 4

Russia has been stabilized by a neo-authoritarian regime, financed by the world commodities boom. Less dependent on the West than Yeltsin's government, Putin's system has a larger margin of diplomatic leeway, and smaller need to simulate democratic niceties. It enjoys a less enthusiastic press in the West, and is a more abrasive partner for the US and EU. But while seeking to restore Russian influence in its near-abroad, the new regime has hitherto been careful never to cross the will of the United States over any significant international issue, and offers a far better basis for capitalist development than Yeltsin's could do, since it has not only wiped out any traces of serious political dissent, but achieved very high levels of social support, secured by economic recovery. At home, Putin has for some time now been far and away the most popular leader of any major state in the world. Given the demographic

collapse of the country, and continuing misery of much of its population, this is an impressive achievement.

## 5

The Indian economy has been growing steadily, if at nothing like the rate of China. The combination of much vaster layers of untouched poverty and popular electoral choice has so far impeded any headlong neo-liberal turn. But there is now a large Indian middle class that has internalized Western consumer and celebrity culture even more avidly than its Chinese counterpart, and sets the basic direction of BJP and Congress policies alike. Still fettered domestically by the weight of under-class voting blocs, its aspirations have found expression in the abandonment of India's neutralist foreign policy for a burgeoning ideological, military and diplomatic rapprochement with the United States. Resistance to this move in parliament is capable of slowing, but is unlikely to deflect, it.

## 6

In Brazil, the first presidency in the country's history elected from a workers' party, buoyed like the Russian regime by the world commodities boom, has consolidated its popular base with more job creation and measures of income support for the poor, while otherwise pursuing with little alteration the neo-liberal policies of its predecessor, adopted at the behest of the IMF. Traditional levels of corruption have continued, without affecting its electoral ratings. Internationally, the country's most conspicuous foreign-policy initiative has been to relay the Franco-American intervention in Haiti, in the hope of being rewarded with a permanent seat in the Security Council, along with Japan, Germany and India—in the event, a tip withheld. Regionally, it has given less priority to deepening trade integration in Latin America than to modifying WTO rules in its favour.

## 7

What of the United States itself? The Republican Administration elected in 2000 has pushed through successive tax cuts that accentuate still

further the regressive redistribution of wealth and income under way in the country since Reagan. Bankruptcy laws have been altered to favour creditors, and systems of regulation diluted. The Supreme Court has become one vote more conservative. Otherwise, although its rhetoric has been radical right, the domestic record—on social security, health, education, banking and the environment—has been unremarkable. Economic growth and job creation have remained much as before. No structural changes comparable to the abolition of Glass–Steagall and traditional welfare arrangements by Clinton have been achieved, or are in prospect. If anything, Medicare and Sarbanes–Oxley fall on the other side of the ledger. Civil liberties have been eroded by the Patriot Act, but on a bipartisan basis and minor scale compared with the days of Wilson. Institutional checks and balances, and electoral pragmatism, have limited what the White House can do at home, in a landscape where voting blocs defined by ‘value’ agendas remain evenly divided. No durable shift further to the right in the centre of gravity of American politics has occurred under Bush, crippled since mid-term Republican defeat in 2006. In the standard pattern for American presidencies since 1945, the activism of the Administration has by way of compensation been concentrated abroad, where its performance in the Middle East has aroused an international furore, giving rise to now familiar rival depictions of the unconcealed emergence of an American empire, or the precipitous decline of one.

## 8

Together, China, Japan, the EU, Russia, India, Brazil and the US account for well over half of the world’s population, and 80 per cent of global GDP. If the twin objectives of American foreign policy since World War Two have been to extend capitalism to the ends of the earth, and uphold the primacy of the US within the international state system—the second viewed as a condition for realizing the first—how does the reckoning of the first years of the 21st century look? Overwhelmingly positive, so far as the widening and deepening of the grip of capital goes. Financial markets have advanced at the expense of older forms of social or economic relationship across the board. Regardless of the parties in power—Communist, Liberal-Democratic, Gaullist, New Labour, United Russia, Congress, Workers or Republican—the same basic bundle of property rights and policies has rolled forward, at varying speeds and in differing

stages, but with no significant counter-marches in the opposite direction. Rather, with world trade still racing ahead of world growth, there has been a steady increase in the interlocking of all the major capitalist economies in a common dependence on each other.

## 9

Politically, what is the balance sheet? Essentially, what we see is the emergence, still in its early stages, of a modern equivalent of the Concert of Powers after the French Revolution and Napoleonic Wars. That is: increasing levels of formal and informal coordination to maintain the stability of the established order, accompanied by traditional jockeying for advantage within its parameters, from which there is no radical discord. The decisions of the Security Council are a principal theatre of this process, currently on display in collective resolutions on Iran. There is, however, one large difference between the Concert of Powers after the Congress of Vienna and its counterpart since Nixon's visit to China and the Congress of Paris. This time a single superordinate power, occupying a position unlike any other, holds the system together. In the days of Metternich and Castlereagh, there was no hegemon comparable to America. With still the world's largest economy, financial markets, reserve currency, armed forces, global bases, culture industry and international language, the US combines assets that no other state can begin to match. The other powers accept its asymmetrical position among them, and take care not to thwart it on any matter to which it attaches strategic importance. Typically, conflicts remain confined to low-level commercial issues—Airbus, Doha and the like—where stand-offs can occur because so little is at stake; or to intermediate zones where geopolitical ambitions overlap—Caucasus, the Baltic, Turkestan. The other major powers make little attempt to balance against the United States, in traditional fashion, both because of the degree of interdependence linking their interests to its economy—unthinkable in the early 19th century—and because of their common interest in Washington's policing role in less stable parts of the world, whose costly and sometimes risky tasks they are generally happy for it to shoulder. Thus while the relative weight of America in the global economy is plainly declining, with the rapid rise of alternative capitalist power centres, the political leverage of the United States in a now densely interconnected universe of profit and privilege, all of whose

elites regard themselves as fellow-members of the ‘international community’, remains incommensurable with that of any other state.

## IO

This configuration does not deliver a system without frictions or attritions. Russia and China do not want the United States to entrench itself too deeply in Central Asia, or corner Iran too aggressively. India remains on its guard against US patronage of Pakistan. The EU toys with a rapid deployment force of its own. American primacy imposes a series of *faux frais* on its partners that are unlikely to diminish. But just because there is no automatic coincidence between the particular interests of the US and the general interests of the system, a consciously managed Concert of Powers is required for the adjustment of tensions between them. That adjustment will never be perfect, and the mechanisms for achieving it have yet to be fully formalized: pressure and counter-pressure intertwine within a bargaining process that is unequal but not insubstantial. To date, however, the gaps and rough edges in the system have not seriously threatened the emergent legitimacy of the ‘international community’ as a symphony of the global capitalist order, even with a somewhat erratic conductor.

In such a Concert, inter-state relations can be expected to remain below the threshold of antagonism, as defined in the classical theory of contradictions, because of the universal interlocking of financial and commodity markets in a post-nuclear age. This does not mean that the major powers are all equally capitalist. The shortfall—economic and political—of China and Russia from Western norms constitutes residual sand in the smooth functioning of the system. The wager of the West is that by the time they have achieved full height as world powers once again, they will have evolved into the same forms as itself. Then even superiority of power—all too predictable one day for China—can be gracefully conceded, in the assurance of similarity of being. The most lucid theorists of American imperialism are fully conscious of the fact that US primacy and a worldwide liberal civilization are not logically interdependent. They contemplate, calmly and explicitly, the passing of the first as soon as it has accomplished its mission of securing the second—within a generation, perhaps, according to one of the most cold-blooded of estimates.

## II

In such conditions, the overall drive of the Republican Administration has been substantially continuous with that of its predecessors. Most significant has been the thrust of its policies towards America's two great antagonists of the Cold War period, China and Russia, both of whom have been brought without a hitch into the Concert of Powers: coached or assisted—often via US-trained officials—in the development of market-based economies, respected where their most acute local sensitivities (Taiwan, Chechnya) are concerned, and integrated into the festivities of the global spectacle (St Petersburg summit, Beijing Olympics, etc). Issues of contention—planting missiles too close to Moscow, hectoring Beijing on the yuan—persist, but have so far been contained. In the same period, ties with Japan have never been closer. A new alliance has been forged with India, and there has been little friction with Brazil, aside from tiffs over trade, without much consequence on the plane of high politics. In Europe public opinion, more swayed by style than substance, has been irritated by Bush's straightforward rejection of Kyoto or the ICC, as opposed to discreet burial under Clinton. But on matters of substance, the Administration has registered major gains, not only propelling EU enlargement behind NATO expansion, but obtaining the admission of Turkey into Europe as a top objective of Brussels to come. In Europe as in Japan, China, India, Russia and Brazil, American strategy has been, not rhetorically, but structurally continuous since the end of the Cold War.

## II. THE HOUSE OF WAR

Against this background, the military theatre of the Middle East stands out. Here, and here alone, the Republican Administration appears to have broken with the traditions of US global practice since the end of the Cold War, if not the Second World War, and inflamed key European allies, not just in manner but in harsh substance—the war in Iraq being widely regarded in the EU as not only gratuitous, but extremely dangerous for the West, with consequences that Europeans risk bearing as much or more than Americans. Virtually all commentary in Europe, not to speak of much in the US itself, now regards the war as a thoroughly irrational aberration, the product of either one-eyed special interests (oil companies, or corporations at large) or unhinged ideological



zealots (a neo-conservative cabal) in Washington. But if the Republican Administration has matched means and ends more or less rationally everywhere else in the world, the explanation of a mismatch must logically start from the Middle East, not the United States. The essential question to ask is: what are the special characteristics of this zone that have generated anomalous policies towards it?

## I

Plainly, the region's huge reserves of petroleum have long made it a major area of strategic concern to the United States. But America was not suffering from any immediate threats to its supply when it invaded Iraq, and has never done so. Client states control the whole oil-rich Arabian peninsula, and even direct acquisition of the Iraqi fields—certainly one strand of calculation in the invasion—would at best have yielded only a moderate increment in its energy position.<sup>1</sup> By 2002, so far as its role in OPEC went, the Ba'ath regime was no more, in fact much less, of a thorn in Washington's flesh than Iran or Venezuela. Its earlier attempt to seize Kuwait had, however, caused genuine alarm, since it might then have emerged as a larger petroleum producer than Saudi Arabia itself, as well as a more substantial military power. From Clinton's time onwards, American policy—with European support—was therefore always to destroy Saddam, by blockade, bombing, coup or assassination. Continuing lack of success in this endeavour, inevitably implying consideration of stronger measures, was another factor of the background to the invasion. The general sense in the American establishment, across the board, was that Iraq was unfinished business, its regime an affront that no Administration was prepared to accept, and all had tried by varying means to bring down.

## 2

Thus a land attack did not come out of the blue. It was a ratcheting up of acts of war raining more or less uninterruptedly on Iraq since 1991. In that sense it was not a 'break' as historians would normally understand

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<sup>1</sup> The size of Iraq's unexplored reserves, a still uncertain multiple of the country's output, may have loomed larger in long-range thinking about the war, as Greenspan has implied.

the term, but an ‘escalation’ of hostilities that had by standards of international law been continuous for over a decade. It is only by minimizing the levels of violence directed at Iraq and its population in the Bush Sr–Clinton years that the thesis of a sudden departure from previous norms can be sustained. Casualties since the invasion have been higher than they were before 2003, but they are of the same order: hundreds of thousands dead. Impunity in the first phase—what in classical military terms amounted to an *Ermattungsstrategie*—was assured by the removal of any Soviet counter-weight in the region.<sup>2</sup> Impunity in the second phase—with the shift of gear to a *Niederwerfungsstrategie*—could rely, it was believed, on a ‘revolution in military affairs’, or the advent of electronic warfare and precision targeting. Clinton’s effortless blitz on Yugoslavia and Rumsfeld’s costless descent on Afghanistan encouraged a belief that the RMA could do anything. This attitude was most pronounced among Republican hawks, but not specific to them: it was Albright who asked what was the point of having the most powerful army in the world without using it.

## 3

Such considerations, however, merely indicate why Iraq was for a decade an object of perpetual anxiety in Washington, and how an attack on it could have been conceived as a project without disproportionate risk. They do not explain why the Bush Administration, even by miscalculation, should have launched a war opposed by two leading European allies and a significant minority of the American elite, and so much at variance with its basically conventional stance elsewhere in the world. This can only be understood in the psychological light of 9/11. The attack on the Twin Towers and the Pentagon enabled national mobilization behind an offensive in the Middle East, rapidly translated into lightning conquest of Afghanistan, to all but unanimous domestic and international applause. Yet once Kabul had fallen—so the general view goes—there was no sensible reason for a march on Baghdad, given the lack of any connexion between Al-Qaeda and the Ba’ath. So the pretext of WMD had to be trumped up to justify an irrational enterprise.

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<sup>2</sup> *Ermattungsstrategie*: ‘strategy of attrition’; *Niederwerfungsstrategie*: ‘strategy of overthrow’—terms coined by the German military historian Hans Delbrück, a decade after the Franco-Prussian War. For their political uses, see ‘The Antinomies of Antonio Gramsci’, NLR 1/100, November–December 1976, pp. 61–70.

Historically, however, a circumstantial irrationality—typically, some gratuitous yet fatal decision, like Hitler’s declaration of war on the US in 1941—is nearly always the product of some larger structural irrationality. So it was with Operation Iraqi Freedom. Putting it simply, the reality was—and remains—this. The Middle East is the one part of the world where the US political system, as presently constituted, *cannot* act according to a rational calculus of national interest, because it is inhabited by another, supervening interest. For its entire position in the Arab—and by extension Muslim—world is compromised by its massive, ostentatious support for Israel. Universally regarded in the region as a predator state that could never have enjoyed forty years of impunity without vast supplies of American arms and money, and unconditional American protection in the UN, Israel is the target of popular hatred for its expropriation and persecution of the Palestinians. By logical extension, America is detested for the same reason. Al-Qaeda’s attack on it was rooted in this context. From the standpoint of American power, rationally considered, a Palestinian state that was somewhat more than a Bantustan would pose no threat whatever, and could have been created at any time in the past half century by merely holding back the flow of dollars, guns and vetoes for Israel. The reason why this has never happened is perfectly clear. It lies in the grip of the Israeli lobby, drawing strength from the powerful Jewish community in the US, on the American political and media system. Not only does this lobby distort ‘normal’ decision-making processes at all levels where the Middle East is concerned. Until recently—and even then, only incipiently—it could not even be mentioned in any mainstream arena of discussion: a taboo that, as with all such repressions, injected a further massive dose of irrationality into the formation of US policy in the region.<sup>3</sup>

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<sup>3</sup> The outstanding work of John Mearsheimer and Stephen Walt has finally broken this silence: first with their essay, ‘The Israel Lobby’, *London Review of Books*, 23 March 2006, then with the book that has succeeded it, *The Israel Lobby and US Foreign Policy*, New York 2007. See also Michael Massing’s well-documented account, ‘The Storm over the Israel Lobby’, *New York Review of Books*, 8 June 2006. In striking contrast has been the general pusillanimity of the American Left, prone to emphasizing the role of its bugbear the Christian Right as a more acceptable culprit, when the latter’s function has clearly been in effect a *force d’appoint*. Israeli politicians are more robust, Olmert straightforwardly describing ‘the Jewish organizations’ as ‘our power base in America’: *Financial Times*, 30 November 2007.

## 5

The lunge into Iraq has to be seen in this unstable context. Leading Republican forces had been pressing for stronger measures against Iraq since the late nineties. But the newly elected Bush Administration had also criticized the indiscriminacy of Clinton's interventions abroad, shown scant interest in human-rights doctrines, and in its first months taken few or no significant foreign initiatives. What suddenly transformed it into a highly activist regime were the attacks of September 11. It was these that allowed it to convert what might otherwise have been a difficult enterprise to sell to American voters, a war to topple Saddam Hussein, into one with all but unanimous congressional backing. But 9/11 too did not come out of the blue, any more than the invasion of Iraq that followed it.<sup>4</sup> Rather, with it the structural irrationality of America's role in the Middle East came home to roost. Decades of support for Israeli expansionism never corresponded to any logical interest of American capital in general, but simply to the critical power of the Israeli lobby—latterly topped up by Christian fundamentalism—over regional policy in Washington. Historically, the US itself had never had to pay any domestic price for this patronage of Israel. With 9/11, it finally did so—not as the only motivation of Al-Qaeda's attack, but as one without which it is difficult to imagine it occurring: Bin Laden's first public pronouncement, seven years earlier, gave more attention to the fate of Palestine than any other issue, including the presence of US troops in Saudi Arabia itself.<sup>5</sup> Once the strike had occurred, it unleashed a popular desire for revenge that could only aggravate the originating irrationality itself—passions easily channelled by the Administration against Iraq, in the wake of apparent triumph in Afghanistan.

## 6

The Israeli establishment, and its arm within the US, naturally urged an invasion of Iraq, a long-standing foe that had attempted to bombard it

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<sup>4</sup> Within days of the attack, Fredric Jameson was pointing this out: 'Historical events are not punctual, but extend in a before and after of time which only gradually reveal themselves', *London Review of Books*, 4 October 2001. For his full argument, see 'The Dialectics of Disaster', *South Atlantic Quarterly*, Spring 2002, pp. 297–304.

<sup>5</sup> See Bruce Lawrence, ed., *Messages to the World: The Statements of Osama Bin Laden*, London and New York 2005, pp. 9–10.

during the Gulf War. This in itself, however, is unlikely to have been more than a contributory factor in the drive to Baghdad (though had Israel opposed the war, we can be fairly sure it would not have happened). No such direct causality was necessary. The point is rather that in the Middle East every normal calibration of means and ends has already been so corrupted by the discrepancy between the ostensible and actual determinants of American foreign policy that an arbitrary adventure of some kind was always on the cards. So long as Washington remains affixed to Tel Aviv, there is literally no way that the ordinary rules for a rational exercise of US power apply. In this case, the survival of the Ba'ath regime was—for reasons quite independent of Israel—a standing affront to the American establishment as a whole, and the hi-tech hardware was at hand to remove it. In these conditions, the underlying spirit of the enterprise was: why not? In the post 9/11 atmosphere, the attack became a bipartisan affair, approved in advance by Congress, unlike the Gulf War, when it split down the middle.

## 7

A further consequence of the Israeli grip on American policy in the Middle East is that it drops a barrier between policy-makers in Washington and populations in the area, putting the Arab masses out of the range of the normal projections of American cultural power. None of the countries in the region is a liberal democracy—the easiest type of political system to penetrate and usually the most reliable support for Washington. Nevertheless, few regimes have been more staunchly obedient to the US than the assorted tribal monarchies of the area, or the Egyptian dictatorship. But all these states face the problem of how to square their loyalty to America with the enormities of Israeli conduct, financed, armed and protected by the US. Characteristically, they try to protect themselves from popular anger by licensing the state-controlled media to pour out a torrent of diatribes against the United States, creating an atmosphere in which it is very difficult for American cultural and ideological agencies to operate freely, or American intelligence to gain an accurate sense of what is going on below the surface in these societies. Hence the shock in Washington when it was discovered that most of the attackers of 9/11 were Saudis. Lacking its normal dosages of 'soft' power in the region, the

temptation for the US—when confronted with opposition, as it was in Baghdad—is to resort blindly or impulsively to ‘hard’ power, in the hope of cracking open societies hitherto closed to what the West has to offer. This was another ingredient in the mixture of ambitions that went into the invasion of Iraq.

## 8

Finally, of course, not just petroleum and Israel, but religion too sets the Middle East and its flanking zones apart from the stabilized ecumene of American hegemony elsewhere. Not that Islam, even in its most rigorist forms, has proved incompatible with complete subservience to the US at regime level, as the history of the Saudi kingdom demonstrates. But at a social and cultural level, it has remained the strongest of all barriers to ideological victory of the American way. As a faith, moreover, Islam retains a pointed political charge, for given the long history of hostilities between Christendom and the Umma—much longer than claims for their amicable coexistence—it would be surprising if significant traces of such conflicts, sharply reinforced by modern experience of Anglo-French colonial rule, were not left in popular memory. Since the seventies, the failures of Arab nationalism have reactivated these, displacing anti-imperialist feeling into religious zeal of a new intensity, targeting ‘Crusaders and Jews’—Americans and Israelis—alike. Given that the Muslim world has so far developed only a very weak tradition of explaining away original scriptures—as misinterpreted; meant only metaphorically; intended to be updated; etc—of the sort to which Christians and Jews have long been inured, a literal reading of the Koran has far greater moral force than does one of the Bible or Torah. Since Muhammad clearly enjoins *jihad* against infidels in Holy Places, latter-day Salafism—notwithstanding every effort of Western, or pro-Western, commentators to euphemize the Prophet’s words—is on sound scriptural grounds, embarrassing though this undoubtedly is to the moderate majority of Muslims. The result is a ready, though not inexhaustible, supply of young, fanatical fighters against ‘global unbelief’, who have made a reality of the clash of civilizations in the Middle East—there being virtually no point of contact between their vision of the world and that of the Western intruders into it.

The escalation to an invasion of Iraq was thus launched into a zone opaque to the normal calculus by American planners, with inevitable risks of miscuing. But it did not come as a sudden *coup de tête* in Washington. It was the product of a long-standing, and distorted, imperial force-field in the Middle East, whose irrationality for US capitalism finally boomeranged against it on 9/11, setting off a further twist in the spiral of irrationality, since the causes of 9/11 could not be publicly addressed, still less uprooted, in the American political system. In the event, the Pentagon was not wrong in believing that Baghdad could be seized and the regime toppled in a matter of days, with minimum US casualties. What it did not bargain for—but in this most critics of the war, underestimating the social base of the Ba’ath regime, were equally mistaken (I was among them)—was the scale and speed with which an effective *maquis* sprang up afterwards.<sup>6</sup> Within little more than two months after the fall of Baghdad, a nationalist guerrilla, led by survivors of the Ba’athist officer corps, had combined with religious zealots, inspired by Salafism, to organize a resistance against the invaders that for over four years has wreaked havoc on the morale of the occupying armies, and the ranks of their collaborators. Iraq is now the central theatre in the world today where American power is being withstood arms in hand, draining domestic support for the war in the US itself.

## 10

But if Washington is now, in the belief of much of its own establishment, trapped in a quagmire in Iraq, a catastrophic downfall of US positions in the Middle East still looks unlikely. In part, this is because the occupation

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<sup>6</sup> See the judgement of Ali Allawi, Minister of Finance under the American occupation, not one inclined to minimize the tyranny of the regime: ‘The Ba’ath Party had over two million members by the time the regime was overthrown. But it was by no means exclusively, or even predominantly, Sunni Arab. Shi’a, and even Turkomen and a few Kurds were well represented throughout the Party structure’—though, of course, ‘the Party’s upper echelons, and its key organizational and security units, were disproportionately Sunni Arab.’ He concludes: ‘It is insufficient to equate its years in power with the calamities that had befallen Iraq. The Ba’ath Party had metamorphosed into something else. It became a symbolic shorthand that covered more complex loyalties’: Allawi, *The Occupation of Iraq*, New Haven 2007, pp. 148–9.

has divided Sunni and Shi'a communities more ferociously than ever before, making it more probable that a civil war rather than a patriotic victory will end the foreign expedition—so neutralizing any spread effect of the expulsion of the invader. Moreover, however fiercely it fights, the insurgency offers no social or political alternative to the way the world at large is currently run. Elsewhere, none of the bastions of American power in the region has yet been affected by the conflict. All its client regimes remain as loyal as ever: on one side, the long wing of states stretching all the way from Morocco to Egypt; on the other, the entire Arabian peninsula; with Pakistan as the great anchor of the American system to the east. So long as these pillars remain intact, a chaotic and divided Iraq—invigilated from the grid of vast military bases in the country now under construction, not to speak of CENTCOM in Qatar and Kuwait—might be left to consume itself, provided oil continued to flow from the wells.<sup>7</sup> Any radical change in Pakistan would, of course, alter the balance of forces across the region, not least in Afghanistan where the local guerrilla, slower to start than in Iraq, has gained momentum. But the long-standing corporate unity of the Pakistani Army, its grip on the country immune to internal rifts or bouts of nominal civilian rule, makes a disagreeable surprise unlikely.

## II

Ostensibly, Iran remains a joker in the regional pack. An ally of the United States in the overthrow of the Taliban and the Ba'ath, its clerical regime offered Washington, while America was settling into control of Iraq, a comprehensive settlement of outstanding issues between them. The powerful forces in Teheran that are eager for an understanding with the Great Satan—millionaire mullahs, bazaari merchants, westernized professionals, blogging students—have not abandoned their hopes, and continue to press for the local equivalent of a Nixon visit. But conditions have changed since 2003, if by no means completely. A popular revolt against the materially more satisfied classes has elected a less accommodating President, committed to lending somewhat greater substance to the long-standing rhetoric of the regime, at home and abroad. Advance towards the nationalist goal of a nuclear complex, difficult for the various

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<sup>7</sup> For a cogently argued case, if tinged with a final irony, that such an outcome would be an optimal arrangement for the US, see Jim Holt, 'It's the Oil!', *London Review of Books*, 18 October 2007.



pro-Western milieu openly to disavow, has quickened. Neither development poses any significant threat to the United States. But here the Israeli pressure on American policy in the region has been more intense than over Iraq—Tel Aviv insisting that Iran scrap its nuclear programme. For the moment, the US, with full support from its European allies, is retracing the path of the first phase of its assault on Iraq, *Ermattung* rather than *Niederwerfung*, hoping to bring Teheran to reason by sanctions. These failed in Iraq, but in Iran can count on the presence of willing respondents, no less anxious than the US to remove the president and tame the Supreme Leader.

## I 2

The incubus of Israel will remain. In the short term, Washington can hope that the IDF has battered Hezbollah sufficiently to be able to install Turkish or French troops indefinitely in Southern Lebanon as border guards for Israel, and Hamas sufficiently to give Abbas a free hand to sign some final surrender, for a split mini-state behind prison walls. Here the US could rely on the EU. For Europe—divided at regime level over Iraq, but largely hostile to the invasion at popular level—has always been unified in basic solidarity with Israel: not because of the power of the local Jewish community, as in the United States, but out of guilt at the Judeocide. While readier to deplore the occasional IDF excess in words, the EU has all but invariably followed the lead of the US in deeds—cutting off aid to the Palestinian population to punish it for voting for Hamas, and colluding with the Israeli re-invasion of Lebanon. Together, Europe and America would have no difficulty in securing the imprimatur of the ‘international community’ for whatever solution Tel Aviv finally resolves upon for dealing with the Palestinians. Among the other powers—China, Russia, Japan, India, Brazil—there is little interest in the Middle East, and no great stake in it, provided oil markets are not roiled. Whether, of course, such an outcome could quiet the anger of the Arab masses in the longer run is another question.

## III. OPPOSITIONS

If something like this is the bi-zonal map of contemporary power, what and where are the forces of opposition—if any—to it? Of necessity, such

opposition could not be other than ‘anti-American’: that is, antagonistic to the continuing role of the United States as world hegemon. But in itself, this is not sufficient to define a rejection of the *system* that the US at once loosely controls and tightly defends. Any aspirant power centre could take up the first stance, *en attente*, without the slightest inclination towards the second. It is only their combination that indicates real resistance, potential or actual. If we take this dual rejection as a criterion, what does the current scene offer? The two most obvious regions to consider are Europe and Latin America: the first as the homeland of the labour movement as a modern phenomenon, in Britain, France, Germany, Italy, Scandinavia and elsewhere; the second as the only continent with a continuous record of radical upheavals across the entire 20th century, from the Mexican Revolution before the First World War and the Cuban after the Second to the Venezuelan and Bolivian experiences today, after the end of the Cold War.

## I

Not by accident, it is these two regions which gave birth to the World Social Forum, so far the only international movement of opposition to the global status quo. The WSF, after an impressively broad and rapid start, seems itself now winded. Lacking anything like the organization and discipline of the Comintern, which had the resources (and corruptions) of a major state behind it, the Forum has found the task of sustaining an inchoate congeries of protest across six continents, not unnaturally, extremely difficult. Less predictably, the great wave of demonstrations against the impending invasion of Iraq did not give it a second breath, partly because of the shallowness of much of this opposition, which had little or no follow-through once the occupation was installed, but also because of the WSF’s own hesitations in transcending its original NGO culture for a more robust anti-imperialism. Given these limitations, it could not perhaps have been expected—short of a system-wide shock—to flourish long. But its legacy is unlikely simply to disappear.

## 2

That this is so can be judged from France, the land of its conception, where three major social flare-ups shook society within a year, all owing

something to its spirit: the popular campaign that blocked the EU Constitution, the youth riots in the banlieue, and the mass mobilization that destroyed the CPE—each a formidable demonstration of collective protest, and the first directly orchestrated by Attac, the architect of the WSF. No other country in Europe has come near this level of insurgency. Yet it is also the case that no durable movement has crystallized out of these upheavals. The French electorate has put Sarkozy into the Presidency, with greater power than any ruler since De Gaulle, and a mandate to reshape France in a more fully neo-liberal mould. The other European country with the strongest radical traditions since 1945 offers little consolation. Prodi's coalition, after narrowly defeating Berlusconi, has overseen a further weakening of the Italian Left, as Rifondazione—self-described rebuilders of communism—votes for fiscal retrenchment and troops to Afghanistan and the Lebanon, and the latest mutation of what was once the party of Gramsci ditches even the word socialism. In Germany, trade-union discontent with the welfare cut-backs of the Schroeder government has issued in a modest breakaway from the SPD, and fusion with the PDS in a Left Party that has done relatively well at the polls—causing Social-Democracy to draw back from more of the same—but continues to be boycotted by all other parties at national level. Despite plenty of evidence of social discontent throughout Western Europe, and a revival of significant strikes in France and Germany, and demonstrations in Italy, the agenda of the political elites is everywhere moving, at different rates and with different side payments, in much the same direction. Increasing labour flexibility—not only Sarkozy, but Royal called for a roll-back of the 35-hour week in France; further pruning of the welfare state—in Germany, Merkel has targeted the health system; more privatizations—Prodi has local services in his sights in Italy. In Brussels the EU, headed by one of the launchers of the war on Iraq, is managed by the most neo-liberal Commission in memory.

## 3

The scene in Latin America is much more diverse—dramatically so. In Brazil, Lula's regime could from one point of view be regarded as the greatest single disappointment suffered by the Left world-wide in this period. The PT was the last mass workers' party to emerge in the 20th century—in fact, the only truly new one since the Second World War. In origin it was a militantly radical, in no way social-democratic force,

born out of nation-wide popular struggles against a military dictatorship. Coming to power in the largest country of the continent, after eight years of neo-liberal administration it denounced, the party has failed to break with the same orthodoxies, which have made banks and financial institutions the greatest beneficiaries of its rule. No stock market in the world has posted such stratospheric gains as the bourse in São Paulo, rocketing 900 per cent in the space of five years. On the other hand, the regime has not been a mere replica of its predecessor, since it has also distributed some of the windfall from higher world commodity prices—which have yielded more jobs—to the most destitute families, reducing levels of extreme poverty in Brazil's still staggeringly unequal society. Such improvements have alleviated, but in no way activated the poor. They represent perhaps the most striking contemporary example of a Southern variant of the pattern dominant across the North in the nineties—'compensatory' rather than 'disciplinary' neo-liberalism: the line of Clinton and Blair, after that of Thatcher or Reagan<sup>8</sup>—as of the differences made by the continental context. Much as Perón achieved a far larger redistribution of income to labour than any social-democratic government in post-war Europe, so Lula has presided over tropical compensations of greater effect than any metropolitan version of Third Way.

## 4

In the Southern Cone, governments of related complexion hold sway: the Uruguayan and Chilean regimes more timorous than the Brazilian, the Argentinian bolder, if with a narrower margin for economic manoeuvre. In all states, higher prices for raw materials provide a favourable setting for modest social reform. To the north, the scene is much more polarized. In Venezuela, Chávez's Presidency, based on a formidable series of popular mobilizations in support of a radically redistributive, anti-imperialist regime, has offered a beacon to the left in Latin America and beyond, fighting off repeated attempts to overthrow it, before overreaching itself in plebiscitary style. The condition of its popular success, however, has lain in the oil market: first the collapse of prices under the previous oligarchy, which brought Chávez to power, then their recovery

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<sup>8</sup> For this distinction, see Stephen Gill's penetrating essay 'A Neo-Gramscian Approach to European Integration', in Alan Cafruny and Magnus Ryner, eds, *A Ruined Fortress? Neo-Liberal Hegemony and Transformation in Europe*, Lanham 2003.

in the new century that has sustained him. In Bolivia, too, an authentically radical government has emerged from a society that was the original testing-ground for shock therapy, in the wake of its failure and the mass mobilizations and indigenous awakening ultimately unleashed by it. A not dissimilar process is under way in Ecuador. For its part Cuba, released from isolation for the first time since the sixties, has both assisted and been assisted by these Andean upheavals. But any further political contagion has for the moment been stopped, with the narrow defeat of Humala in Peru, the second mandate of Uribe in Colombia and the consolidation of Calderón's Presidency in Mexico. Politically speaking, Latin America remains the most fluid and hopeful of continents. But for the moment, although there is no closure of the political horizon as in Europe, it looks as if only exceptional conditions—great oil wealth, an Indian concentration—can yet break beyond assorted Latin American variants of what passes for political respectability.

## 5

What of the rest of the world? In the United States, reversing the post-war pattern, partisan conflict and ideological tension are now much more intense than in Europe. Most of this has to do with America's schizophrenic value-system—a culture combining the most unbridled commercialization, with the most devout sacralization, of life: 'liberal' and 'conservative' in equal extremes—and has scarcely any relevance for opposition to capital. The war in Iraq has led to stirrings of unrest in layers of the Democratic base, capable of causing modest turbulence in the path of an otherwise smooth Clinton restoration, bending it in a somewhat more tokenistic direction. In the small American Left that overlaps with this milieu, the Bush Presidency has had ambiguous effects—on the one hand galvanizing it politically, on the other weakening its endemically frail defences against collapse into the arms of the Democrats, whose leading candidates have made clear their reluctance to evacuate Iraq, and willingness to contemplate an attack on Iran. But should the crisis in credit and housing markets deepen, discontent with two decades of widening social inequality, already vocal, would no doubt curtail their options abroad, forcing measures of local redressment at home.

## 6

In Russia, it looks as if there could soon be no opposition of any kind to the regime in place. The new electoral laws are designed to neuter rump liberals and communists alike. Under Yeltsin, the catastrophic immiseration of vast sections of the population produced no social protest. Today, even if huge numbers still live in poverty, the overall improvement in standards of living under Putin has been substantial, and generated widespread approval for his rule. The only obvious danger spot for the regime remains Chechnya, where the insurgency has been decimated, but turncoat clan rule is a mechanism that could explode in its hands. National identity will not easily be eradicated. As for Japan, where the LDP is still wanly in the saddle, the two main parties are even less distinguishable than in America: the JSP is extinct, the JCP vegetating in a ghetto. There is no advanced capitalist country where the political system is so petrified.

## 7

India is the very opposite—continual changes of government, electoral instability, mass protests, large-scale strikes, rural unrest (not to speak of religious pogroms). Currently, Congress rule in Delhi depends on Communist parliamentary tolerance, restricting the margin of neo-liberal manoeuvre at the centre. In West Bengal, the CPM has been re-elected for the sixth successive time, an impressive record for any party in any part of the world. But after delivering land reform in the countryside, unlike other regions of India, under its new leader the CPM is reorienting in a business-friendly direction, changing tax laws, cracking down on peasants and unions to attract foreign investment—though it still has a long way to go, compared to the main other Communist party in a capitalist society to survive the Cold War, the SACP, nestling within an ANC regime that offers a tragic African pendant to Brazil. The large and lively Indian intelligentsia retains a significant Marxist wing, by no means all subservient to the officialdom of the Left; while in an elongated vertical belt stretching down from Nepal, where the feudal monarchy has been all but toppled by a Maoist insurgency, revived Naxalite guerrillas are in control of the countryside. The size of India is such that all these expressions of resistance coexist within a still stable, and increasingly

neo-liberal, state. But this is a much more open political environment than anywhere else in the world outside Latin America.

## 8

Where any collective action is concerned, China remains a ruthlessly repressive regime, in which village protests—against expropriation of lands, gangster officials, environmental degradation—are crushed by the thousand every year, increasingly with fatalities. Alarmed at the levels of rural unrest, the rulers have made fiscal concessions to the peasantry, while beefing up the riot police. Isolated coal towns apart, the cities have so far remained much quieter than the villages. There, when not suppressed outright by officials and managers, labour disputes are typically deflected into the courts. Relying for its support on high-speed growth and appeals to national pride, the government is at once distrusted and widely conceded a passive legitimacy. Much of the intelligentsia, traditionally a factor of power in Chinese society, is disaffected—either as liberal critics of the lack of political freedoms, or as social critics of the rush towards a viciously polarized economic system. The emergence of a Chinese New Left, one of the most hopeful developments of the first years of the century, is now under close watch by the regime.

## 9

In sum: these years have seen some spectacular demonstrations of popular will—the WSF in 2001–02, Venezuela in 2002–03, Bolivia in 2004, France in 2005—and a patchwork of resistances elsewhere, but the overall drift of the period has been a further shift to the right, as a new Concert of Powers has increasingly solidified, the Arab street continues to be paralysed, and the imperatives of financial markets have more and more come to be taken for granted as conditions of social existence, from Europe to East Asia, Latin America to Southern Africa, Australia to remotest Micronesia. Now typically tricked out with ‘social’ concerns of one kind or another—even the Republicans have consented to a rise in the minimum wage; Putin has increased pensions; the CCP abolished village *corvées*—neo-liberal doctrines are nearly everywhere the basic grammar of government. The conviction that there is no alternative to them runs deep in popular consciousness. At the limit, as in France,

office-holders who implement them are regularly rejected by voters, only to install new rulers, who with equal regularity continue as before. In this becalmed universe, the cry ‘Another World Is Possible’ risks sounding increasingly desperate. Setting aside normative abstractions (such as Roemer’s voucher socialism) or local anaesthetics (such as the Tobin tax or Jubilee movement), what strategic alternatives are currently on offer? The most plausible candidates are proposals like Robin Blackburn’s Global Pension or Philippe Schmitter’s Eurostipendium,<sup>9</sup> that are designed to twist establishment headaches—pensions crises; CAP—in an unexpectedly radical and far-reaching direction. But such ingenious schemes are few and far between. What others are discernible? In more stratospheric mode, Roberto Unger’s experimentalism offers a range of ways to increase subjective empowerment,<sup>10</sup> whose explicit premise is the lack of any requirement—and diminishing probability—of objective crises in the system such as gave rise to radical or revolutionary movements in the past.

## IO

It is, however, the validity—economic, social and ecological—of this assumption that is likely to be the key on which the lock of the future turns. Readers of *The Economics of Global Turbulence*, *Planet of Slums*, or *The Monster at Our Door* might not be persuaded so easily. The ultimate vulnerabilities of the system lie in the three domains spelt out by Polanyi sixty years ago: labour, nature, money. These, he argued, formed a trio of ‘fictitious commodities’ created by capital, since although they were exchanged on the market, none of them was produced for sale. ‘Labour is only another name for a human activity that goes with life itself, which in its turn is not produced for sale but for entirely different reasons; land is only another name for nature, which is not produced by man; actual money is merely a token of purchasing power which, as a rule, is not produced at all, but comes into being through the mechanism of banking or state finance’. But once these fictions took full hold, they were capable of demolishing any sustainable social existence. Stripped of any protective covering, and reduced to naked commodities, ‘human

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<sup>9</sup> See, respectively, ‘Plan for a Global Pension’, NLR 47, Sept–Oct 2007, pp. 71–92, and *How to Democratize the European Union . . . and Why Bother?*, Lanham 2000, pp. 44–6.

<sup>10</sup> See, most recently, *What Should the Left Propose?*, London and New York 2006; and for the case on crises, *False Necessity*, London and New York 2004, pp. 540–6.



beings would perish from the effects of social exposure; they would die as victims of acute social dislocation'; 'nature would be reduced to its elements, neighbourhoods and landscapes defiled, rivers polluted, military safety jeopardized, the power to produce food and raw materials destroyed'; while 'shortages and surfeits of money would prove as disastrous to business as floods and droughts in primitive society'.<sup>11</sup>

Polanyi, who believed 'no society could stand the effects of such a system even for the shortest stretch of time unless its human and natural substance as well as its business organization was protected against the ravages of this satanic mill', looked forward to a renewal of the original impulses of reform he thought had curbed it in the nineteenth century. The 'great transformation' since the eighties has moved in the opposite direction. What of its reigning fictions? Labour at the disposal of capital has multiplied at a rate never seen before. In 1980 the global work force in the capitalist economies was just under a billion strong, increasing to a bit less than one and half billion in 2000. By that date, however, China, the former Soviet Union and India had added slightly more than the same figure to the total number of workers employed by capital. This doubling of the world's working class to 3 billion in the space of a few years, in conditions often as harsh as in the early nineteenth century, is the largest structural change of the period. Its long-term consequences remain to be seen. In the short run, it is an asset rather than a threat to capital, weakening the bargaining power of labour—cutting the global capital/labour ratio, according to the most authoritative estimate, by 55–60 per cent.<sup>12</sup> On this front, the system looks for the moment safe enough, as the inventory of oppositions to it suggests.

Nature remains more unpredictable. If the scale of its potential threat to the stability of the system is now generally conceded, the proximity of different dangers is less clear cut, and measures to avert them continue to be disputed. Manifestly, a system-wide shock capable of altering all calculations of the future is a possibility. Chernobyl was a small glimpse of what effects a man-made disaster could have. Ecological catastrophes of planetary scope, now increasingly feared, have so far failed to bring states together in any common preventive programmes. Capital, united

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<sup>11</sup> *The Great Transformation*, London 1944, pp. 72–3.

<sup>12</sup> For these estimates, see Richard Freeman, 'What Really Ails Europe (and America): the Doubling of the Global Workforce', *The Globalist*, 3 June 2005. Freeman, a leading Harvard economist, directs the Labor Studies Program at the National Bureau of Economic Research.

against labour, remains divided against nature, as rival businesses and governments attempt to shift the costs of redeeming it onto each other. Eventually, the logic of action in common is likely to prevail, and in that sense the system can no doubt adjust to confront carbon emissions, rising sea levels, deforestation, water shortages, neo-epidemics and the like—in principle. In practice, there is no guarantee it can do so within the necessary time-scales. On this front, complacency is less warranted: looming conflicts over who should foot the bill for cleaning the earth could prove the nearest counterpart to inter-imperialist antagonisms of old, which knocked the system off balance in their time.

In all probability, money remains the weakest link, at any rate in a tangible future. Imbalances in the global financial order, as the United States continues to run up heavy trade deficits, China and Japan accumulate vast piles of dollars, Europe suffers from cheap Asian imports and a depreciating American currency, are now a staple of alarmist commentary in the world's business press. Blind expansion of credit has fuelled a housing bubble in one leading capitalist economy after another—the US, UK, Spain, Ireland, Australia—while even those still without much of their own—Germany—have become entangled in the labyrinths of securitization. The mechanisms of inter-state coordination that have developed since the seventies, headed by the G-8, and more recent informal understandings between central banks, remain on guard to prevent a meltdown of capital markets. But by common consent the contemporary speed and scale of financial crises risks overwhelming them. Behind the turmoil of money lie, in any case, huge tectonic shifts in the real economy, of which they are the most volatile expression. There the unresolved question is plain. In world markets beset by over-production in many key industries prior to the entry of China and India, will the expansion of global demand they represent outweigh the potential for further over-supply they bring, or will the one so far exceed the other as to intensify strains in the system as a whole? Whatever the answer, in the short run the realm of money appears the most likely to trigger such instabilities as are to come.

#### IV. OPTIMISM OF THE INTELLIGENCE?

Such considerations aside, the rapid survey sketched above is limited to a brief span of time, no more than seven years, and clings to the surface

of events. But if a longer-range optic is adopted, can deeper transformations in train be detected, pointing to different political conclusions? At least four alternative readings of the times—there may be more—offer diagnoses of the directions in which the world is moving that are substantially more optimistic. Three of these date back to the early-to-mid nineties, but have been further developed since 9/11. The best known is, of course, the vision to be found in Hardt and Negri's *Empire*, to which the other three all refer, at once positively and critically. Tom Nairn's *Faces of Nationalism* and forthcoming *Global Nations* set out a second perspective. Giovanni Arrighi's *The Long Twentieth Century* and *Adam Smith in Beijing* constitute a third. Malcolm Bull's recent essays, culminating in 'States of Failure', propose a fourth. Any reflection on the current period needs to take seriously what might superficially appear to be counter-intuitive readings of it.

## I

Tom Nairn's account goes roughly like this. Marx-ism was always based on a distortion of Marx's own thought, formed in the democratic struggles of the Rhineland in the 1840s. For whereas Marx assumed that socialism was possible in the long run, only when capitalism had completed its work of bringing a world market into being, the impatience of both masses and intellectuals led to the fatal short-cuts taken by Lenin and Mao, substituting state power for democracy and economic growth. The result was a diversion of the river of world history into the marshlands of a modern middle ages. But the collapse of Soviet Communism in 1989 has now allowed the river to flow again to its natural delta—contemporary globalization. For the core meaning of globalization is the generalization of democracy around the world, fulfilling at last the dreams of 1848, crushed during Marx's life-time. Marx, however, himself made one crucial mistake, in thinking class would be the carrier of historical emancipation, in the shape of the proletariat. In fact, as the European pattern of 1848 already showed, and the whole of the 20th century would confirm, it was nations, not classes, that would become the moving forces of history, and the bearers of the democratic revolution for which he fought.

But, just as a counterfeit democracy would be constructed by Marx-ism, so nationality too was in due course confiscated by national-ism—that

is, imperialist great powers—in the period after the American Civil War and Franco-Prussian War. In the second half of the 20th century, however, the decolonization of the Third World and de-communization of the Second World potentially allow nations without nationalism to come into their own—the only possible frameworks for ‘the generalization and deepening of democracy as the precondition of whatever social forms the open ocean ahead may make possible’.<sup>13</sup> After 9/11 a revived American great-power nationalism and neo-liberal economania have temporarily hijacked the progressive momentum of globalization. Yet it will not propel us into any market uniformity. Its deeper logic requires, on the contrary, a diversity of democratic nations to be humanly bearable, as an anthropological necessity—on pain of a boundary loss incompatible with any kind of identity. No social or cultural homogeneity awaits us at the supposed end of history. ‘We are still in the middle of the rapids of modernity.’

## 2

Hardt and Negri concur that globalization is essentially a process of emancipation, but reach a diametrically opposite verdict on the role of nations within it. Their story starts earlier, in the 16th century, when the liberating spirit of the Renaissance was crushed by a Baroque counter-revolution that erected Absolutism as the originating form of modern sovereignty. Inherited essentially unaltered by the nation-states of the industrial epoch, it is the passing of this legacy, with the dissolution of nation-states themselves into a single, uniform ‘Empire’, that marks the dawn of a new era of freedom and equality. The turning-point here was not the overthrow of communism in 1989—barely mentioned—but the decade 1968–1978, when anti-imperialist victory in Vietnam and revolts by workers, unemployed and students in the West forced a reconfiguration of capitalism into its contemporary universal guise. With the advent of universal Empire, classes too—like nations—fade away, as capital generates the increasingly ‘immaterial’ labour of a single, and no less universal multitude. The days of national liberation, of the working class, of revolutionary vanguards, are over. But just as Empire was created by

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<sup>13</sup> ‘History’s Postman’, *London Review of Books*, 26 January 2006. Other key texts include ‘Out of the Cage’, ‘Make for the Boondocks’, ‘Democratic Warming’ and ‘The Enabling Boundary’: *LRB*, 24 June 2004, 5 May 2005, 4 August 2005, 18 October 2007, and ‘America: Enemy of Globalization’, *openDemocracy*, 2003.

resistance from below, so it will fall to such resistance, as spontaneous networks of opposition to it proliferate across the earth. Out of the spiralling actions of this multitude—demonstrations, migrations and insurrections—driven by a common biopolitical desire for peace and democracy, will flower a post-liberal, post-socialist world. Without the mystifications of sovereignty or representation, all will for the first time rule in freedom and equality. It could happen at any moment. ‘Today time is split between a present that is already dead and a future that is already living—and the yawning abyss between them has become enormous. In time, an event will thrust us like an arrow into that living future’.<sup>14</sup>

## 3

Arrighi’s narrative starts in the Renaissance too, if with the rise of Genoese banking in the 14th century, rather than of Spanish Absolutism in the 16th century. Its form is cyclical. Capitalist expansion is always initially material—an investment in the production of goods, and conquest of markets. But when over-competition drives down profits, there is a switch to financial expansion—investment in speculation and intermediation—as an escape-hatch. Once this in turn runs out of steam, a ‘time of systemic chaos’ ensues, in which rival territorial capitals fight it out through their respective states, on a military battlefield. Out of these wars, the state that emerges victorious establishes a system-wide hegemony that enables a new cycle of material expansion to start again. Such hegemony typically involves a new model of production, combining capitalism and territorialism in unprecedented ways, capable of persuading all other states that the hegemonic power is ‘the motor-force of a general expansion of the power of all ruling classes vis-à-vis their subjects’, resting on a wider social bloc. Out of the Thirty Years War came Dutch hegemony (global finance plus trade monopoly); out of the Napoleonic Wars, British hegemony (global finance, free trade dominance, early factory system); out of the two World Wars, American hegemony (global finance, free trade and the industrial corporation). Today? Like Hardt and Negri, Arrighi sees the anti-imperialist and worker revolts of the sixties and seventies as the modern turning-point, bringing the cycle of post-war material expansion to an end, and forcing capitalism into the *fuite en avant* of financial expansion. That cycle is now in turn petering out, just as American hegemony enters into mortal crisis in Iraq.

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<sup>14</sup> *Multitude*, New York 2005, p. 358.

What next? World labour has been steadily gathering strength,<sup>15</sup> but the big development is the rise of East Asia. In the early nineties, focusing on Japan, Arrighi thought there were three possible futures for humanity: a world empire—a final reassertion of US imperial control over the globe; a world market society, in which an East Asia led by Japan would so counter-balance the US that no single state could exercise hegemony any longer; or a descent into generalized warfare, in a terminal bout of systemic chaos capable of destroying the planet. A decade later, with the still more consequential rise of China, he rules out the first scenario, leaving only the hopeful second and—diminuendo—the catastrophic third.<sup>16</sup> The emergence of a world market society, predicted long ago by Adam Smith, would mean the end of capitalism, since the nexus between the state and finance, born of inter-state rivalry, that defines it would have disappeared; and the arrival of that long overdue equalization of wealth between the peoples of the earth, to which he looked forward.

## 4

Bull's story, by contrast, begins in the 17th century, with the first intimations of an involuntary collective intelligence, as distinct from conscious collective will, in the political thought of Spinoza. Descending through Mandeville at once to Smith, as the invisible hand of the market, and to Stewart, as the natural origin of government, this tradition eventually issued into Hayek's general theory of spontaneous order—perhaps the most powerful of all legitimations of capitalism. Today it has resurfaced in the 'swarm intelligence' of Hardt and Negri's multitude, counterposed to the state that supposedly embodies popular sovereignty, descending from Rousseau.<sup>17</sup> The dichotomy to which Hardt and Negri revert, however, is effectively an expression of the impasse of contemporary agency,

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<sup>15</sup> See Beverly Silver, *Forces of Labor: Workers' Movements and Globalization since 1870*, Cambridge 2003.

<sup>16</sup> *Adam Smith in Beijing: Lineages of the Twenty-First Century*, London and New York 2007, pp. 7–8.

<sup>17</sup> 'The Limits of Multitude', NLR 35, September–October 2005, pp. 19–39; sequel in 'States of Failure', NLR 40, July–August 2006. Subsequent texts: 'Vectors of the Biopolitical', NLR 45, May–June 2007, and 'The Catastrophist', *London Review of Books*, 1 November 2007.

which has become a stalemate between the pressures of the globalizing market and defensive populist reactions to it.

In his time, Bull suggests, Hegel offered a resolution of the antinomy. For *The Philosophy of Right* constructs a passage from the spontaneous intelligence of civil society—the market as theorized by Scottish political economy—to the orderly will of a liberal state. Dismantled in the early 20th century by adversaries from Right to Left, this is the legacy of which a metamorphosis is needed. For what has happened in the interim is the disintegration of the global state whose overlapping incarnations have been the European, Soviet and American empires: first decolonization, then de-communicization and now, visibly, the decline of US hegemony. Does this mean, then, the unstoppable release of a global market society: collective intelligence stripped of any collective will? Not necessarily. The entropy of the global state could release, instead, dissipative structures inverting the Hegelian formula: not subsuming civil society into the state, but—in the opposite direction—reconstituting civil society, on a potentially non-market basis, out of the withering away of the state, as once imagined by Marx and Gramsci.

## 5

These constructions form a set of imaginative enterprises, which seek to look beyond the epiphenomenal headlines of the period at longer-term logics of the world-historical changes we are living through. However remote from the patina of current events one or other may appear to be, each can point to empirical features of the period as evidence for its case. Representative democracy has spread round the world since the late eighties, from Eastern Europe to East Asia and South Africa, with no obvious reversal or stopping-place in sight; new nation-states have been born, from the Caucasus to the Pacific, and no form of democracy has yet been invented that exceeds them. Popular networks have coalesced without central direction, at Seattle or Genoa. American shares of world trade and output have declined. China—and East Asia more generally—is likely to become the centre of gravity of the global economy within a few decades. Populist reactions have so far indeed been the principal response to the expansion of the globalizing market.

## 6

Intellectually speaking, all four versions take as their points of departure thinkers prior to the emergence of modern socialism: Spinoza for Negri, Smith for Arrighi, Hegel for Bull, Marx before Marx (the young Rhineland democrat, prior to the *Manifesto*) for Nairn. All have an Italian background, but in some measure too, could say with Negri: 'I have washed my clothes in the Seine'. This is plainest in the case of Hardt and Negri, much of whose vocabulary—the planar Empire; the nomad; biopower—comes directly from Deleuze or Foucault. But it holds equally for Arrighi, whose vision of capitalism depends centrally on Braudel. For Nairn, it is Emmanuel Todd who has fathomed most boldly, if somewhat crazily, the anthropological premises of modernity. The last thinker cited by Bull, and descriptively nearest to his resolution, is Sartre. Politically, all four versions agree that globalization is to be welcomed, and has already brought us the first or last death-rattles of American hegemony.<sup>18</sup>

## 7

The major line of division between the different versions lies along the axis of the state. For Hardt and Negri, Arrighi and Bull, it is the extinction of the state—national in the first case; hegemonic in the second; global in the third—that encompasses the eclipse of capital. For Nairn, it is the other way round: only the full emancipation of the nation-state can universalize democracy, and assure the cultural diversity necessary for the invention of new social forms, yet to be imagined, beyond the neo-liberal order.

The questions that can be put to each of these constructions are clear enough. Nairn: democracy may be extending round the world, but is it not becoming ever thinner as it does so, not accidentally but as a condition of its spread? Fresh nation-states have risen, but nearly all the newcomers are weak or marginal. Boundaries of some kind may be an anthropological *a priori*, but why should these be national, rather than civilizational, regional, cantonal or other? Hardt and Negri: is the multitude not just a theological figure, as its promised 'exodus' implies, and the 'event' that will install universal democracy in place of Empire a

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<sup>18</sup> The major difference between *Empire* and *Multitude* is the casting down of the idol of the US Republic in the latter.



miraculism? Arrighi: world empire or world market society could only spell the end of capitalism if Braudel's definition of the latter as no more than the sphere of high finance—not trade or production—generated by inter-state rivalry, made sense. But does it?—and is it really the case that world labour insurgency has been rising since the eighties? Bull: an impasse between the globalizing market and populist reactions to it implies that they are of equivalent weight, neither advancing at the expense of the other: is that what the last twenty years suggest? If the current version of the global state (*sc*: US hegemony) is dissolving, why should not it issue into Huntington's patchwork of regional market powers, delimited by civilizational spaces, rather than a global civil society, market or not?

But these are benchmark visions for discussion of the future. Arguments put up against them require equivalents.