

Review - Globalization and Capitalist Geopolitics

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ADRIAN BUDD, APR 23 2016

Globalization and Capitalist Geopolitics: Sovereignty and State Power in a Multipolar world

By Daniel Woodley

London: Routledge 2015

Daniel Woodley explores important contemporary trends in the capitalist world system from a Marxist perspective. Focusing on tensions between economic transnationalization and the persistence of state power and inter-state (and inter-regional) geopolitical rivalry, Woodley poses challenging questions for all perspectives in IR, including those seeking to transform the chaotic and destructive dynamics of globalized capitalism.

Woodley's central thesis is that, notwithstanding US military and financial power, the world has entered a transitional phase in which 'imperial state hegemony is giving way to a new international economic order characterized by capitalist sovereignty and the competition between regional/transnational concentrations of power for geopolitical security' (p.xiii). In line with the transnationalist Marxist perspective, Woodley argues that the scale of transnational corporate power is such that the significance of inter-state competition is declining and that corporations operate within the framework of an emergent transnational state form of capital (chapter 4).

Capitalist sovereignty and state power

Woodley argues that the concept of capitalist sovereignty (chapter 2) reintegrates the dual logics of capital and territoriality that are separated in much international political economy. Rejecting the common view that states are the basic entities of IR, Woodley 'places the value form-determined relation of power at the centre of theoretical analysis' (p.1), emphasizing that both capital and states are subject to capital's determining logic. Capital continues to depend on states 'to reproduce the conditions necessary for the production of value' (p.22), but, echoing Robert Cox's transmission belt metaphor (later withdrawn), Woodley argues that states are becoming 'administrative instruments for restructuring' economies in line with transnational corporate interests (p.18). Like other transnationalists, Woodley throws down a gauntlet to state-centric IR and IPE, Marxist and otherwise.

The processes of transnationalization and the supersession of state power by capitalist sovereignty are incomplete and the developing transnational state remains 'unstable', even if Woodley argues that it is 'the contemporary global form of the capitalist state' (p.73). But if it is unstable, and if the institutions of global governance 'are unlikely to survive the eclipse of a hegemon with the determination to defend the given status quo' (p.80), the transnationalist thesis begins to look questionable. Important aspects of the relationship between capitals and states that Woodley might have addressed include: the degree to which transnational capitalist class formation has developed and its relationship to national class formation; whether the global financial institutions are a vehicle for the imposition of rules and policies reflecting global capital's ascendancy or a site for inter-state bargains and the relationship between the two; whether, and which, capitals retain a privileged relationship with home-states.

Geopolitics

Consistent with the view that state power has been partially eclipsed by transnational corporate interests, Woodley argues that traditional statist geopolitics is 'increasingly inconsistent with the transnational organization of trade,

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investment and production in a post-US-centric global economy...' (p.1). In chapter 7, 'capitalist geopolitics', he elaborates this argument and provides a fascinating analysis on some key issues in the contemporary geopolitical landscape. These include the developing multi-polarity, the rise of non-Western contender states such as China, Russia and Iran and the developing counter-hegemonic cooperation between them, including via measures that could contribute to the weakening of dollar supremacy. He also stresses the abiding importance of Eurasia, which has been uppermost in US geostrategic thinking for some decades. His coverage stresses the fluidity and messiness of world order after the certainties of the bi-polar Cold War and the post-Soviet-collapse unipolar moment. Insightful and interesting, this chapter nevertheless sits uneasily with Woodley's central thesis and is cast firmly within a state-centric framework.

Woodley rejects the US super-imperialism perspective sometimes mobilized by those on the Left who supported the USSR, however critically, but there are traces of Cold War 'campism' in some of his arguments. Thus, 'while Russia and China need peace to realize their long-term goals... the US needs perpetual conflict to push rising contenders off-balance and delay secular realignment of world order – even at the risk of igniting full-scale war in Europe' (p.212). The reference to US interests here is cause for further reflection, but recent events (in Ukraine, Chechnya, Georgia, and around the South China Sea for example) suggest that where Russia and China are concerned Woodley is empirically inaccurate, while it is also hard to discern its consistency with Marxism.

Marxist approaches to IR build upon Marx's insight that capital is not a thing but a relation – between dead and living labour – and his labour theory of value. Woodley rejects this: under financialization 'the assumption that value is derived exclusively from direct exploitation of labour-power as a commodity is unsustainable' (p.7). This argument is not developed systematically, but is supported by claims that financial capital has constructed a transnational mode of power 'realized through the organization and manipulation of markets and prices' and that new financial instruments are able to 'leverage value from investments in equities and securities at higher rates than is possible through the exploitation of labour-power...' (p.8). Demonstrating the power of financial capital to secure global sources of current and future value does not, however, conclusively demolish the labour theory of value, which underpins, albeit via a series of complex mediations, the world's equities and securities markets. Whether as a result of his approach to value or otherwise, the working class is all but invisible in Woodley's book. This invisibility allows Woodley to construct a one-sided account of an abstract global capital operating in a de-politicized transnational economic space. This account overlooks the concrete form of transnational capital as globally oriented corporations, with particular strategic objectives, structures, value-chain linkages and historical relations with particular states. Embroiled in intense competition with each other in a context of dynamic unevenness, and dependent on states to provide a veneer of legitimacy to capitalist practice and to manage the capital-labour relation, capitals continue to work closely with states.

Once the capital-labour relation is made central to explanations of wider forms of social power, capitalist geopolitics can be understood not as an expression of the power of capital in isolation but as an aspect of a total uneven and combined social system within which subaltern classes and states are essential and dynamic elements. Woodley occasionally hints that states articulate, promote and defend the interests of nationally-based capitals rather than passive bearers of the imperatives of transnational capital. Thus, he refers to 'the determination of Asia and Latin America to overcome relative backwardness through coordinated state intervention, state managed financial architectures...' (p.160). Elsewhere, he refers to the way that transnational capital seeks protection from regional economic arrangements, such as the EU (p.148), and argues that rising contender states 'would eventually seek to revise the existing structure of global governance to support their own geopolitical aspirations and regional financial interest' (p.105). But, the thrust of his argument is that transnational capital is triumphant and states increasingly subordinate to an emergent transnational state form. While Woodley, and transnationalist Marxism more generally, rightly highlights and theorizes the emergence of novel forms and processes in world capitalism in recent decades, change does not obliterate continuity. The inter-imperialist rivalry perspective of the classical Marxist tradition retains much of its explanatory power, even as continual adjustments must be made to accommodate and explain real changes in the global system.

Conclusion

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Globalization and capitalist geopolitics frequently takes the form of a long literature review in which Woodley slaloms between theorists without reference to the evidential basis of their arguments and often does not clearly demarcate his own views. Nevertheless, his scholarship is extensive and much of his discussion is important and challenging. The rational kernel of his central argument lies in the fact that capitalism tendentially unifies the world economy under the whip of competitive pressure, which shapes all forms of social power, including state political power. The geostrategy of the world's major states, particularly United States, world capitalism's (declining) hegemonic force, is also subject to these pressures and geared towards the promotion of transnational economic integration and global openness. But this is only part of the story, and Doug Stokes correctly identifies dual logics – transnational and national – operating on the US. The world's major state simultaneously promotes transnationalism and its own interests, and, while the balance between the two may differ, this is also true of other significant states.

When Marx and Engels wrote in the *Communist Manifesto* that capitalist state executives manage the common affairs of the entire bourgeoisie they made no reference to uncommon affairs (nor, incidentally, to the fact that most of 'the entire bourgeoisie' is managed by other states). If capitalist competition persists, even to the point of the destruction of rival firms, under these states, it is hard to see why this should be different at the global level, or why capitals would forego the competitive advantages that might still arise from a structured relationship with states.

About the author:

Dr Adrian Budd is a Principal Lecturer in Politics at London South Bank University. He teaches a range of undergraduate modules covering political theory, European politics, international relations and the rise of the BRICS countries. His research interests and publications focus on international relations, imperialism, social theory, China and the BRICS economies, and the politics of sport. Dr Budd's latest book, *Class, States and International Relations: a critical appraisal of Robert Cox and neo-Gramscian theory* was published by Routledge in May 2013.