Internal Violent Conflicts and Overt War among National States?

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Abstract

We focus on geopolitical tensions, possibilities of internal violent conflicts or overt war among national-states. First, we examine the most important concepts and practices of the neoliberal globalization. The current world situation seems to indicate that neoliberalism is not a theory, a class strategy designed to redistribute wealth upward toward an increasingly narrow fraction of people, despite national contradictions. We review sources of international tensions and some important data of transnational corporations in the North and South. Historical experiences show that crisis can produce different kinds of changes and distinct political responses in societies, such as internal violent conflicts or overt war among national-states. Some of these conflicts can be analyzed by employing two frameworks; national-states framework and global class relations. We argue that in a highly globalized world, the existence of overt war among strong nation-states could seriously damage the globalist bloc transnational commanding class, whereas internal violent conflicts can easily appear almost everywhere as a natural consequence of social and economic inequalities. In order to counterweight the crisis and fascist movements we propose alliances among the dominated classes and other dominated groups.

Keywords

Nation-states – wars – internal conflicts – global capitalism – transnational corporations
Globalization in a Neoliberal Framework

Globalization is defined as a process of international integration arising from the interchange of world views, products, ideas, etc. Globalization has been occurring in different stages since the inception of human kind. Here we will focus our attention on aspects of globalization in economics when neoliberalism has been the dominant form of globalization in recent years. That is, neoliberalism has used elements of globalization to spread its influence all over the world. Then we can say that globalization is a new stage, or epoch, of capitalism relative to its long development of a single world economic system (Robinson 2004; Sklair 2001). This is a qualitatively new transnational or global phase of world capitalism that can be traced back to the 1970s, and is characterized by the rise of a transnational capitalist class (TCC) that is organizationally and practically embodied in transnational corporations (Sklair 2001). In 1971, the US unilaterally cancelled direct convertibility of the US dollar to gold, finishing the 1944 Bretton Woods system to yield a system of floating exchange rates from a system of fixed exchange rates in the foreign-exchange currency market.

The process leading to the emergence of the TCC is driven by the revolution in knowledge-intensive modes of production, containerization in global goods movement (Bonacich and Wilson 2007; Struna forthcoming 2014), and is manifested in both world speculative finance, and the internationalization of production via global commodity chains (Gereffi and Christian 2009). Transnational capital has been able to break free of national state constraints to accumulation beyond the previous epoch, and with it, to shift the correlation of class and social forces worldwide sharply in its favor and to undercut the strength of popular and working class movements around the world, in the wake of the global rebellions of the 1960s and the 1970s (Robinson 2012a). Simultaneously, empirical data suggest that overall inequality as measured by top quintile income share has increased within nations during the 1980s and early 1990s, and is in the process of being redistributed “across and within nations” as a consequence of changes in communications, transport, and transnational institutions (Firebaugh 2003:198). This effect is attributed to neoliberal policies (Harvey 2007), and to the expansion of a culture-ideology of consumerism that perpetuates the adoption of neoliberal practices (Sklair and Struna 2013).

Navarro (2007) states that neoliberalism holds to represents a theory (though not necessarily a practice) that posits with the following three following ideal-typical conditions: First, the state (or what is wrongly referred to in popular parlance as “the government”) needs must reduce interventionism
in economic and social activities. Second, labor and financial markets should be deregulated. And third, national state borders and barriers must be minimized to allow for full mobility of labor, capital, goods, and services—thus theoretically allocating resources where they are needed according to the movements of Smith’s invisible hand. Commentators as far back as Polanyi correctly show that market-based policies like those of (neo)liberal agents actually require a great deal of intervention as he noted “laissez-faire itself [is] enforced by the state” (Polanyi 2001 [1944]:145) But he widespread dissemination of the importance of such principles to the effective governance of national states and their efficient integration into the global economy has led to an almost religious acceptance of neoliberalism by contemporary national state governments. Thus, the degree to which national states articulate with other, likeminded actors is largely determined by the extent to which neoliberal ideology is implemented through policies that correspond as closely as possible to ideal typical conditions.

To be sure, there is a great deal of continuity in capitalist practices across epochs—even in the current period—in terms of effectively extracting labor and material resources from less developed regions, and redistributing them to capital in the core (Chase-Dunn et al. 2005; Robinson 2004; Wallerstein 2004). Yet, the instrumentalization of neoliberalism, coupled with the information and transportation technologies discussed above, have allowed for a shift in the global division of labor. In particular, the current period is marked by the internationalization of the productive circuit of capital (Navarro 2007).

Robinson and Harris (2000) stress the centrality of the circuit of capital to class analysis, and that this circuit is embedded in social, political, and cultural processes. They clearly describe how globalization is becoming more globalized using Marx’s classic equation of capitalist production: Money—(buys) Commodities—(for) Production—(creating more) Commodities—(for more) Money.

“It is around the circuit, particularly M—C—P—C’—M’ (including, crucially, P, or production) that class formation takes place, classes struggle, political processes unfold, states attempt to create the general conditions for the circuit’s reproduction, cultural processes spring forth, and so on. In the earlier period of “shallow integration,” the first part of this circuit, M—C—P—C’, took place in national economies. Commodities were sold on the international market, and profits returned home, where the cycle was repeated. Under globalization P is increasingly globally decentralized, and so too is the entire first part of the circuit, M—C—P” (p. 18).

Some key aspects of the process of accumulation of capital operating on a global scale and political implications have been analyzed in a general way by
many authors. As (Robinson 2003, 2004), Harris (2008) and others (Cox 1996; Palloix 1977; Sklair 2001; Struna 2013) have argued, the globalization of the production process constitutes the material basis for transnational social formations, including classes, and that economically and politically there is evidence that social formations are themselves becoming global.

In short, the establishment of transnational practices that are initiated by non-state actors like transnational corporations, NGOs, and other influential global organizations, creates cross-border social relationships among capitalists (Sklair 2001), and between capital and labor, and thus necessitates transnational regulatory structures that come to functionally resemble transnational state structures (Robinson 2004). Thus, the relations constituted among dominant groups, and between dominant and subordinate groups form transnational class structures that are then mediated by transnational state mechanisms.

However, this does not preclude conflict between fractions of capital—transnational and otherwise—nor does it preclude conflict between or among national states. Given that conflicts can be analyzed by employing a multitude of frameworks, including a conventional national-states framework based on variations of realpolitik, and global class relations perspective, we privilege the latter insofar as the presence of transnational practices, transnational state structures, and transnational capitalist classes, may be better to explain the current period.

2 Transnational Corporations (TNCS) in the North and South

The emergent transnational capital underwent a major expansion in the 1980s and 1990s, involving hyper-accumulation through new technologies such as computers and informatics, through neo-liberal policies, and through new modalities of mobilizing and exploiting the global labor force. Based on data up to March 2011, several aggregate parameters of Forbes G2000 in US dollars can be calculated (Forbes 2011). These 2000 companies account for $2.4 trillion in profits, $138 trillion in assets and $38 trillion in market value. Their revenues were $32 trillion, which compared to the World’s Gross Domestic Product (GDP) in 2010 of $63 trillion, is a little more than half of the World’s GDP. As pointed out by del Castillo-Mussot et al. (2014), the collective economic power of these corporations is huge, and it tends to grow every year. These 2000 firms employ approximately only 80 million people worldwide, a tiny percentage of the world population. Therefore, these units or bricks of current capitalism are very active and are, in general, extremely efficient structures of production.
and accumulation of capital. The sheer power of these simple numbers suggest a state of the world where big companies play a crucial role in the present and future on the human kind. We notice a relative increasing importance of top firms based in the South. In fact, even before the recent financial and economic global crisis that started in 2008 and 2009, Yang and Huang (2011) showed the decreasing importance of top firms based in the North, by calculating the Herfindahl or monopoly concentration index in the *Forbes* Global 2000 firms from 2003 to 2009.

In a dramatic sense, Amin (1994, 1997) denounced the existence of a huge complex “monster” related in our age to the one and single capitalist world economy from the point of view of human society. This monster is the powerful alliance of the governments of nation-states that support their giant transnational companies. In a nutshell, the tentacles of this monster want and tend to monopolize or control the following resources or activities:

1) Technology, supported by military expenditures of the dominant nations
2) Global finances and a strong position in the hierarchy of current account balances
3) Natural resources
4) International communication and the media
5) Military means of mass destruction

In his framework, Amin refers mainly to governments in the North (industrialized nation-states) which are allied with their home-based giant transnational companies. However, this approach has two main shortcomings. In the first place, Amin does not take into account also the governments of the rich countries and the transnational companies have allies in the countries of the South (less developed peripheral or semispherical countries in a world system). Actually this alliance also includes powerful transnational companies in private hands that have arisen in the South by various mechanisms such as formation of monopolies and oligopolies, privatization, etc. As experience shows more and more, divisions are no longer drawn along by countries or homelands, but divisions are more and more marked by the position in the production process, locally and globally. Accordingly, in the South there are big efficient companies and billionaires, whereas we witness growing inequality in the North. In this globalized new phase in the history of capitalism, it is argued by Robinson and Harris (2000) that the TNCC seems to have achieved almost total global economic, political and cultural hegemony. They claim that there is strong evidence of the existence of a loose global state apparatus resembling a global state superimposed on a nation-state structure. In summary,
current world situation seems to clearly indicate that neoliberalism is not a theory meant to improve the economy, but instead, it should be understood as a class strategy designed to redistribute wealth upward toward an increasingly narrow fraction of people, despite national contradictions.

3 Hegemonists, Globalists and Foreign Intervention in Iraq

Here it is convenient to follow the excellent approach of Harris (2000, 2003) to analyze the members of the transnational capitalist class (tcc). He distinguishes or divides politicians into two sets: globalists and nation-state hegemonists, the latter more being more militarily aggressive. It looks as a reasonable classification, although the set formed by their intersection is not empty. The globalists propose privatization and a diminished role for the state in national economic activity and social services. National defense or military expenditure is not a central issue. The globalists consolidated ideologically in the early 1980s under the policy of the Washington consensus. Nation-state hegemonists have strong interests in the military/industrial complex, and their goal was a US pre-eminence that is losing ground after perceived failures in the interventions in Iraq and Afghanistan. We argue that in a highly globalized world, the existence of overt war among national states could seriously damage the interests of the transnational capitalist class. However, in the light of these different outlooks on global matters, let us now analyze the important case of foreign intervention in Iraq.

In order to understand the emergence of the Iraqi transnational capitalist class, after the armed foreign intervention in this country, we follow the main concepts of the work of Baker (2011). Prior to US occupation, Iraq had a centrally planned economy. Among other things, it prohibited foreign ownership of Iraqi businesses, ran most large industries as state-owned enterprises, and imposed large tariffs to keep out foreign goods. After the US military came in and took over Iraq, the CPA vested itself with executive, legislative, and judicial authority over the Iraqi government. CPA Order 17 granted all foreign contractors operating in Iraq immunity from “Iraqi legal process,” effectively granting immunity from any kind of suit, civil or criminal, for actions the contractors engaged within Iraq. CPA Order 49 provided a tax cut for corporations operating within Iraq. It reduced the rate from a maximum of 40 percent to a maximum of 15 percent on income. Corporations working with the CPA were exempted from owing any tax. That is, neo-liberal shock therapy imposed on Iraq by the Anglo-American government of occupation provided momentum to a new economic order. Interestingly, as shown by Baker (2011), the Iraqi
economy was open, in principle, not only to American companies, but to all TNCs to benefit the TCC. The permanent constitution of Iraq adds fodder to sectarian claims. The only thing that the constitution is clear on is that Iraq is to be a neo-liberal republic, based on individual rather than collective rights, and integrated within global market forces. While US firms certainly did gain from the use of force, and British forces also participated, the overall effect was not the perpetuation of US interests only: contracts with Russian, Chinese, Indian, and other firms eventually ensued. Thus, the actions of hegemonic actors should not be seen in the conventional sense of state-centered “self-interest,” but in the broader sense that transnational capitalist interests are served generally. So, it is crucial to grasp and emphasize the notion that US intervention serves more than US interests, and that the TCC ultimately wins beyond any one national state capitalist class.

4 Some Sources of International Tension

Now we briefly analyze important points of geopolitical tension. That is, those regions in which the interests of major powers collide and could escalate into violent conflicts. In these cases the US international behavior is crucial.

4.1 China, US and the Asia-Pacific

According to the recent reports in the Chinese press, the US is causing tensions to gain a regional role in the Asia-Pacific. The recently published Defense Strategic Guidance (DSG) released by the Obama administration in January 2012 revealed that the US will continue to contribute to global security but will do a rebalance and will focus on the Asia-Pacific region. The DSG, though not China-centered worries that China is emerging as a regional power and can affect the US economy and security in several ways. Analysts said that there is a strategic shift in defense policy of the United States to create regional tension and accelerate the militarization of the region.

However, the well-known data of the volume of trade between the US and China benefits TNCs with domiciles in the US and elsewhere. From this fact, we can draw important conclusions. Although there is a large US trade deficit with China it seems that an open war between the US and China is unlikely to happen because of the terrible economic damage that this conflict would cause.

4.2 Syria, Iran and the Shanghai Cooperation Organization

Historically, some ties between the USSR and Iraq, Libya, Syria, Iran and the Palestinians were somehow inherited by the current Russian Federation.
The only naval base for in the Russian navy in the Mediterranean, Tartus, is in Syria. Economic ties and military ties between Iran and Russia have been strengthened after the break and change of regime in the Soviet Union. Syria is a strategically of Iran and the Palestinian movement and Hezbollah. After the end of the Soviet Union, all of them used to show more independent behavior in the international arena than other countries in the region. Furthermore, they used to be more independent in relation to the TCC than most countries in the world. It is for that reason that the US, the European Union and the Cooperation Council for the Arab States of the Gulf, also known as the Gulf Cooperation Council (GCC) have called for foreign intervention in Syria.

Now let us now proceed to analyze the encirclement around Iran, following the chronology and reasoning of a recent paper by Islam (2011), who works in Bangladesh. The Atomic Energy Organization of Iran (AE0I), founded in 1974, announced an ambitious plan to build 23 nuclear power plants to generate 23,000 MW of nuclear energy within 20 years. America’s Gerald Ford administration in particular, together with French and German companies, actively supported Iran’s nuclear program, supplying it with components and training Iranian nuclear scientists. Considerable progress was achieved in constructing two nuclear reactors in Bushehr. Although these countries only intended to help Iran to develop nuclear energy, the Shah clearly had nuclear weapons in mind. In September 1974, the Sha remarked:

> The present world is confronted with a problem of some countries possessing nuclear weapons and some not. We are among those who do not possess nuclear weapons, so the friendship of a country such as the United States with its arsenal of nuclear weapons... is absolutely vital (Cottrell and Dougherty 1977).

Nowadays, the relationship between US and Iran is completely different since this nuclear assistance was halted during the political turmoil in Iran in the late 1970s that resulted in the removal of the Shah.

Currently, Iran views itself as a target of the US and Israel and the Iranian leadership generally argue that their country is entitled to sovereignty over civilian nuclear power and deny that their government has a nuclear weapons program. Western countries, on the other hand, feel the civilian program has a hidden agenda that includes the eventual production of nuclear weapons. Now there are negotiations that may yield satisfactory results. Washington has sought to isolate Iran from Central Asian energy supplies by urging states to build pipelines that bypass Iran, while enforcing sanctions upon those states and firms trading with Iran. Tehran, Beijing and Moscow view the US political
and strategic presence in Central Asia with alarm and consider it as a desire to establish bases in the region. The US and Israel obviously would prefer a regime change or overthrow of the current Iranian government to open war. But a change of government in Iran in favor of US geopolitical interests would change geopolitical conditions in the Middle East, Caucasus and Central Asia to the detriment of the interests of Russia and China. Let us recall that much of world’s reserves of gas and oil are located in these regions. At a geopolitical level, it is important to mention that Beijing and Moscow have utilized the Shanghai Cooperation Organization (SCO) as a platform for a collective security operation in Central Asia. Iran joined the SCO as an observer in 2005 and in 2008 became a permanent member. The SCO since its inception has served as a forum for unifying Central Asian governments in a sort of anti-American regional security organization. It is important to mention that Russia and China are more or less formally allied through the SCO and the block called BRICS (Brazil, Russia, India, China and South Africa).

5 Patterns of Inequality, Intra- and Inter-State Conflicts and 21st Century Fascism

We argue that in a highly globalized world, the existence of overt war among national states could seriously damage the globalist bloc transnational commanding class. Let us briefly mention the possibility of overt war among major players in the military sense, the US, China and Russia. In the case of Russia, despite the problems in Ukraine, a big war between Russia and the US or her European allies would be really dangerous for the globalist bloc and TCC in Europe, since Russia is a main energy supplier of energy (gas and oil) to Europe. In the case of China, the volume of trade between the US and China involves huge sectors of both economies. Let us also recall the above mentioned formal links between China and Russia in the SCO and the BRICS, so a big conflict of the US with either power will have serious repercussions on the other. Therefore, we argue that in a highly globalized world, the existence of overt war among strong national states such as China or Russia, could seriously damage the globalist bloc transnational commanding class.

However, the emergence of open warfare or civil war instigated by the US and its allies against countries with some degree of political independence as Syria, Iran or Venezuela is a more likely event. Libya's case is exemplary in this regard taking into account the large reserves of good quality oil in Libyan territory. All these cases show the usual patterns of geopolitical national states
interests together with big transnational oil companies as important international agents.

Neoliberal economic globalization has increased domestic economic inequalities in virtually every country in the world, including rich countries where living standards of the population are falling and unemployment rising. Clearly, then violent conflicts can easily appear almost everywhere as a natural consequence of social and economic inequalities. We would expect new patterns of inequality within national states to produce intra-state conflict (because of within nation inequality and transnational class formation), and decreased inter-state conflict (because of decreased between-nation inequality and transnational class formation). Further, the TCC will use intra-state conflict to its advantage to exacerbate social tensions that could eventually lead to transfer of resources from one group to another, thereby providing mechanism for TCC agents to intervene and “advise” the victors.

On the other hand, following the logic of Robinson (2012a) on the preconditions of global fascism, let us mention that the crisis of global capitalism is unprecedented, given its magnitude, its global reach, and the extent of ecological degradation and social deterioration. Robinson points out that global capitalism of the 21st century is taking a new dimension as it is excluding one-third of humanity from productive participation in the capitalist economy. This process has accelerated since 2008 with an abandonment of large sections of humanity. This global system encourages a vicious circle in which large sectors of people are miserable, exploited or excluded. The system neither sees nor hears them, but tends to isolate and neutralize their potential rebellion, criminalizing the poor and dispossessed.

5.1 How to Counterweight Crisis and 21st Century Fascism?
How to defend the majority of people from such awful scenarios? To briefly answer this question we conclude our article with two quotes:

The counterweight to 21st century fascism must be a coordinated fight-back by the global working class. The only real solution to the crisis of global capitalism is a massive redistribution of wealth and power—downward towards the poor majority of humanity. And the only way such redistribution can come about is through mass transnational struggle from below. We face a system that is now much more integrated, and dominant groups that have accumulated an extraordinary amount of transnational power and control over global resources and institutions. (Robinson 2012a)
The left-wing alternative must be centered in alliances among the dominated classes and other dominated groups, with a political movement that must be built upon the process of class struggle that takes place in each country. As Hugo Chavez of Venezuela said, “It cannot be a mere movement of protest and celebration like Woodstock.” It is an enormous struggle, an endeavor in which organization and coordination are key, calling for a Fifth International. This is the challenge to the international left today. (Navarro 2007).

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